

CTF-SCF/TFC.6/4
June 5, 2011

Joint Meeting of the CTF and SCF Trust Fund Committees
Cape Town, South Africa
June 27, 2011

CIF FY12 BUSINESS PLAN AND 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 FY12 Administrative Budget CTF-SCF/TFC.6/4. The Committees welcome the business plan and notes that the proposed FY12 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.

I. INTRODUCTION

1. The CIF Trust Fund Committees (TFCs), at their joint meeting on March 16, 2010, reviewed and approved the *Climate Investment Funds FY 11 Administrative Budget (CTF-SCF/TFC.4/5)*. 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 FY11 budget, totaling \$ 20,094.3 million, provided \$ 16,716.1 million of administrative resources for *the CIF Administrative Unit, the Trustee and the five 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 implementation of CIF activities at the country level. The budget also provided \$2,028.2 million to cover expenditures that the five MDBs as implementing agencies were expected to incur in assisting recipient countries in preparing strategic programs or plans for use of CIF funds, and \$1,350.0 million for the Partnership Forum.
3. Three years into operations, programming of CIF resources has been mostly completed and implementation of the investment plans are underway in several partner countries. Programming guidance and operational modalities for three targeted programs have been approved for the use of SCF resources, and development of country and regional investment plans are well advanced for the PPCR, while preparations have been launched to develop country investment plans in all pilot countries selected under the FIP and SREP.
4. The main challenges for CIF during this implementation phase will be to ensure high quality and timely CIF program implementation at country level, enhance stakeholder participation; and capture lessons learned and results.
5. The proposed CIF Business Plan and FY12 Budget elaborates on these challenges and identifies the resource requirements to address them. The paper (i) reports to the Trust Fund Committees on achievements during FY11; (ii) sets out revised program targets for CIF business development FY12-15 and addresses associated thematic work program priorities; (iii) presents specific administrative services and associated budget requests for FY12 for the Trustee, the Administrative Unit, and the five MDBs¹; and (iv) summarizes planned MDB activities in support of country programming of CTF and SCF funds and their associated budget requests for FY12.

¹ The five MDBs are: African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and the World Bank Group (for purposes of administrative budget, the International Bank for Reconstruction and Development and the International Finance Corporation are listed separately).

II. FY11 ACHIEVEMENTS

6. During its third year of operation, the CIF's work program has involved program and policy development for the Forest Investment Program (FIP) and the Scaling Up Renewable Energy Program (SREP). The CIFs also focused on supporting country-led development of Clean Technology Fund (CTF) projects arising from approved investment plans, continuing the country-led preparation of Strategic Programs for Climate Resilience (SPCRs) in PPCR pilot countries, and initiating, in selected pilot countries, the preparation of investment plans for the other two targeted SCF programs, FIP and SREP. In addition to these activities, the CIF planned the third CIF Partnership Forum in Cape Town, (June, 2012), established the Global Support Program to facilitate sharing of information and knowledge among pilot countries, MDBs and CIF stakeholders. The CIF also completed the development of CIF-wide frameworks and programs for managing results and knowledge. A summary of what has been accomplished follows.

Program Development, Policies and Operational Guidance

7. Further development of operational and financing policies for the FIP and the SREP was completed in FY 11. Presented below is a list of operational guidance and policy notes approved by the governing bodies of the two targeted programs. Box 1 lists the guidelines and policies approved by the CIF governing bodies and the guidance documents agreed by the MDB Committee in FY11.

The Forest Investment Program (FIP)

8. The *FIP Operational Guidelines* and *FIP Investment Criteria and Financing Modalities* were approved by the FIP Sub-Committee in June 2010.

9. At its meeting in November 2010, the FIP Sub-Committee discussed and approved the *Allocation of FIP Resources to the FIP Pilot Countries* (FIP SC.5/5) and agreed on the allocation of grant and concessional resources.

10. With the clarification of the allocation of FIP resources, FIP pilot countries, supported by the MDBs are now developing their investment plans through a country-led and participatory process consistent with the approved *FIP Operational Guidelines*. The first two investment plans (Burkina Faso and Democratic Republic of Congo) are expected to be submitted for review and endorsement at the June 2010 meeting of the FIP Sub-Committee.

11. The FIP 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 final design proposal for a dedicated initiative is to be considered by the FIP Sub-Committee at its meeting in June 2011. The design proposal was prepared by representatives of indigenous peoples groups and local communities through an extensive consultative process financed by the FIP and facilitated by the International Union for the Conservation of Nature (IUCN).

The Program for Scaling Up Renewable Energy in Low Income Countries. (SREP)

CTF

- *CTF Results Framework* (approved by CTF/TFC, November 2010)
- *Pipeline Management* (approved by CTF/TFC, November 2010)
- *Portfolio Risk Management* (proposed for CTF/TFC review at its June 2011 meeting)

SCF

- *Options for a Quality Review of Investment Plans and Strategies* (approved by SCF/TFC, November 2010)
- *Costs of MDB Project Implementation Support and Supervision Services for Public Sector Programs and Projects under the SCF* (approved by SCF/TFC, November 2010)

PPCR

- *PPCR Results Framework* (reviewed by PPCR Sub-Committee in November 2010, and approved by the CSF Trust Fund Committee in November 2010.)
- *Use of Concessional Loans in the PPCR* (proposed for PPCR Sub-Committee review at its June 2011 meeting)
- *PPCR Pipeline Management* (proposed for PPCR Sub-Committee review at its June 2011 meeting)

FIP

- *Allocation of Resources to FIP Pilot Countries*(approved by FIP Sub-Committee, November 2010)
- *FIP Results Framework* (approved by FIP Sub-Committee, June 2011)
- *Design of FIP Dedicated Grant Mechanism for Indigenous Peoples and Local Communities* (proposed for FIP Sub-Committee review at its June 2011 meeting)
- *Criteria for the Allocation of Resources from the Grant Reserve under the FIP* (proposed for FIP Sub-Committee review at its June 2011 meeting)

SREP

- *Programming Modalities and Operational Guidelines* (approved by Sub-Committee, November 2010)
- *Financing Modalities* (approved by Sub-Committee, November 2010)
- *Proposal for the Allocation of SREP Resources to Pilots* (approved by Sub-Committee, November 2010)
- *SREP Results Framework* (reviewed by the Sub-Committee in November 2010, and approved by the SCF Trust Fund Committee in November 2010)

MDB guidance:

- *Payments for MDB Project Implementation Services under SCF's Targeted Programs- Implementation Guidance* (approved by MDB Committee)

- *Integrating Information Sharing and Lessons Learning in CIF Country Programs and Projects* (approved by MDB Committee, March 2011)
 - *Simplified Arrangements for Joint-Mission Internal Reporting and Enhance Mechanisms for Sharing of Experiences and Lessons* (approved by MDB Committee, January 2011)
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12. At its meeting in November 2010, the SREP Sub-Committee approved the *SREP Programming and Operational Guidelines* and the *SREP Financing Modalities*, allowing the six countries selected to the program in June 2010 to begin programming activities. The Sub-Committee also approved a reserve list of pilots to be considered should additional funding become available, including: Armenia, Liberia, Mongolia, Pacific regional program, Tanzania and Yemen.

BOX 1.

CIF Program Development - Policy and Operational Guidelines Approved or Submitted for Review during FY10. (chronologically by CIF program)

Country programming and project funding updates

13. The principle of country-led, MDB-supported programming for the use of CIF resources is central to the CIF's mission. The CTF investment plans (IPs), PPCR Strategic Programs for Climate Resilience (SPCRs), FIP and SREP IPs will serve as programmatic, strategic frameworks for allocation of CIF funds in each country or region, leading to the funding of individual programs and projects.

Clean Technology Fund (CTF)

14. In the Business Plan for FY2011, it was envisaged that on the implementation level, programming of CTF resources was to be completed in 15 countries covering a range of investment opportunities in the public and private sectors, and that important lessons on the approaches for engaging the private sector in the country-led process and on the structuring of private sector investments would be captured and shared with the MDBs, the country teams and broader stakeholders involved in developing the work program for the SCF in their programming resources for close to 30 countries.

15. In FY2011, an investment plan for Nigeria was endorsed by the CTF Trust Fund Committee for a total CTF envelope of US\$250 million, of which US\$50 million will be allocated to private sector projects in the area of energy efficiency and renewable energy through financial intermediaries. Funding of the projects and programs in the investment plan will be contingent upon availability of further funds, recognizing that the resources pledged to the CTF have already been allocated to earlier investment plans.

16. As of now, 13 country investment plans (including Nigeria) and 1 regional investment plan have been endorsed by the CTF Trust Fund Committee. The total funding envelopes for

these investment plans (excluding Nigeria) amount to US\$4.35 billion. In addition, new countries have also indicated interest in preparing investment plans for CTF funding.

17. As of May 15, 2011, twenty-six CTF projects have been approved by the Trust Fund Committee, thirteen of which were approved during FY2011. See Table 2 below for a list of CTF projects that have been approved by the Trust Fund Committee to date.

18. In addition to funding for projects, two project preparation grants of US\$1 million each were approved by the Trust Fund Committee for *Egypt: 200 MW Wind Farm in the Gulf of Suez* with AfDB in November 2010 and for *Kazakhstan Renewable Energy Development Framework Facility* with EBRD in April 2011.

CLIMATE INVESTMENT FUNDS
SUMMARY of APPROVED PROJECTS
AS of APRIL 30, 2011

	COUNTRY	PROJECT TITLE	MDB	TFC APPROVAL DATE	SECTOR CLASS	FUNDING
CLEAN TECHNOLOGY FUND						
1	Colombia	Sustainable Energy Finance Program	IDB	Dec-10	Private	6.1
			IFC	Dec-10	Private	11.4
2	Egypt	Wind Power Development Project(Transmission)	IBRD	May-10	Public	150.0
3	Indonesia	Indonesia Geothermal	IBRD	Dec-10	Public	125.0
4	Kazakhstan	District Heating Modernization Framework	EBRD	Jan-11	Private	42.0
5	Mexico	Private Sector Wind Development	IFC	May-09	Private	15.6
6	Mexico	Urban Transport Transformation Project	IBRD	Oct-09	Public	200.0
7	Mexico	Public-Private Sector Proposal Renewable Energy CTF Program	IDB	Nov-09	Private	53.4
8	Mexico	Efficient Lighting and Appliance Project	IBRD	Sep-10	Public	50.0
9	Mexico	Private Sector Energy Efficiency	IDB	May-11	Private	24.4
10	Philippines	Sustainable Energy -RE Accelerator Program (REAP)	IFC	Sep-10	Private	20.0
11	Philippines	Sustainable Energy Program	IFC	Feb-11	Private	10.0
12	South Africa	EE Program	AfDB	Oct-10	Private	7.5
13	South Africa	Sustainable Energy Acceleration Program	AfDB	Oct-10	Private	42.5
			IFC	Oct-10	Private	42.5
14	South Africa	EE Program	AfDB	Oct-10	Private	7.5
15	South Africa	ESKOM Renewable Support Project-CSP/Wind	AfDB	Nov-10	Public	100.0
			IBRD	Nov-10	Public	250.0
16	Thailand	Renewable Energy Accelerator Program(TSEFF)	IFC	Jun-10	Private	40.0
		Sustainable Energy Finance Program(T-SEF)	IFC	Oct-10	Private	30.0
17	Turkey	Private Sector RE and EE Project	IBRD	May-09	Public	100.0
18	Turkey	Commercialized Sustainable Energy Finance Program (CSEF)	IFC	Sep-09	Private	21.7
19	Turkey	Turkish Sustainable Energy Financing Facility(TurSEFF)	EBRD	Jan-10	Private	43.3
			EBRD	Sep-10	Private	6.8
20	Ukraine	Ukraine Sustainable Energy Finance Program	EBRD	Oct-10	Private	27.6
21	Vietnam	EE - Sustainable Energy Finance Program	IFC	Sep-10	Private	30.0
		Subtotal				1,457.2
PILOT PROGRAM FOR CLIMATE RESILIENCE						
22	Tajikistan	Improvement of Weather, Climate and Hydrological Service Delivery	IBRD	Mar-11		7.0
TOTAL						1,464.2

The total CTF funding for projects approved by Trust Fund Committee amounts to US\$1.457 billion. Of this amount, US\$833 was approved during FY2011.

Pilot Program for Climate Resilience (PPCR)

21. As of May 30, 2011, 7 pilot countries, Bolivia, Cambodia, Mozambique Nepal, Tajikistan, Yemen, and Zambia have requested preparatory grants for the development of their SPCRs. An additional 8 countries participating in the Caribbean and Pacific regional programs have requested preparatory resources. A grant request was also approved for the development of the Caribbean regional component of the pilot program. In total, the Sub-Committee has approved \$12.84 million in preparatory grant resources to support the development of the SPCRs.

14. At its November 2010 meeting, the Sub-Committee reviewed and endorsed the SPCRs for Bangladesh, Niger and Tajikistan, and agreed to further development of the activities foreseen in it. A total of \$147.75 million in grant resources and \$120 million in concessional loan resources are foreseen as being required for the development and implementation of identified priority actions.

15. In June 2010, the Sub-Committee agreed to make provisions for intercessional endorsements of SPCRs. During the reporting period, three countries, Samoa, Grenada and Saint Vincent and the Grenadines, submitted their SPCRs for an endorsement by mail. The Sub-Committee endorsed the SPCRs as a basis for the further development of the projects and programs presented in the strategic program. A total of \$40 million in grant resources and \$15 million were foreseen in concessional loan resources as being required for the development and implementation of these projects and programs.

16. In summary, the following PPCR resources have been made available for preparation and implementation of activities foreseen in strategic programs:

Country	Grant Resources (in \$)	Concessional Loan Resources (in \$)
Bangladesh	50,000,000	60,000,000
Grenada	8,000,000	12,000,000
Niger	50,000,000	60,000,000
Tajikistan	47,750,000	-
Samoa	25,000,000	-
Saint Vincent and the Grenadines	7,000,000	3,000,000
TOTAL	187,750,000	135,000,000

Forest Investment Program (FIP)

17. In all eight FIP pilot countries, the programming process has been initiated through scoping and joint missions. The MDBs are supporting pilot country governments in establishing and carrying out a planning process assisted by country visits and other activities. These are being conducted in partnership with country stakeholder groups and other interested development partner institutions.

18. All dates for scoping and joint missions, terms of reference for joint missions; and mission reports are posted on the CIF website and updated on a regular basis.

19. As of June 1, 2011, five pilot countries (Burkina Faso, Ghana, Democratic Republic of Congo, Indonesia and Lao PDR) have requested preparatory grants in support of the development of the investment plans. Consistent with the *FIP Operational Guidelines*, the MDB FIP Committee reviewed and approved the grant requests totaling \$1.2million. The FIP Sub-Committee has been notified of the approved preparation grant proposals and all preparation grant proposals are posted on the CIF website.

20. The following table presents the status of preparation grant requests by FIP pilot countries:

COUNTRY	MDB through which preparation grant is to be provided to pilot country government					
	ADB	AfDB	IDB	IFC	IBRD	Total Approved
Burkina Faso	-	-	-	-	250,000	250,000
Brazil	-	-	-	-	-	-
Ghana	-	250,000	-	-	-	250,000
DRC	-	-	-	-	250,000	250,000
Indonesia	225,000	-	-	-	-	225,000
Lao PDR	-	-	-	-	227,900	227,900
Mexico	-	-	-	-	-	-
Peru	-	-	-	-	-	-
Total						1,202,900

21. Two countries, Burkina Faso and the Democratic Republic of Congo, will present their investment plans for review and endorsement by the FIP Sub-Committee in June 2011. The remaining six pilot country governments are developing their investment plans based on an agreed process. Crucial elements of this process are the need to build on existing REDD+ processes and activities supported by other development partners, and to seek the transparent and participatory engagement of local communities, indigenous peoples and the private sector.

The Program for Scaling Up Renewable Energy in Low Income Countries (SREP)

22. With the approval of key programming documents in November 2010, the MDBs and other development partners participated in initial scoping missions in all six pilot countries during the months of January and February. Kenya and Mali have already conducted joint missions this fiscal year and Maldives and Nepal are scheduled to conduct Joint Missions later this fiscal year. Joint missions are planned for early FY12 for the two other SREP countries.

23. Kenya is expected to submit investment plans for review at the June 2011 meeting of the SREP Sub-Committee and it is anticipated that all SREP pilot countries will have submitted investment plans for endorsement by November 2011.

Cross-Cutting Themes

Knowledge Management

24. CIF-funded, country managed lessons learning and sharing is a central element of the CIF knowledge management program. The joint CTF and SCF Trust Fund Committee approved the CIF Knowledge Management Strategy in March 2010. (*CIF Knowledge Management – Creating the Capacity to Act*, document CTF-SCF/TFC.4/4). It seeks to lay the foundation for capturing and disseminating elements of “good practices” in climate financing. To enable its implementation, the Administrative Unit, working with the MDB Committee, has developed and issued operational guidelines, (*Integrating Information Sharing and Lessons-Learning activities in CIF Country Programs and Projects* which was approved by the MDB Committee in March 2011). The goal is for all country programs to identify, and through their project components, to implement priorities for lessons-learning so as to enhance the impacts of country programs and at the same time contribute to CIF’s broader knowledge management program and overall mission. This document will be presented to the countries at the pilot country meetings scheduled for June 2011 to obtain views on how to best implement it.

25. Other knowledge management activities in FY11 included, (a) development of operational guidance and initiation of grant financing of lessons learning at the country and project levels; (b) preparation of two CIF Learning Briefs and presentation of the emerging lessons learned at the 2011 Partnership Forum; (c) use of pilot and partner country meetings as a key instrument for information and lessons sharing across country investment plans and programs; and (d) development and application of a web-based interactive tool for communication and lessons-sharing among pilot and partner countries (scope and outcomes of the latter two work activities are reviewed in the subsequent section on the Global Support Program, **see paras ____**).

26. The use of *CIF Learning Briefs* is envisaged as a continuous process for documenting and sharing with a broad set of stakeholders the experience and lessons gained from the implementation of the CIF in the various aspects of its mandate. The main focus will be on learning from experiences gained during the development and implementation of country owned investment plans and strategies - starting with the early stage of country program development and proceeding through the implementation of CIF supported investment and capacity building projects and programs. The purpose and scope of **the two briefs** prepared during FY11 are summarized in **below**. In addition to the two written briefs, two learning panels will be

organized during the 2011 Partnership Forum to examine lessons learned in governing the CIF (a panel of elected Co-Chairs) and in using expert groups to assist in the selection of pilot countries (a panel of expert group members). The two panels will be recorded and the videos will be used as a tool to disseminate lessons.

CIF FY11 Learning Briefs

Based on the work of consultants, two CIF Learning Briefs will be presented to the 2011 Annual Partnership Forum in June, 2011, to prompt a discussion on the CIF experiences in country programming and to provide an opportunity to capture additional input that can be incorporated in the final briefs.

Clean Technology Fund: Emerging Perspectives and Lessons Learned from Country Programming. The learning brief presents lessons learned about the importance of country leadership in engaging the private sector, the need to strategically target investments to maximize impact in achieving low carbon growth, and the challenges of building partnerships with the MDBs, the private sector, and other development partners.

Lessons Learned about PPCR Country Programming: Emerging Perspectives at the Country Level. The learning brief synthesizes lessons learned about the formulation of strategies that build on country programs, the intricacies of effective program and investment financing, the importance and challenges of broad stakeholder collaboration, and procedural issues encountered during the launch and start-up phase.

Global Support Program

27. The Global Support Program (GSP), a program managed by the CIF Administrative Unit, was established in FY11 to promote training, build a community of practice and share lessons learned among pilot countries and regions. Its objectives, scope and work program, as described in document CTFSCF/TFC.5/6, were approved by the joint meeting of the CTF and SCF Trust Fund Committees in November 2010. The Administrative Unit was requested to continue its work to implement the GSP, in collaboration with the CIF pilot countries and the MDB partners, and to propose a budget for activities to be undertaken in FY12 as part of the CIF Business Plan and Budget.

Knowledge management and communications under the Global Support Program

28. In FY11, the GSP established various communications tools and modalities to enhance communication and support for pilot countries. These included holding eight pilot country meetings, creating a web-based knowledge platform, and establishing a program of webinars.

29. The first meeting of all pilot countries was held in June 2011. Two meetings of countries participating in the FIP and SREP were held in November 2010 and June 2011. The third and fourth meetings of countries participating in the PPCR were held in November 2010 and June 2011 and the second meeting of countries participating in the CTF was held in June 2011.

30. These meetings provided country representatives with space to exchange views and ideas relating to the development of their investment plans and to share related best practices.

Participants also received support on various issues from renowned experts invited to deliver keynote addresses and engage in discussion with country representatives.

31. Most countries participating in the SCF programs have been focused on the preparation of investment plans, and feedback received from country representatives indicate that countries welcomed the opportunity to discuss challenges and share experiences with experts and other country representatives. In particular, representatives from countries participating in the FIP and the SREP, (which were still at the earliest stages of country programming), reported back on the benefits received from listening to countries already developing investment plans. The potential for cross-fertilization of ideas and information at the pilot country meetings was demonstrated at the first SREP pilot country meeting, where a representative from Bangladesh, one of the first SCF countries to have its investment plan approved under the PPCR, shared experiences and lessons learned with SREP country participants.

Incorporation of Gender into CIF Projects

32. In response to requests from members of the Trust Fund Committees, and recommendations of the Strategic Environmental and Social Assessment (SEA) on the incorporation of gender into CIF projects, the GSP will highlight gender in each of the June 2011 pilot country meetings. Each session will include presentations and discussions led by gender specialists from partner organizations of the Global Gender and Climate Alliance (GGCA) on the following areas:

- CTF: gender mainstreaming approaches for the renewable energy and transport sectors. It will highlight ways to mainstream gender in stakeholder consultations, results management, capacity building, and job creation activities in order to ensure that women are equal partners in, and beneficiaries of, their countries' low-carbon economic growth.
- PPCR: ways to sensitize participants to the critical connections between gender and climate change adaptation. Presenters will share gender and climate adaptation approaches in disaster risk reduction, water resources management, coastal zone management, agriculture and food security, and health.
- FIP: women's role in forestry and agriculture and flag the gender-based risks and challenges to be considered when designing, implementing, and monitoring/evaluating FIP investment plans and projects. Presenters will share approaches for empowering women through gender-friendly REDD+ investments.
- SREP: explore gender issues related to energy access and renewable energy, emphasizing the different energy needs and roles of women and men in different regions. Specific approaches and instruments for empowering women through SREP investments will be highlighted.

33. In addition to the activities identified above, during the partnership Forum, the German Federal Ministry of Economic Cooperation and Development and GGCS will host a lunch time event on *National Climate Change Strategies: The Role of Gender in Mitigation Efforts*.
Web-Based Pilot Country Platform

34. To further strengthen communication and sharing of information and lessons learned, an interactive, web-based pilot country platform has been developed. The platform, which will be introduced to participating countries at the 2011 Partnership Forum, has been designed to facilitate the sharing of investment plan and project information among countries. It also uses social media tools such as blogs and discussion forums to provide incentives for all CIF stakeholders to generate and share knowledge. Each pilot country will be able to share technical and other information, documentation and lessons learned with other pilot countries and external audiences.

Country Data Profiles

35. Lack of climate data and information was a recurring theme at the PPCR pilot country meetings. As a result, the GSP, in cooperation with the Environment Department of the World Bank, has developed country data profiles for all SCF pilot countries. These profiles gather and analyze available climate and social data to present a concise climatic picture of each country. In addition, interactive features allow countries to plot the outputs from different climate models and obtain readily accessible information for climate resilience planning. In the future, efforts will be made to transfer the ownership of these profiles and data to pilot countries, by training country experts in different sectors to update and use the information.

Assessments of climate volatility

36. The sustainability of SREP investments could be strengthened by an assessment of the implications of climate projections for different renewable energy technologies selected by pilot countries. In June 2011, an initial assessment of climate vulnerability will be presented to pilot countries together with a methodology to assess and manage climate risk. This methodology has been developed by the Energy Sector Management Assistance Program, (ESMAP), of the World Bank. The GSP will provide additional support to countries interested in implementing this methodology.

Webinars

37. The GSP has also developed the capacity to organize webinars to respond to pilot countries' needs and share lessons learned from the implementation of the CIFs with CIF partners as well as external audiences. The first webinar was organized on April 19, 2011. The objective of the webinar was to introduce and explain the CIF to the development community and engage with them in an open dialogue about the CIF. Presentations were made by representatives of MDBs and representatives from CIF pilot countries provided perspectives on working with the CIF. Eight one online and approximately 40 in-person participants engaged in a Q&A session with the speakers. A survey revealed that:

- 95% of respondents rated the quality of their experience with this technology as "Good, I would recommend using it again", 5% rated "Moderate..." 0% rated "Poor..."
- 30 of 31 respondents said the webinar helped improve their understanding of the CIF. 35% of respondents now understand the CIF much better, and 61% understand it a little better.
- Our outreach efforts were successful in reaching a broad range of stakeholder groups, but more needs to be done to target developing country governments: NGOs - 32%, MDBs - 18%, private sector companies - 15%, developed country governments - 14%, UN agencies - 14%, developing country governments - 3%, university or research institutions - 3%, general public - 2% (total respondents = 66, or 81% of all online participants).
- Better outreach is needed to Africa and the Pacific: The regional breakdown was not as diverse as we would like, although we had good representation from LAC and Asia. North America - 45%, Europe - 26%, Asia - 16%, Latin America and Caribbean - 13%, Africa - 0%, Pacific 0% (total respondents = 31)

A recording of the webinar is available on the CIF website

Results Management

37. In FY 11, the CTF and SCF Trust Fund Committees approved the results frameworks for the CTF, FIP, PPCR and SREP. A Strategic Environmental and Social Assessment (SEA) of the CTF, FIP, PPCR and SREP was completed and presented to the joint meeting of the CTF and SCF Trust Fund Committees in November 2010. Recommendations of the SEA informed the preparation of the CIF results frameworks.

38. The results frameworks comprise logic models combined with a set of indicators. The logic models map out a strategic results chain, demonstrating how individual project interventions are designed to catalyze efforts at the country level and lead to replication which can initiate transformation. The logic models also outline assumptions about causal relationships and expected synergy across a set of investments. The indicators contribute to the measurement of results in concrete terms and provide the governments and the MDBs with tools to track and monitor performance.

39. Recognizing that climate change, combined with development challenges, aggravates the complexity and uncertainty about future development in the pilot countries, the CIF is promoting an adaptive approach to monitoring and evaluation with a strong learning-by-doing element at all levels. The CIF results frameworks can contribute to a strategic dialogue at the country level about initiating, facilitating and catalyzing transformational change and what is needed to move towards low emissions, climate resilient development. Within such a strategic dialogue, each country can map out its own strategic approach as articulated in investment plans or strategic programs for climate resilience.

40. The programmatic approach embedded in the CIF and the results framework should foster cooperation and partnership among a diverse group of development partners. The results frameworks should help highlight the synergies to be achieved among different interventions by multiple development actors. Collaboration in preparing a strategic investment plan under which project/programs will be developed in a concerted effort by the multilateral development banks

(MDB) and other development partners not only reduces transaction costs but should also results in greater impacts at the country level.

Managing stakeholder relations

41. Participation of stakeholders in CIF activities is a major part of CIF operational and governance activities. During FY 11, MDBs worked with countries to encourage strong stakeholder participation and consultation during scoping and joint missions. A total of 170 participants from civil society participated in country consultations.

42. *Partnership Forum.* The third CIF Partnership Forum will be held on June 24-25, 2011 in Cape Town South Africa, co-hosted by the African Development Bank. The planning and preparation for the meeting has been carried out in partnership with the AfDB. The Partnership Forum was designed to promote an inclusive dialogue among all CIF stakeholders on lessons emerging from implementation of the CIF.

43. The June 2011 program was 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, lessons learned from the governance of the CIF, use of Expert Groups and implementation of CTF and PPCR programs will also be discussed during the Forum.

44. *Civil Society Observers:* CSO relations in FY 11 have been focused primarily on their engagement and participation in CIF governance activities. The CIF administrative unit supports the participation of stakeholder representatives at CIF Trust Fund and Sub Committee meetings. Civil Society observers participate through a self-selection process. *A Review of the Self-Selection Process of Observers to CIF Committees and the Effectiveness of Participation (CTF-SCF/TFC.5/7)* was discussed at the November 2010 meeting of the joint CTF and SCF Trust Fund Committees. Recommendations were made for short and long-term improvements of the process. Prior to the Partnership Forum, CSO participants will hold consultations facilitated with the support of the Resolve, a mediation facilitation group to conduct consultations with CSOs prior to the CIF Partnership Forum, and provide proposals to respond to some of the recommendations of the review and review the current self selection criteria.

45. The Partnership Forum provides a number of opportunities for CSO participation: (i) A CSO organized panel will discuss ways to enable meaningful participation of civil society actors in the design, implementation and monitoring of the funds. The focus will be on enabling such participation through knowledge sharing and communication strategies by establishing e.g. a set of guidelines, best practices (manual) and a platform for networking; (ii) One of the thematic sessions “*Working with Partners at the Country Level*” includes a dedicated session during which CSOs can provide their perspectives on the challenges and opportunities to work with the CIF partners at the country level; and (iii) the program will also provide opportunities for substantive discussion of individual CIF programs and activities through the thematic panel sessions. In addition, there will be a symposium on new climate science and technology organized by UNEP.

46. As in the previous year, the Stakeholder Forum, a London-based organization (for representatives from civil society, private sector and indigenous peoples groups), is working with an Advisory Group of CSO representatives to invite a broad range of civil society participants of stakeholders.

47. *Private Sector.* On an aggregate basis, the resource allocation of CTF funding is projected to be 35% private sector focused versus 65% for investments in public sector projects. In FY 11, 10 of the 14 approved CTF projects were private sector focused for a total funding envelope of US\$327 million, in the area of energy efficiency, sustainable energy, renewable and district heating.

48. A number of policies were approved in FY 11 to support the CIF's work with the private sector. This includes the approval of a "*Non-Disclosure Agreement for Private Sector Projects*" by the CTF Trust Fund Committee in September 2010 which establishes a framework for use of the MDBs and the CTF Contributor Countries in disclosing information regarding private sector clients. A proposal for *Pipeline management and Portfolio Risk Management* was presented and approved by the CTF Trust Fund Committee in November 2011.

49. *At the strategic level,* a number of actions were taken to enhance dialogue with the private sector. The 2010 Partnership Forum was an effective platform for exchange on private sector issues with private sector representatives through a session on how to further engagement of the private sector in the cleantech sector, as well as a session on the role of the private sector in adaptation. A second 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 June 2011.

50. CIF was involved in outreach activities to promote CIF programs with various stakeholders and interested constituencies, including dialogue with banks, private equity funds, technology providers and project developers. This included a clean technology conference and a roundtable dialogue with the West Coast cleantech community, two events in Europe on green technology transfer and dialogue with members of the International Chamber of Commerce; and numerous meetings and dialogue with industry players in Washington DC.

51. A CIF Business Guide for the private sector was commissioned by the CIF Administrative Unit in collaboration with the World Business Council on Sustainable Development. The objective of the guide is to assist interested private sector entities in understanding the CIF program structure, governing bodies, instruments, and financial vehicles.

52. Lessons learned on private sector engagement in the country-led process and structuring of investment programs have been partially captured by the CTF Learning Briefs commissioned by the CIF Administrative Unit.

Collaboration with UN Partner agencies.

53. The UN has been involved in the design of CIF programs, participating in CIF pilot country meetings, scoping missions and in-country consultations. In particular, a number of UN

agencies were involved in design of the SREP and the SREP Programming document recognizes that by harnessing the combined strengths of the UN system, recipient governments, MDBs and other stakeholders can dramatically advance SREP.

54. As the program has started to become operational, the UN has remained engaged. UNEP and UNDP participated in the first SREP pilot country meeting in November 2010. Following these meetings, the SREP MDB Committee met on January 6 and 7 to discuss programming matters related to SREP and were joined by representatives of UNDP and UNEP. The following are highlights and conclusions of the meeting: i) to initiate activities for the preparation of the investments plans, (ii) to discuss with MDBs innovative ways to maximize SREP resources, given its goal of initiating transformational change, and moving beyond “business as usual” projects, and (iii) UN engagement in the SREP.

55. As an output of this meeting, the CIF Administrative Unit wrote to the Government focal points to inform them of the services offered by the UN and that they may consider using SREP grant resources to engage the UN in the development of Investment Plans. Through the letter the UN Resident Coordinator was invited to follow up by contacting the focal point and/or the MDB country offices directly. Subsequently, representatives from the UN Agencies have participated in a number of SREP scoping missions and joint missions.

56. Some UN agencies such as UNDP are also involved in the implementation of CIF projects and have actively participating in scoping and joint missions for CIF projects. UN agencies have also facilitated coordination at the national level and supported consultations in pilot countries.

Indigenous Peoples and Local Communities

57. The CIF has been working closely with IPs and local communities on a consultative process to develop a design proposal for the dedicated grant mechanism for indigenous peoples and local communities. Representatives from indigenous peoples and local communities completed a series of four regional meetings consistent with the *Terms of Reference for Developing the Dedicated Grant Mechanism* which was approved by the FIP Sub-Committee in March 2010. Each regional meeting discussed fundamental themes relevant to the grant mechanism, concluding with a written summary statement on views expressed during the meeting. These documents laid the foundation for a global meeting of self-selected representatives from indigenous peoples and local communities to develop a “global meeting draft” of a design proposal for the grant mechanism that was shared more widely for comments, leading to a final proposal for presentation to the FIP Sub-Committee with a view to its approval at the meeting in June 2011.

58. IPs and local communities self selected representatives to the CIF at the meeting of the United Nations Permanent Forum on Indigenous Issues in New York, in May, and will hold consultations prior to the Partnership Forum.

Governance and Management

Trust Fund Committees

59. The CIF Trust Fund Committees will have met twice by the end of the fiscal year (November 2010 and June 2011) to carry out their responsibilities. The CTF Trust Fund Committee reviewed the progress of CTF investment plans and discussed the establishment of a tracking system for projects and regular reporting on disbursements. The Committee also provided guidance on pipeline and portfolio risk management and endorsed the results framework for the CTF. The Committee reviewed and endorsed the *Investment Plan for Nigeria* subject to comments made by the Trust Fund Committee and recognizing that additional funds would be required to finance the programs and projects foreseen in the investment plan. The Committee kept under review the status of pledges, contributions and total receipts to the CTF.

- a. The SCF Trust Fund Committee reviewed the progress and funding availability of the three targeted programs under the SCF and approved the results frameworks for the PPCR and SREP.
- b. The joint meetings of the CTF and SCF Trust Fund Committees continued to provide a useful forum for discussion of issues of common interest to the two funds. Such issues include the Partnership Forum, the Global Support Program, measures to improve the operations of the CIF, participation of observers in the CIF governing bodies, the CIF Annual Report, and the CIF Business Plan and Administrative Budget.
- c. The PPCR Sub-Committee reviewed the progress of PPCR programming and approved the PPCR results framework. The Sub-Committee endorsed the strategic programs for Bangladesh and Niger at its meeting in November 2011 and **XXX additional** programs intersessionally. It is expected that **eight additional** strategic programs will be submitted for review with a view to their endorsement at the June 2011 meeting of the Sub-Committee.
- d. The FIP Sub-Committee reviewed FIP activities and agreed on allocations of resources to FIP pilots. The Sub-Committee also participated in a joint meeting of the governing bodies of the FCPF, FIP and UN-REDD to explore ways to ensure collaboration among the three programs and the GEF at the country level. The FIP Sub-Committee also discussed the development of a dedicated grant mechanism for indigenous peoples and local communities, and it is expected that a final proposal for the grant mechanism will be made at the June 2011 Sub-Committee meeting.
- e. The SREP Sub-Committee approved the programming modalities and operational guidelines for allocation of SREP resources. The Sub-Committee also agreed on the pilot countries and the allocation of resources to those countries. It is expected that the first investment plan under the SREP will be submitted for review with a view to its later endorsement at the June 2011 meeting of the Sub-Committee.

CIF Administrative Unit

60. The CIF Administrative Unit expanded the staffing complement of the unit to include a deputy program manager, program coordinator for CTF and SREP, and a communications officer. A stakeholder officer will join the unit at the end of FY 11. The addition of new staff has enhanced management of institutional and MDB relations and development and coordination of policy and programs, as well as communications and outreach.

MDB Committees

61. The MDB Committee has organized itself into several MDB Committees with specific expertise and responsibilities to be able to focus on issues pertaining to individual funds (CTF, FIP, PPCR, SREP) and thematic working groups as necessary (information sharing and lessons learning, monitoring and evaluation, private sector, systems development and Trustee issues and budget). A diverse set of operational matters such as pipeline management, joint mission proposals, preparation grant requests, resource management and others have been addressed through regular and frequent teleconferences. In FY11, the MDB Committee discussed and agreed upon the eight implementation guidelines notes to allow the MDBs to provide consistent advice and directions to their teams working with the countries:

- Payments for MDB Project Implementation Services under SCF's Targeted Programs – Implementation Guidance
- Integrating Information Sharing and Lessons Learning in CIF Country Programs and Projects - under final review with MDBs.
- Simplified Arrangements for Joint-Mission Internal Reporting and Enhance Mechanisms for Sharing of Experiences and Lessons.
- FIP MDB Programming Guidelines
- SREP MDB Programming Guidelines
- Proposal for the Preparation of Independent Technical Reviews of SCF Investment Plans and Strategies
- PPCR MDB Programming Guidelines
- Global Support Program

62. An MDB meeting at the level of Vice Presidents was convened in the margins of the WB/IMF Spring Meetings in April 2011 to discuss ongoing collaboration among MDBs.

Trustee FY 11 Outcomes

The Trustee's total estimated FY11 costs for the CTF and SCF Trust Funds have decreased to USD 2,324,300 from the previous estimate of USD 3,022,000. The decrease is mainly due to the reduction of the estimate for external audit costs. The Trustee and the MDBs have agreed, considering the limited financial transactions in the accounting books of each of the MDBs, that they will conduct an external audit only after they receive cumulative cash transfers of more than USD 100 million from the Trustee. The Trustee is currently undertaking the external audit of the financial statements prepared under the special purpose basis of accounting for the CTF and SCF Trust Funds for the year ended December 31, 2010. The audited financial statements will be sent to all Committee members along with the external auditor's report.

IT Systems Development

At the CTF and SCF Trust Fund Committee meeting in May 2009, the budget for the special initiative on IT systems development was approved in the amount of USD 2 million, of which USD 1 million represents the projected Trustee costs for development of a new system to manage the CIFs, and another USD 1 million represents costs associated with developing an automated and secure systems platform to support pipeline management and related workflow between MDBs, the CIF Administrative Unit and the Trustee.

System products delivered to date include the following customized applications and modules:

- A *Pledge/Contribution application* managed by the Trustee that supports the tracking of the different types of contributions allowed under the CIFs (grant, capital, and loans). The benefits provided by the application include more efficient and transparent management and reporting by the Trustee to the CIF partners, and improved pipeline management to match the financing needs of the countries vis-à-vis the available types of donor funding.
- An *Investment Plan application* that allows the Trustee to record and report on the initial allocation of funds to countries within the pledged amount. This also supports pipeline management.
- A *Private Sector Program application* that provides appropriate control functions to enable the Trustee to commit to the MDBs approved lump-sum funds for private sector projects. This lump-sum commitment enables the MDBs to initiate negotiations with clients and provides a flexible framework that is more suited to managing private sector operations.
- Enhanced *Commitment and Cash Transfer application* that is customizable and flexible to support the CIFs as well as other new programs.

The above applications also provide important financial information that feed into the cash flow and other financial models maintained by the Trustee and CIF Administrative Unit.

To date, the actual costs related to this systems development initiative incurred by the Trustee and by the CIF Administrative Unit/MDBs are approximately US\$ 450,000 and US\$ 200,000 respectively. No additional budget is needed for the next fiscal year to support the development of the CIF Administrative Unit/MDBs or the Trustee systems platform.

III. FY 12 BUSINESS PLAN

Managing country program implementation

63. By the end of FY11 a total of 15 investment plans and 4 strategic programs for climate resilience would have been endorsed by the respective committees or sub-committees. This achievement resulted from active engagement of governments with MDB support in the development of national plans and strategies. The development of these plans and programs will include the integration of information sharing and learning (ISL) at the program level and spell out a vision as to how it will translate at the project level (as outlined in the guidance note). Opportunities for initiating transformation will not only emerge from the implementation of projects themselves, but also (and more important), from the institutional and technical capacity generated as national institutions oversee the implementation of their plans and strategies as a whole. The programmatic nature of investment plans and strategic programs provides an opportunity for governments to play an active role in providing general supervision, steering the process of generating and capturing lessons learned, coordinating implementation of results frameworks and others.

64. In FY11, some initial efforts were undertaken to raise awareness and provide support to countries to build the institutional capacity to manage implementation of investment plans. Such efforts included the development of guidance, the organization of webinars and an in-depth discussion at the pilot country meetings in June 2011. Countries and MDBs have recognized the potential capacity gains for governments that take an active role in the implementation phase, which will translate into greater capacity to plan and implement national plans and strategies in general. They have also recognized that this capacity will materialize if management arrangements are an integral part of their investment plans and strategic programs. In consequence, activities to support countries in defining and implementing these arrangements will be undertaken in FY12.

65. Going forward, the main tasks facing CIF management are to

- (i) Continue to support the development of country-led strategic programming and implementation of CIF programs and projects
- (ii) Providing support to help recipient countries in preparing and financing public and private sector activities identified through such programming;
- (iii) Support recipient country institutions and partners in their implementation of CIF funded activities;
- (iv) Capture and share lessons learned from the above activities and enhance outreach to stakeholders, including the private sector, in a strategic manner in order to leverage climate financing;
- (v) Monitor progress and evaluate outcomes of these activities; and

(vi) implement effective systems for measuring results on all of the above fronts.

66. The FY11 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. The business development targets for FY12 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

67. The progress made in country programming and approvals for project funding relative to targets set out in the FY11 Business Development and Budget paper is summarized in Table 2 below. The business development targets for the period FY12-15 are also shown, together with actual outcomes for FY010 and projected outcomes for FY11.

Table 2 - Business Development Targets for FY010-14 by CIF Program

TABLE 2 - Business Development Targets and Outcomes by CIF Program, FY 09-FY 14								
Key Items	Unit	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	Total
CTF								
Joint Missions Fielded	no.	7	8	-	-	-	-	15
IP for TFC Review ¹	no.	3	10	1	-	-	-	14
Indicative Funding	US\$ million	1,050	3,300	-	-	-	-	4,350
Projects for TFC Review	no.	2	6	28	15	11	-	62
Project Funding ²	US\$ million	116	508	1,645	1,466	534	-	4,269
PPCR								
Joint Missions Fielded	no.	2	11	5	2	-	-	20
SPCR for SC Review	no.	-	-	15	5	-	-	20
Indicative Funding ³	US\$ million	-	-	1,013	112	-	-	1,125
Projects for SC Review	no.	-	-	4	29	13	10	56
Project Funding ^{4/6}	US\$ million	-	-	50	445	358	240	1,094
FIP								
Joint Missions Fielded	no.	-	-	7	1	-	-	8
IP for SC Review	no.	-	-	2	5	1	-	8
Indicative CIF Funding(of which includes Indigenous People Grant of about \$50 million)	US\$ million	-	-	109	354	109	30	602
Projects for SC Review(of which includes Indigenous People project)	no.	-	-	-	7	15	3	25
Project Funding ⁴	US\$ million	-	-	1	207	266	53	528
Reserves ⁵	US\$ million	-	-	-	-	30	30	60
SREP								
Joint Missions Fielded	no.	-	-	4	2	-	-	6
IP for SC Review	no.	-	-	1	5	-	-	6
Indicative Funding	US\$ million	-	-	45	203	43	43	334
Projects for SC Review	no.	-	-	-	2	6	10	18
Project Funding ⁴	US\$ million	-	-	-	27	80	133	240
Reserves ⁵	US\$ million	-	-	-	-	43	43	86
SCF TOTAL								
Joint Missions Fielded	no.	2	11	16	5	-	-	34
IP/SPCR for TFC/SC Review	no.	-	-	18	15	1	-	34
Indicative Funding	US\$ million	-	-	1,167	669	152	73	2,061
Projects for SC Review	no.	-	-	4	38	34	23	99
Project Funding	US\$ million	-	-	52	679	705	426	1,861
Reserves	US\$ million	-	-	-	-	73	73	146
CIF TOTAL								
Joint Missions Fielded	no.	9	19	16	5	-	-	49
Country Plans/Programs for TFC/SC Review	no.	3	10	19	15	1	-	48
Indicative CIF Funding	US\$ million	1,050	3,300	1,167	669	152	73	6,411
Projects for TFC/SC Review	no.	2	6	32	53	45	23	161
Project Funding	US\$ million	116	508	1,697	2,144	1,239	426	6,130
Reserves	US\$ million	-	-	-	-	73	73	146

¹ FY11 refers to Nigeria IP which was conditionally approved by the TFC in Nov. 2010. Funding is subject to resources availability.

² Project funding for FY12-FY13 is based on the current projection of MDB task teams.

³ Includes preparation grants, project funding and projected payment to MDBs for the project preparation and implementation services. This is subject to additional donor funds becoming available for they exceed current level of pledges (please see Annex ____).

⁴ Net of project preparation and implementation services.

⁵ Reserves cover additional project allocations including projected payment to MDBs for project preparation and implementation services.

⁶ Under the assumption that the PPCR sunset clause will be modified by the SCF Trust Fund Committee to ensure consistency with the CIFs sunset clause.

68. The targets have been developed based on parameters introduced in the FY11 Business Plan and Budget Paper. These parameters have been adjusted for purposes of the FY12 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, 2011), (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).

Summary and implications

69. 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:

Country programming and project funding

70. *Preparation of activities flowing from country programming.* A minimum of **77** programs and projects are expected to be prepared for CIF funding over the next four years, **38** of which under the three SCF programs and **24** 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.

71. *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).

72. 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

73. 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.

74. 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

89. 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.

Knowledge Management

90. The second year of implementation of the CIF knowledge management program will involve a broad set of activities. Those that are directly managed under the Global Support Program are discussed in the subsequent **section (paras.)**.

91. *Support for the integration of information and lessons-learning components (ISL) in country programs and their constituent projects.* Grant funding will be provided by the CIF Administrative Unit to support the work of the MDBs and country counterparts in ensuring the

integration of the ISL component. The FY12 target is for such components to be incorporated in all country programs that have already been endorsed by TFC/SC (retrofitted, with requests for supplementary CIF grant funding) and those that will be submitted for such endorsement during FY12.

92. *Preparation of FY12 CIF Learning Briefs Forum.* The program of synthesizing emerging lessons from development and implementation of investment plans and strategies, managed by the CIF Administrative Unit working with the MDB Committee, will continue with four briefs scheduled for FY12, one for each of the CTF and the three targeted SCF programs. The selection of the appropriate thematic foci for these briefs is currently under discussion with the MDBs. It is expected that work on the Learning Briefs will commence in early FY 12 after consultation and buy in from the CTF and SCF Committee Members. Important inputs for the preparation are expected to come from the pilot country meetings where countries will report on and share experiences in program implementation, as well as from other knowledge exchange mechanisms under the Global Support Programs. The four briefs will be presented at the FY12 CIF Partnership Forum.

93. *Development of a program of learning from external sources.* As emphasized in the CIF KM Program, lessons coming out of recent and ongoing climate financing activities undertaken outside the CIF need to be made accessible to pilot countries. To this end, the CIF Administrative Unit, working with the MDB Committee and development partner agencies, will identify external sources of learning of high relevance to CIF program implementation, and design modalities and mechanisms for providing country program and project implementers effective access to them. A key objective will be the linkage of learning from external sources to the learning platforms and other knowledge exchange mechanisms already established or under development by the Global Support Program.

94. *Self-assessment of the MDB Committee's performance.* As per the CIF KM program, the MDB committee, assisted by the CIF Administrative Unit, will review how well the adopted organizational arrangements and procedures for carrying out its mandates responsibilities have worked, and identify steps to improve its performance. The MDB Committee will inform the Joint TFC of the outcome of the review.

95. Delivery of the KM work program will be facilitated by the addition of a KM officer in FY 12. This KM officer will support the building and implementation of a CIF KM program that is designed and executed with the view to realizing maximum impact on CIF's objectives of transformational change through global replication of outcomes and lessons from CIF funded operations. The focus of the KM Manager will be development and implementation of knowledge management products for CTF, PPCR, FIP and SREP in accordance with the objectives, core principles, and priority activities laid out in the approved strategic framework for CIF knowledge management.

Global Support Program

96. In FY12, it is likely that a large number of investment plans will be endorsed by the relevant TFCs and subcommittees. A transition to the implementation of investment plans

will require that the activities of the global support program be tailored to more concrete needs. On the other hand, with several tools already in place, the GSP will also work on using these tools to forge relationships between pilot countries and to assist countries with demand-driven technical support.

Lessons learned and communication

Pilot Country Meetings

95. Eight pilot country meetings will be organized in FY12, including two for each program under the SCF, one for the CTF and one for all pilot countries. The transition, for most countries, from design phase to implementation will require that the meeting programs take the form of workshops where practical issues can be treated in detail. During FY11, the length of these meetings was limited to one day, which limited the topics that could be discussed and time for interaction. In FY 12, the length of these meetings will hence be extended to two days. In addition, with a view to bringing the discussion closer to pilot countries, meetings of the SCF programs will be hosted by pilot countries themselves.²

Global Support Pilot Country Platform

96. As noted above, the pilot country platform will be deployed at the Partnership Forum in June 2011. In cooperation with MDBs and program coordinators at the CIF AU, in FY12 the GSP will engage into making stakeholders familiar with the platform and in bringing them to actively participate in the sharing of information. In the early stages, the GSP will create country, investment plans and project profiles to enable country and project implementers to upload descriptive content. Afterwards, incentives for active participation in blogs and forums will be provided through the organization of debates, thematic weekly discussions and others. In addition, feedback received from the use of the tool will be compiled and analyzed together with traffic statistics with a view to improving the tool and adding new features by the end of FY12.

Training materials and courses

97. Another important activity in FY12 will be the development of training material and courses to capture and disseminate the wealth of knowledge generated in the process of developing investment plans and strategic programs. Lessons learned during this phase could be made available for the benefit of practitioners, including developing officials and technical staff of developing countries and multilateral development banks. Interactive courses, to be made available on-line, would provide practical and direct information and knowledge on issues identified by pilot countries.

98. **CIF Help Desk.** The most important channel for learning about country needs for technical support will be the help desk. This tool will allow pilot countries to ask questions or request technical advice, as well as to answer queries, by just clicking a button. The help desk

² Pilot countries will be invited to host one of the bi-annual meetings of each program under the SCF. With a view to reducing costs, SREP and PPCR meetings will be held back to back in the same country. The second meeting of each of these programs will take place in conjunction with the 2012 CIF Partnership Forum.

will be launched in FY 12, and will be administered by a help desk coordinator from the GSP who will ensure that timely answers are provided by the appropriate partner. Knowledge in response to queries will primarily come from MDBs and, in its absence, international experts. To this end, the GSP will undertake a mapping of the knowledge available in the five MDBs with the objective of ensuring that the helpdesk coordinator knows exactly where to find an answer for every given question. A piloting phase of the helpdesk will take place in the period up to December 2011. Following this phase, an assessment of the service will be undertaken with a view to tailoring it to the existing demand.

89. In addition to the help desk, a questionnaire to enquire about specific needs for support on areas such as monitoring and evaluation, private sector involvement, technology, finance and others will be handed out at the pilot country meetings in June 2011. A report which analyses the results of this questionnaire will be developed to further guide the activities of the GSP in FY 12 and beyond, and other thematic support areas.

90. By the end of FY12, the GSP also plans to undertake an analysis of country needs identified, and knowledge generated through, the help desk and the different communication features of the pilot country platform (learning by doing block, blogs and forums and others). The time for this analysis will depend on the level of participation from pilot countries and other stakeholders, but is expected to take place before the end of FY12.

91. Results from the questionnaire and the use of the helpdesk will most likely result in requests for support to the GSP. While it is expected that a significant portion of these requests will be short questions, it is also foreseeable that countries will require more elaborated inputs and analyses which would require additional financial resources. With this in mind, the GSP requests additional to be able to respond in a timely manner to country requests for information and support. Concrete products will be identified in conjunction with MDBs after the analyses referred to above have been completed. For example, in addition to direct answers to short questions, the GSP will organize webinars on specific topics and invite experts to participate. It could also coordinate MDB efforts to undertake analytical papers of any sort, depending on demand, or could commission these papers or the development of any other material, for example, methodologies, which are required by several countries.

Gender Issues

92. On gender issues, the GSP will continue to work with members of the Global Gender and Climate Alliance (GGCA), including UNDP's Gender Team, to engage with MDBs, pilot countries, and other CIF stakeholders in information sharing and learning activities to increase understanding of gender issues and support gender mainstreaming in CIF operations. Recent evidence, best practices, and resources will be shared with participants in sessions of pilot country meetings, webinars, and targeted activities on the pilot country platform during FY 12.

Managing for results

93. The focus of results management in FY 12 will be on (i) the implementation of the results frameworks; and (ii) the independent evaluation of the CIF.

Implementation of the Results Framework – Activities and funding source

94. The Trust Fund Committee recommended to field test the results frameworks with the objective to (i) assess the M&E capacity in the pilot countries to ensure that the CIF M&E is incorporated in national M&E efforts; (ii) test the assumptions; (iii) validate the indicators and establish baselines and targets; and (iv) assess the cost implications.

95. As a first step, the CIF AU in close cooperation with the MDBs will develop a source book. The Source book will outline the M&E principles of the CIF and provide some very practical advice, tools and instruments to establish an M&E system at the CIF programmatic and project/program level in the country. The source book will be available as an open source book on the CIF AU website and will allow pilot countries to seek advice or to add useful lessons and tools or instruments. This activity will be funded from the CIF AU administrative budget.

96. The MDBs will assess in close cooperation with the relevant government agencies the institutional setting and capacity of the national M&E system. The objective is to establish an M&E system which provides sufficient incentives for the governments to manage the CIF programmatic approach at the country level. In this process, the government and the MDBs will seek to establish baselines and targets. Ideally this process is done during the strategic planning phase, e.g., development of the investment plan (IP) or strategic program for climate resilience (SPCR) for the PPCR. Grant funding, provided within the country allocations, will be needed to conduct this assessment.

97. Based on the assessment and the identified capacity needs, the CIF AU and the MDBs will identify 12 pilot countries to develop M&E model systems which then can be replicated in other pilot countries. The CIF AU will work closely with the MDBs in setting up systems for measuring climate change mitigation or climate resilience in the selected pilot countries. The selected countries will be encouraged to share these lessons with other pilot countries through the pilot country meetings or other regular learning events. Activities will be funded out of the grant funding for establishing the programmatic approach. Travel expenses of the CIF AU will be needed. These resources will be funded through the CIF administrative budget.

98. The countries will prepare annual progress reports. These progress reports will be summarized in a CIF M&E progress report and presented to the respective Trust Fund Committees in the November meetings. The progress report does not need additional funding and is covered under the CIF AU M&E regular administrative budget.

99. The overall costs for the independent evaluation of the CIF are difficult to estimate. The cost structure will mainly depend on the scope and the proposed approach to conduct the independent evaluation. The independent evaluation will have to focus on the administration of the funds, the governance structure but also on the programming and project approach at the country level. The approach paper prepared by the Independent Evaluation Offices will have to provide a detailed cost breakdown and seek separate approval from the CTF/SCF Trust Fund Committees.

100. A cost estimate of the independent evaluation is currently not possible. There needs to be first an agreement of the MDBs how to go about the independent evaluation. The cost structure will vary according to the options presented and finally selected. The cost will depend on (i) the scope of the evaluation; (ii) the composition of the evaluation team; (iii) the review process by the MDBs; etc. For instance, outsourcing to a specialized consultant company might appear more cost efficient and effective at the beginning but the subsequent detailed review process of the evaluation by the independent evaluation offices of the MDBs need to be factored in when we want to have a true picture of the embedded costs. The CIF AU will come back to the Trust Fund Committee in November with a request for a supplementary budget to carry out the Independent Evaluation.

Stakeholder outreach

101. As CIF moves further into implementation of programs, stakeholder outreach will focus on keeping 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. This will be done by developing a strategic program for stakeholder outreach as well as a complimentary CIF communications plan. The stakeholder outreach activities will be enhanced by the addition of a stakeholder officer in the CIF AU. The officer will be responsible for maintaining regular communication with all stakeholders and ensuring that they are kept up to date on relevant CIF issues. information

102. 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:

- a. *2012 Partnership Forum* - The third partnership forum will be held in London, England, hosted by the European Bank for Development and Reconstruction. The objective of the fourth Forum will be to enhance private sector and CSO participation and engagement in the CIFs.
- b. In FY 12, the CIF will work with civil society observers to implement the recommendations from the Review of Self-Selection process of observers to CIF Committee meetings and design of a strategic approach to effective participation of non-profit civil society, private sector and indigenous peoples in the work of the CIF.
- c. The CIF will also work with the indigenous peoples and local communities to support the implementation of the dedicated grant mechanism.
- d. 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.

- e. The CIF will continue its out-reach activities and dialogue with the private sector in areas of technology, financial mechanism, innovative business models and public-private partnerships; and (v) the CIF's Private Sector Practice Group which was established in FY2011, will continue to contribute at the strategic level and remain a platform for the MDBs for exchange of ideas and strategic recommendations.

IV. FY11 BUDGET OUTCOME

124. The Joint-TFCs, at their meeting in March 2010 approved a total budget of \$18.98 million for FY11 to cover estimated expenditures for administrative services, the third annual Partnership Forum, and MDB support for country programming of CIF resources. Subsequently, they approved by mail a supplementary budget of \$548,000 to support a broad consultative process to prepare a design proposal for the dedicated initiative for indigenous peoples and local communities under the FIP. Finally, at its November 2010 meeting, the SCF TFC approved an additional request for \$564,180 for finalizing the country programming process in PPCR pilots. It noted that given the experience gained through the PPCR, there is the potential for additional program funds to be requested in FY12 for country programming activities in pilots supported under the FIP and SREP.

125. The activities supported by the FY11 administrative budget were reported on earlier in this document (Section II). What follows is a brief report on the budget outcome in respect to each of the three components of the CIF administrative budget (see Tables 4-6 below with further information in Annex 4 Tables 4a-d).

Part A. Administrative Services

126. A budget review in April 2011 concluded that the estimated cost for completing CIF's administrative work program in FY11 was expected to come in at \$2.02 million (or 12 %) under budget. Any unutilized funds by the end of FY11 will be returned to the CTF and SCF Trust Funds as per Financial Procedures Agreements for CTF and SCF. MDBs are required to report to the Trustee on actual administrative expenses on an annual basis and the returned funds are reflected in the Trustee's annual financial statements as a net amount against the transfers to the MDBs.

Table 4 - FY11 Administrative Services-Estimated Outcome by Program Fund (\$'000)

	FY11 Approved Budget	FY11 Revised Budget	Difference
CTF	6,384.1	6,259.9	(124.2)
SCF 1/	10,332.0	8,437.3	(1,894.7)
Total	16,716.1	14,697.2	(2,018.9)

1/ FY11 Approved Budget for SCF includes the one time extraordinary expense of \$548,000 for consultations on the design of a Dedicated Grant Mechanism for Indigenous Peoples and Local Communities.

127. Close to 90% of the projected under run is explained by two developments. First, the Trustee incurred substantially lower than expected expenditures (\$698,000 under budget) as a result of external audits of the MDBs' CY10 financial statements proving not to be required given the limited number of financial transactions involved³. Second, delays in filling staff positions in the CIF Administrative Unit will result in CIF Administrative Unit staff costs coming in \$827,000 under budget. Finally, with the Partnership Forum and Trust Fund Committee meetings delayed

³ A minimum requirement of cumulative cash transfers of \$100 million from the Trustee has now been agreed as a prerequisite for the MDBs' external audit of financial statements).

to the last two weeks of the fiscal year, some expenditures for these events will spill over into FY12.

Table 5 – FY11 Administrative Services –Estimated outcome by CIF Unit (\$'000)

	FY11 Approved Budget	FY11 Revised Budget	Difference
Trustee	3,022.0	2,324.3	(697.7)
Admin Unit 1/	7,736.0	6,908.9	(827.0)
MDB Total:	5,958.2	5,464.0	(494.2)
ADB	792.6	663.1	(129.4)
AfDB	842.1	746.2	(95.9)
EBRD	614.3	563.0	(51.3)
IADB	899.0	891.1	(7.9)
IBRD	1,958.1	1,748.4	(209.6)
IFC	852.1	852.1	(0.0)
Total	16,716.1	14,697.2	(2,018.9)

1/ FY11 Approved Budget includes the one time extraordinary expense of \$548,000 for consultations on the design of a Dedicated Grant Mechanism for Indigenous Peoples and Local Communities.

Part B. Partnership Forum

The CIF FY11 administrative budget, as approved by the Joint-TFCs, included a preliminary cost estimate of \$1.35 million for the third Partnership Forum to be held in Cape Town, South Africa, in June 2011. This estimate was based on the then best estimate of the actual costs of the Second Forum in Manila. As part of planning of the Third Forum, this estimate has been revised to \$1.43 million, reflecting higher travel costs to the site (shift from Tunis to Cape Town) and increased interpretation costs resulting from session scheduling.

	FY11 Approved Budget	FY11 Revised Budget	Difference
Partnership Forum	1,350.0	1,434.6	84.6

Part C. MDB Support to Country Programming of CIF Resources

128. The MDBs support the country-led preparation of country investment plans and strategies through joint-mission work. This work involves several missions over an extended period. The annual CIF administrative budget provides for funding to meet the MDBs' expenditures for providing such support. This funding is provided in the form of a multi-year country programming budget, which, if so required, is topped up annually. MDB requests for funding of

joint-missions are reviewed and approved by the MDB Committee. Once allocations are approved, the funds are transferred by the Trustee to the individual MDBs involved.

129. As shown in Table 6 below, the approved FY09-FY11 budgets for MDB country programming support *under CTF* totals \$4.05 million, with no “topping up” needed for FY11 since funding of all joint missions had by then been completed. A balance of \$1.14 million remains unallocated.

	CTF	PPCR	FIP	SREP	SCF total	Total
Annual budgets approved by TFCs (FY09-FY11) of which	4,047,900				9,388,180	13,436,080
FY09	2,981,900				1,194,850	4,176,750
FY10	1,066,000				6,165,150	7,231,150
FY11	-				2,028,180	2,028,180
<i>Allocations FY09-10</i>	<i>2,903,359</i>	<i>4,076,467</i>	<i>-</i>		<i>4,076,467</i>	<i>6,979.826</i>
<i>Allocations FY11 (up to 5/1/11)</i>	<i>-</i>	<i>1,817,713</i>	<i>1,516,300</i>	<i>1,089,750</i>	<i>4,423,763</i>	<i>4,423.763</i>
<i>Allocations FY11 (rest of FY11 est)</i>		<i>-</i>	<i>423,700</i>	<i>462,250</i>	<i>885,950</i>	<i>885,950</i>
Total MDB allocations FY09-11	2,903,359	5,894,180	1,940,000	1,552,000	9,386,180	12,289,539
Balance available for FY12	1,144,541				2,000	1,146,541

Table 6 - Utilization of CTF and SCF Budgets for MDB Support for Country Programming FY09-11

130. Under the SCF, approved FY09-11 budgets for MDB support to country programming total \$9.39 million, including a supplementary budget request of \$564,180 in November 2010. During FY11 these funds have supported the preparation of investment plans and strategies in all three of SCF’s targeted programs (Section II). By end FY11, they are expected to be fully allocated for MDB joint-mission work in all pilots under PPCR, FIP and SREP. As noted in the presentation of the proposed FY12 budget, the funds allocated for this work will not be sufficient to complete the work under all the SCF pilots. Hence, additional funding is sought under the proposed FY12 country programming budget (see below).

131. Experience to date suggests that MDB costs incurred in supporting country programming under PPCR pilots exceed the current budget norm of \$388,000 established by the MDB Committee in FY10, and that the amount of required funding for good reasons varies considerably between pilots.⁴ The MDB Committee has therefore considered and approved supplemental MDB requests for additional funding above the norm and considered them on a case-by-case basis.

V. PROPOSED FY12 BUDGET

⁴ Funding of MDB support has averaged \$404,000 (ranging from \$370,000 to \$450,000) for the three completed single country PPCR pilots and \$412,000 (with variations between \$299,000 and \$484,000) for the six PPCR single country pilots which remain under preparation.

132. The proposed FY12 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 July1, 2011 to June 30, 2012 to help CIF reach its business development targets and deliver its work program in key thematic areas as summarized in Section II.⁵ It comprises three parts: administrative services, Partnership Forum and MDB support to country programming of CIF resources. The proposed FY12 budget is summarized in Tables 7 and 8 below with detailed to follow in the subsequent sections.

Table 7 - Approved FY10 and FY11 and Proposed FY12 Budget				
By Budget Category (\$'000)				
	FY10 Approved Budget	FY11 Approved Budget	FY12 Proposed Budget	Difference
Administrative Services				
Trustee	2952.7	3,022.0	2,956.0	(66.0)
Admin Unit 1/	4431.4	7,736.0	7,438.9	(297.1)
MDBs	5254.4	5,958.2	6,422.5	464.3
ADB	769.1	792.6	979.1	186.6
AFDB	768	842.1	881.3	39.2
EBRD	403	614.3	532.2	(82.1)
IADB	827	899.0	899.7	0.7
IBRD	1689.2	1,958.1	1,960.9	2.8
IFC	798.1	852.1	1,169.2	317.1
Sub-total	17892.9	16,716.1	16,817.4	101.3
Partnership Forum	1,400	1,350.0	1,552.5	202.5
MDB Support for Country Programming 2/	7231.1	2,028.2	2,608.2	580.0
Systems Development	2000	-	-	-
Total	28,524.0	20,094.3	20,978.1	883.8
1/ FY11 Approved Budget includes the one time extraordinary expense of \$548,000 for consultations on the design of a Dedicated Grant Mechanism for Indigenous Peoples and Local Communities.				
2/ FY11 Approved Budget includes supplemental budget of \$564,180 approved in November 2010.				

⁵ The proposed budgets for CTF and SCF are the result of costing out specific activities specific to under the respective funds. Whenever that has not been feasible, costs have been allocated between the two funds using best estimates.

	CTF		SCF		Total		Difference
	FY11 Revised Budget	FY12 Proposed Budget	FY11 Revised Budget	FY12 Proposed Budget	FY11 Revised Budget	FY12 Proposed Budget	
Administrative Services							
Trustee	1,434.6	1,608.0	889.7	1,348.0	2,324.3	2,956.0	631.7
Admin Unit 1/	2,703.4	2,604.6	4,205.5	4,834.3	6,909.0	7,438.9	529.9
MDBs	2,121.9	2,207.8	3,342.1	4,214.7	5,464.0	6,422.5	958.5
Sub-total	6,259.9	6,420.4	8,437.3	10,396.9	14,697.2	16,817.4	2,120.1
Partnership Forum	573.8	621.0	860.7	931.5	1,434.6	1,552.5	117.9
MDB Support for Country Programming 2/	-	(1,144.5)	2,028.2	2,608.0	2,028.2	2,608.0	579.8
Systems Development	-	-	-	-	-	-	-
Total	6,833.7	5,896.9	11,326.3	13,936.4	18,160.0	20,977.9	2,817.9
1/ FY11 Revised Budget for SCF includes \$548,000 for consultations on the design of a Dedicated Grant Mechanism for Indigenous Peoples and Local Communities.							
2/ Since CTF and SCF funds are not fungible, the positive balance remaining under the CTF cannot be applied towards funding part of the estimated incremental funding requirements under SCF. The request for the additional funding equals the projected full SCF requirements.							

133. *In summary*, the estimated expenditures for FY12 translate into a proposed total budget of \$20.98 million, of which \$16.82 million is for administrative services provided by the Trustee, the Administrative Unit and the MDBs, \$1.55 million for the Fourth Partnership Forum and \$2.61 million for MDB support for country programming.

- The proposed administrative services budget of the Administrative Unit for FY12 is \$ 0.30 million, or 4 %, lower than FY11 approved budget. Excluding the one-time FY11 expense of \$ 0.55 million for consultations on the design of the DGM for indigenous peoples and local communities which is included in the FY11 approved and revised budgets, the proposed FY12 budget is 3% higher than the approved FY 11 budget and 17% higher than estimated FY11 expenditures (reasons for the FY11 under run were explained above in **para.**).
- The nominal \$0.58 million (or 29%) increase in the proposed FY12 budget for MDB support for country programming relative to FY11 represents the estimated costs of MDB support to the completion of the remaining 16 investment plans and of independent Technical Quality Reviews of the 15 investment plans targeted for FY 12.
- The resulting total CIF FY12 administrative budget increase amounts to \$0.88 million (or 4%) over the approved FY11 budget and 16% over the revised FY11 budget. Given the projected expansion of program and project activities under PPCR, FIP and SREP, SCF's share in the CIF administrative budget increases from 62% in FY11 (approved) to 66% in FY12 (proposed).

Part A -Administrative Services

FY12 Trustee Budget

Table **xx** below presents FY11 revised Budget and the projected budgetary requirements for Trustee services in FY12.

Trustee Services	CTF		SCF		TOTAL	
	FY11 Revised Budget	FY12 Estimated Expenditures	FY11 Revised Budget	FY12 Estimated Expenditures	FY11 Revised Budget	FY12 Estimated Expenditures
Financial and Relationship Management	210,000.0	218,000.0	140,000.0	145,000.0	350,000.0	363,000.0
Investment Management	595,000.0	455,000.0	172,000.0	228,000.0	767,000.0	683,000.0
Accounting and Reporting	178,400.0	180,000.0	178,900.0	180,000.0	357,300.0	360,000.0
Legal Services	79,000.0	80,000.0	119,000.0	120,000.0	198,000.0	200,000.0
External Audit	172,200.0	675,000.0	79,800.0	675,000.0	252,000.0	1,350,000.0
Total Costs	1,234,600.0	1,608,000.0	689,700.0	1,348,000.0	1,924,300.0	2,956,000.0

The proposed budget for FY12 represents the following assumptions:

- i. Financial 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 receiving contributions, 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 the financial reporting of the Trust Funds;
- ii. Investment management: Investment management fees are calculated based on a flat fee of 3.5 basis points against the average, annual balance of the portfolio; the projected average portfolio size for the CIF trust funds for FY12 is USD 1.95 billion in total, of which USD 1.3 billion represents the estimated portfolio size for the CTF and USD 650 million for the SCF;
- iii. 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;
- iv. Legal services: Costs are based on staff time needed for policy advice, legal review of financial documents and drafting new legal documents including supplemental contribution agreements as well as amending the existing legal documents for the Trust Funds operation as necessary; and
- v. External audit costs: The costs of external audits are estimated to be on average USD 75,000 for each external audit of the MDB's special purpose financial statements and USD 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 (EUR) and the other in the operating currency of the CIF (USD)⁶. The Trust Funds will pay for both audits.

Systems Development:

The FY12 system development program will expand on the system platform developed to date for the Trustee. The strategy is to optimize and streamline CIF operations across the partners with the following objectives: (i) enable, through automated workflows, integration of project management with trust fund financial management thereby mitigating manual efforts and re-keying of data; (ii) enhance communications and promote collaboration and transparency through the development of web portals; and (iii) facilitate effective management of the day-to-day activities of the fund through automated reporting and making use of online dashboards.

The second phase of the System Development project will begin in July 2011 with the design and development of the project tracking and management functionality in support of the CIF Administrative Unit. In addition, the Trustee will collaborate with the MDBs to develop an electronic interface to share project information (i.e., milestone dates, information on reflows, disbursements, etc.). Other functionality includes donor loan management, and recording, monitoring and tracking of the outgoing loans. Initial preparations for Phase II are currently underway with project scoping and planning. Most of the major functionality for the CIF system is expected to be available by the end of FY13.

Non-core central unit costs: The Bank recently reviewed the methodology for calculating the costs of units that are indirectly involved in providing trustee services to FIFs. Preliminary results of the study suggest that these indirect costs amount to about 10% of the direct costs for providing trustee services (e.g., (i) to (iv) as noted above). The results of the study are being incorporated into the fee arrangements for all FIFs in FY12, consistent with the full cost-recovery policy, except in cases where a trust fund has paid an advance fee of USD 250,000 upon establishment of the fund. In such cases, the non-core central unit costs will be charged after the USD 250,000 is spent down. In the case of the CTF and SCF, the Trustee expects to start charging non-core central unit costs in FY13.

⁶ EBRD has to conduct an external audit in Euro in accordance with its own policies and procedures.

CIF Administrative Unit

134. During FY12, 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. In addition, it will, working with the MDB Committee and in consultation with partner agencies and organizations, coordinate the implementation of the Global Support Program and various “corporate” CIF thematic work programs in the areas of stakeholder relations and communications, including the 2012 Partnership Forum, private sector engagement, knowledge management, and results management.

135. The estimated expenditures for these activities total \$7.44 million (excluding the costs of holding the annual Partnership Forum), representing a 3% increase over the approved FY11 budget (excluding the FY11 one-time expense of \$0.55 million for consultations on the design of the DGM for indigenous peoples and local communities).

136. The recruitment of the additional staff resources envisaged in the FY11 budget paper is expected to be complete by the end of FY11, albeit substantially delayed. Two additional junior positions at the operations analyst level need to be added for FY12 to cope with the increased demands on program coordination, particularly under SCF’s three targeted programs. With this staff complement, 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.

Table 10- Approved FY11 Budget and Proposed FY12 Budget for Administrative Unit Services (\$'000)

	CTF		SCF		TOTAL		Staff weeks		Consultant weeks	
	FY11 Budget	FY12 Budget	FY11 Budget	FY12 Budget	FY11 Budget	FY12 Budget	FY11 Budget	FY12 Budget	FY11 Budget	FY12 Budget
	1. Facilitating the work of TFCs and Sub-Committees	408.3	355.7	665.5	512.5	1,073.8	868.2	86.6	92.4	3.6
2. Managing Institutional Relations and Partnership building (excl Partnership Forum)	988.9	895.1	2,271.6	1,833.6	3,260.5	2,728.7	189.9	201.1	47.3	27.5
3. Policy and Program Development 1/	769.6	1,074.2	1,988.5	2,106.2	2,758.1	3,180.4	400.4	549.9	21.9	85.1
4. Management and Finance	270.9	279.5	372.6	382.0	643.5	661.5	99.7	111.1	20.1	20.4
GRAND TOTAL	2,437.7	2,604.6	5,298.2	4,834.3	7,736.0	7,438.9	776.6	954.5	92.9	136.7
Partnership Forum	540	621	810	931.5	1,350.0	1,552.5				

1/ FY11 Approved Budget for SCF includes the one time extraordinary expense of \$548,000 for consultations on the design of a Dedicated Grant Mechanism for Indigenous Peoples and Local Communities.

The Multilateral Development Banks

137. 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 C below.

138. The MDBs' technical and operational staff will also (i) assist country partners in preparing activities, foreseen in investment plans, for CIF funding, (ii) help process these opportunities through funding approval, (iii) subsequently monitor implementation, and (iv) evaluate project outcomes, lessons and impacts of these projects. The MDBs recover their costs for these services through a project fee paid by the partner country out of the loan amount in the case of CTF and a payment for project implementation support and supervision services in the case of SCF.

139. The MDBs' CIF Focal Points coordinate and help guide the above activities which

- 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, clarify the established CIF policies, guidelines and procedures for CIF funded projects, and perform quality control on part of the MDB on investment program and project proposals;
- 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;
- 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;
- 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; and
- in representing their respective agencies in the meetings of the MDB Committee and its various thematic groups they play a key role in the translation of CIF policy directives into operational guidance for MDB task teams.

The expenditures incurred by 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 (Tables 11-13). For FY12, total MDB coordination expenditures have been estimated at \$6.42 million which is \$0.5 million, or 8%, higher than the approved FY11 budget, and \$1.0 million, or 18%, higher than the revised estimate for FY11.

- *For CTF coordination*, the estimated FY12 expenditures for the six MDBs as a group are 5% and 4% respectively below their combined approved and revised FY11 budgets. IBRD and IFC are both coordinating global and therefore more sizeable CTF programs, and their coordination costs are consequently larger than those for the Regional Development Banks (true for SCF as well). While IBRD's FY12 estimate is below FY11 budget, it represents a 26% increase over the revised FY11 estimate Table (Table 11). This reflects the impact of delayed recruitment of the new program coordinator and

supporting staff on FY11 expenditures. During the transition, the IBRD energy anchor provided support to uninterrupted program management on a *pro bono* basis.

- *For coordination of the three targeted SCF programs*, the estimated coordination expenditures total \$4.21 million, representing increases of 16% and 26% above the FY11 original and revised budgets respectively. They are driven by growing coordination demands, especially as FIP and SREP move into full country programming mode in FY12 (Tables 12 and 13). In anticipation, several MDBs have strengthened their staff resources for program coordination, or, as in the case of IFC, decided to go for a more substantial engagement under the SCF programs than what has underpinned past budget requests. As for ADB's projected 60 % increase in SCF coordination expenditures (Table 13), half of it is accounted for by sharply rising staff costs. These in turn follow from its decision to discontinue past practice of not fully reflecting staff costs in the expenditure estimates and proposed budgets for CIF coordination.⁷

Table 11 – Summary of FY11 Estimated Expenditures and Proposed FY12 Budget for MDB Administrative Services (\$ '000)

	CTF		SCF		TOTAL	
	FY11 Revised Budget	FY12 Proposed Budget	FY11 Revised Budget	FY12 Proposed Budget	FY11 Revised Budget	FY12 Proposed Budget
ADB	206.0	242.8	457.2	736.4	663.1	979.1
AFDB	253.1	233.9	493.0	647.4	746.2	881.3
EBRD	375.8	396.9	187.1	135.3	563.0	532.2
IADB	335.9	270.8	555.2	628.9	891.1	899.7
IBRD	404.2	508.4	1,344.3	1,452.5	1,748.4	1,960.9
IFC	546.9	555.0	305.2	614.2	852.1	1,169.2
Total	2,121.9	2,207.8	3,342.1	4,214.7	5,464.0	6,422.5

Table 12 - Proposed FY12 Budget for MDB Administrative Services by SCF Program (\$ '000)

	PPCR		FIP		SREP		TOTAL	
	FY11 Revised Budget	FY12 Proposed Budget	FY11 Revised Budget	FY12 Proposed Budget	FY11 Revised Budget	FY12 Proposed Budget	FY11 Revised Budget	FY12 Proposed Budget
ADB	197.8	302.7	182.2	206.3	77.3	227.3	457.2	736.4
AFDB	158.9	215.9	167.9	215.9	166.3	215.6	493.0	647.4
EBRD	120.4	78.8	16.5	-	50.2	56.5	187.1	135.3
IADB	188.4	208.5	184.4	208.5	182.4	211.8	555.2	628.9
IBRD	589.9	535.9	434.9	494.7	319.5	421.9	1,344.3	1,452.5
IFC	147.8	200.4	79.0	206.7	78.4	207.1	305.2	614.2
Total	1,403.2	1,542.3	1,064.9	1,332.2	874.0	1,340.2	3,342.1	4,214.7

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 work program and engagement across MDBs; 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.

⁷ In previous years, ADB did not include significant staff costs incurred in CTF and SCF coordination because it did not employ a corporate staff time accounting system.

Table 13 - Estimated FY12 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	53.5	70.9	102.4	87.1	243.3	216.0	773.2	100.8	81.0
2. CIF operational reporting	71.0	89.3	47.4	45.0	105.1	75.7	433.6	53.8	60.8
3. Participation in CIF committees and fora	89.6	47.3	176.9	89.6	98.2	87.3	588.9	42.5	23.8
4. Financial management and relations with the CIF Trustee	28.7	26.5	70.1	49.1	61.8	175.9	412.0	72.4	39.3
Total	242.8	233.9	396.9	270.8	508.4	555.0	2,207.8	269.4	204.8

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	162.6	118.2	25.0	203.7	661.2	216.0	1,386.8	180.7	210.9
2. CIF operational reporting	193.5	279.9	5.6	98.4	267.5	50.5	895.5	97.2	180.7
3. Participation in CIF committees and fora	295.5	170.1	89.0	171.7	390.7	296.8	1,413.8	126.0	48.8
4. Financial management and relations with the CIF Trustee	84.7	79.2	15.6	155.0	133.0	51.0	518.6	87.2	103.8
Total	736.4	647.4	135.3	628.9	1,452.5	614.2	4,214.7	491.2	544.1

Part B. Partnership Forum

A major task for the Administrative Unit working with the MDB Committee in FY12 is the continued planning, organization and management of the Fourth Partnership Forum to be held in London in March/April of 2012. Related costs of administrative staff and their travel are covered under Part A of the CIF Budget (Table 10). The expenditures for holding the event, are covered separately under Part B.

It is proposed that European Bank for Reconstruction and Development (EBRD) will host the Forum, and the CIF Administrative Unit will work closely with EBRD and the MDB Committee in the planning and organization of the event. The preliminary cost estimate of \$1.55 million is based on the current best estimate of the costs of the Third Forum in Cape Town and reflects anticipated cost increases due to its envisaged location. A more precise estimate will be provided when a detailed design proposal to the Trust Fund Committees is submitted in the fall of 2011.

Part C - MDB Support to Country Programming of CIF Resources

140. Over the period FY09-FY11, \$12.29 million will have been channeled from the CIF administrative budget to the MDBs to finance support for country programming of CIF resources. By end FY11, this support will have helped 32 countries⁸ complete their investment plans. Indicative envelopes for CIF funding under these plans total \$5.51 billion (\$4.30 billion and \$1.17 billion respectively under CTF and SCF). As per proposed business development targets, summarized in Table 2 (Section III) FY12 should see the completion of all but one of the

⁸ Including two "regional tracks" under the PPCR.

remaining 16 investment plans all of which belong to the three targeted SCF programs (5 each in PPCR and SRE, and 6 in FIP).

MDB joint mission support for the preparation of these remaining investment plans is ongoing or being initiated. Following the determination of the FY11 budget provisions for MDB support for country programming, the number of combined pilots under FIP and SREP have increased by more than 50% (from 9 to 14). Consequently, the estimated costs of MDB joint-mission support for completion of the country programming of SCF funds have increased substantially. While budget funds approved for PPCR programming have been fully allocated to MDB joint missions, the FIP and SREP FY11 programming budgets currently have balances of \$423,700 and \$462,250 respectively which are expected to be allocated before the end of FY11 for MDB support to the FY12-13 investment plans.

The additional funding requirements for MDB programming support are estimated at \$2.42 million (Table 14 below) and are projected based on the following assumptions:

- a 10 % contingency will be required for PPCR to help address any unforeseen developments or complications in the completion of the remaining SPCRs; and
- since more precise estimates of costs of MDB Phase 1 support under FIP and SREP preparation are not possible at this stage, it is assumed that these costs will average \$388,000 (the original budget norm adopted for SCF pilot IPs); and as in the case of PPCR a 10% contingency will be required to help defray MDB expenses caused by unforeseen developments in the finalization of any of the 16 FY12-13 IPs.

Table 14 – Estimated funding requirements for MDB support to the completion of the remaining 16 investment plans under SCF’s targeted programs (\$)

Program	No. of IPs	Funding allocated by end FY11	Additional funding required	Total Funding
PPCR	5 1/	967,670 2/	85,400 3/	1,053,070
FIP	6	1,187,750	1,373,050 4/	2,560,800
SREP	5	1,169,750	964,250 4/	2,134,000
Total	16	3,325,170	2,422,700	5,747,870

1/ Involves 3 and 2 country IPs under the Caribbean and Pacific regional pilots respectively.

2/ Assumes that the total allocation to each regional pilot is divided in equal shares among the participating countries and the “regional track” component.

3/ Based on country shares of 10% contingency on budget norm of \$920,000 per regional pilot.

4/ Comprises additional funding to bring allocations to each MDB joint missions up to the budget norm of \$388,000 plus a 10% contingency on the budget norm.

In addition to seeking additional funding of MDB expenditures for support to the completion of country programming of SCF resources, it is proposed that the use of independent *Technical Quality Reviews* of SCF investment plans, presently under consideration by the SCF Trust Fund Committee, be funded under this part of the SCF administrative services budget.

While such reviews do not involve the MDBs, they form part of the programming cycle for PPCR, FIP and SREP funds. The total cost of undertaking reviews of the 15 investment plans scheduled for FY12 is currently estimated at \$187,500.

Recognizing that CTF and SCF budget resources are not fungible, the total request for additional funding under Part C of the CIF Administrative amounts to \$2.61 million (Table 15 below)

Table 15: Summary of Estimated MDB Expenditures for Supporting the Completion of Country Programming of CIF Resources FY12-14 and Independent Technical Quality Reviews (\$,000)			
Programming Activity	CTF	SCF	CIF
1. Completion of remaining 16 IPs (w/o CMCs)	-	2,422.7	2,422.7
2. Completion of FY12 Technical Quality Reviews (15) 1/	-	187.5	187.5
Total estimated programming support costs	-	2,610.2	2,610.2
Balance available from FY11 FY09-FY11 allocations (Table 6)	1,144.5	2.0	1,146.7
Additional funds requested 2/	(1,144.5)	2,608.2	2,608.2
1/ Includes reviews of 5 SPCRs, 5 FIP IPs and 5 SREP IPs.			
2/ Since CTF and SCF funds are not fungible, the positive balance remaining under the CTF cannot be applied towards funding part of the estimated incremental funding requirements under SCF. The request for the additional funding equals the projected full SCF requirements			

141. *Managing the MDB programming budget.* The arrangements for MDBs to access CIF budget resources for programming support remain as outlined in the CIF FY09 Budget Paper⁹. The MDB Committee has since issued guidelines for MDB task team requests for joint-mission funding and reporting on joint-mission activities. Cost norms have been adopted as benchmarks for reviewing funding requests. These norms have been kept under review and undergone adjustments in light of experience in implementation of MDB support for country programming.

⁹ “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 Approved and IPs/SPCRs Endorsed FY09-FY11]

- 1a CTF joint missions
- 1b PPCR joint missions
- 1c FIP joint missions
- 1d SREP joint missions

2. List of CIF Projects approved by the CIF Trust Fund Committee and the PPCR Sub-Committee

3. Table of Business Development Targets by CIF Program

4 FY11 Budget Review – Supporting Tables

- 4a FY11 Approved and Revised Budget for MDB Administrative Services by Fund Program and MDB.
- 4b FY11 Approved and Revised Budget for MDB Administrative Services by Service category
- 4c FY11 Approved and Revised Budget for Trustee Administrative.

- 4d FY11 Approved and Revised Budget for Administrative Unit Services.

Annex 1 CIF Joint Missions Approved and IPs and SPCRs Endorsed during FY09-FY10.

Table 1a CTF Joint-Missions Approved and Investment Plans Endorsed FY09-11

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	03/16/2010
South Africa	03/09/2009	10/28/2009
Kazakhstan	05/26/2009	03/16/2010
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	11/12/2010
Indonesia	10/14/2009	03/16/2010
Colombia	11/18/2009	03/16/2010
Chile	01/04/2010	
MENA Supplemental	03/03/2010	

Table 1b PPCR Joint-Missions Approved and SPCRs Endorsed FY10-11

Country	MDB Committee Approval of MDB Joint-mission proposal	PPCR SC endorsement of SPCRs (planned dates in italics)
Nepal	8/18/2009	<i>06/2011</i>
Cambodia	9/21/2009	<i>06/2011</i>
Tajikistan	9/28/2009	11/10/2010
Yemen	11/5/2009	<i>06/2011</i>
Zambia	11/5/2009	<i>06/2011</i>
Mozambique	11/13/2009	<i>06/2011</i>
Bangladesh	11/24/2009	11/10/2010
Bolivia	12/30/2009	<i>06/2011</i>
Niger	5/26/2010	11/10/2010
Regional Caribbean		
Grenada	6/7/2010	04/19/2011
St Vincent and Grenadines	6/7/2010	04/19/2011
Haiti	6/7/2010	11/2011
St Lucia	6/7/2010	<i>06/2011</i>
Dominica	6/7/2010	<i>07/2011</i>
Jamaica	6/7/2010	<i>11/2011</i>
Regional Track	6/7/2010	<i>07/2011</i>
Regional Pacific		
Samoa	8/6/2010	03/29/2011

Papua New Guinea	8/6/2010	<i>11/2011</i>
Tonga	8/6/2010	<i>11/2011</i>
Regional Track	8/6/2010	<i>06/2011</i>

Table 1c FIP Joint-Missions Approved and IPs Endorsed FY11

Country	MDB Committee Approval of MDB Joint-mission proposal	FIP SC endorsement of Investment Plan (planned dates in italics)
Burkina Faso	01/20/2011	<i>06/2011</i>
Ghana	02/24/2011	
DRC	01/26/2011	<i>06/2011</i>

Table 1d SREP Joint-Missions Approved and IPs Endorsed FY11

Country	MDB Committee Approval of MDB Joint-mission proposal	SREP SC endorsement of Investment Plan
Kenya	04/05/2011	<i>06/2011</i>
Mali	03/23/2011	

Annex 2. List of CIF Projects approved by the CIF Trust Fund Committee and the PPCR Sub-Committee - as of April 2011(in million \$)

	COUNTRY	PROJECT TITLE	MDB	TFC APPROVAL DATE	SECTOR CLASS	FUNDING
CLEAN TECHNOLOGY FUND						
1	Colombia	Sustainable Energy Finance Program	IDB	Dec-10	Private	6.1
			IFC	Dec-10	Private	11.4
2	Egypt	Wind Power Development Project(Transmission)	IBRD	May-10	Public	150.0
3	Indonesia	Indonesia Geothermal	IBRD	Dec-10	Public	125.0
4	Kazakhstan	District Heating Modernization Framework	EBRD	Jan-11	Private	42.0
5	Mexico	Private Sector Wind Development	IFC	May-09	Private	15.6
6	Mexico	Urban Transport Transformation Project	IBRD	Oct-09	Public	200.0
7	Mexico	Public-Private Sector Proposal Renewable Energy CTF Program	IDB	Nov-09	Private	53.4
8	Mexico	Efficient Lighting and Appliance Project	IBRD	Sep-10	Public	50.0
9	Mexico	Private Sector Energy Efficiency	IDB	May-11	Private	24.4
10	Philippines	Sustainable Energy -RE Accelerator Program (REAP)	IFC	Sep-10	Private	20.0
11	Philippines	Sustainable Energy Program	IFC	Feb-11	Private	10.0
12	South Africa	EE Program	AfDB	Oct-10	Private	7.5
13	South Africa	Sustainable Energy Acceleration Program	AfDB	Oct-10	Private	42.5
			IFC	Oct-10	Private	42.5
14	South Africa	EE Program	AfDB	Oct-10	Private	7.5
15	South Africa	ESKOM Renewable Support Project-CSP/Wind	AfDB	Nov-10	Public	100.0
			IBRD	Nov-10	Public	250.0
16	Thailand	Renewable Energy Accelerator Program(TSEFF)	IFC	Jun-10	Private	40.0
		Sustainable Energy Finance Program(T-SEF)	IFC	Oct-10	Private	30.0
17	Turkey	Private Sector RE and EE Project	IBRD	May-09	Public	100.0
18	Turkey	Commercialized Sustainable Energy Finance Program (CSEF)	IFC	Sep-09	Private	21.7
19	Turkey	Turkish Sustainable Energy Financing Facility(TurSEFF)	EBRD	Jan-10	Private	43.3
			EBRD	Sep-10	Private	6.8
20	Ukraine	Ukraine Sustainable Energy Finance Program	EBRD	Oct-10	Private	27.6
21	Vietnam	EE - Sustainable Energy Finance Program	IFC	Sep-10	Private	30.0
		Subtotal				1,457.2
PILOT PROGRAM FOR CLIMATE RESILIENCE						
22	Tajikistan	Improvement of Weather, Climate and Hydrological Service Delivery	IBRD	Mar-11		7.0
TOTAL						1,464.2

Annex 3. Table of Business Development Targets by CIF Program – FY 2009-FY 2014
(in million \$)

Key Items	Unit	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	Total
CTF								
Joint Missions Fielded ¹	no.	7	8	-	-	-	-	15
IP for TFC Review ²	no.	3	10	1	-	-	-	14
Indicative Funding	US\$ million	1,050	3,300	-	-	-	-	4,350
Projects for TFC Review	no.	2	6	19	24	12	-	63
Project Funding ³	US\$ million	116	508	1,234	1,441	1,051	-	4,350
PPCR								
Joint Missions Fielded ¹	no.	2	11	5	2	-	-	20
SPCR for SC Review	no.	-	-	15	5	-	-	20
Indicative Funding ⁴	US\$ million	-	-	1,013	112	-	-	1,125
Projects for SC Review	no.	-	-	4	29	13	10	56
Project Funding ^{5/7}	US\$ million	-	-	50	445	358	240	1,094
Reserves	US\$ million	-	-	-	-	-	-	-
FIP								
Joint Missions Fielded ¹	no.	-	-	7	1	-	-	8
IP for SC Review	no.	-	-	2	5	1	-	8
Indicative CIF Funding (of which includes Indigenous People Grant of about \$50 million)	US\$ million	-	-	109	354	109	30	602
Projects for SC Review (of which includes Indigenous People project)	no.	-	-	-	7	15	3	25
Project Funding ⁵	US\$ million	-	-	1	207	266	53	528
Reserves ⁶	US\$ million	-	-	-	-	30	30	60
SREP								
Joint Missions Fielded ¹	no.	-	-	4	2	-	-	6
IP for SC Review	no.	-	-	1	5	-	-	6
Indicative Funding	US\$ million	-	-	45	203	43	43	334
Projects for SC Review	no.	-	-	-	2	6	10	18
Project Funding ⁵	US\$ million	-	-	-	27	80	133	240
Reserves ⁶	US\$ million	-	-	-	-	43	43	86
SCF TOTAL								
Joint Missions Fielded ¹	no.	2	11	16	5	-	-	34
IP/SPCR for TFC/SC Review	no.	-	-	18	15	1	-	34
Indicative Funding	US\$ million	-	-	1,167	669	152	73	2,061
Projects for SC Review	no.	-	-	4	38	34	23	99
Project Funding	US\$ million	-	-	52	679	705	426	1,861
Reserves	US\$ million	-	-	-	-	73	73	146
CIF TOTAL								
Joint Missions Fielded ¹	no.	9	19	16	5	-	-	49
Review	no.	3	10	19	15	1	-	48
Indicative CIF Funding	US\$ million	1,050	3,300	1,167	669	152	73	6,411
Projects for TFC/SC Review	no.	2	6	23	62	46	23	162
Project Funding	US\$ million	116	508	1,286	2,119	1,756	426	6,211
Reserves	US\$ million	-	-	-	-	73	73	146

¹ The term “joint-missions fielded” refers to start of MDBs’ engagement with the country partner institutions on IP/SPCR development. This typically happens through a “scoping” mission. Additional missions follow to complete MDB support but are not reflected in the numbers shown in the table.

² FY11 refers to Nigeria IP which was conditionally approved by the TFC in Nov. 2010. Funding is subject to resource availability.

³ Project funding for FY12-FY13 is based on the current projection of MDB task teams.

⁴ The amounts shown include preparation grants, project funding and projected payment to MDBs for the project preparation and implementation services. Funding at the level of the total amount shown is subject to additional donor funds becoming available for it exceeds current level of pledges.

⁵ Net of payments to MDBs for project implementation (including preparation) support and supervision services.

⁶ Reserves cover additional project allocations and projected payments to MDBs for project preparation and implementation services.

⁷ Under the assumption that the PPCR sunset clause will be modified by the SCF Trust Fund Committee to ensure consistency with the CIFs sunset clause.

Annex 4 FY11 Budget Review – Supporting Tables

4a. FY11 Approved and Revised Budget for MDB Administrative Services by Fund Program and MDB.

CTF

		Staff Costs	Consultant Costs	Contractual Services	Travel	Total Direct Costs	Indirect Costs	TOTAL
ADB	FY11 Approved	8,973	224,250	-	94,500	327,723	1,996	329,718
	FY11 Revised	1,720	155,232	-	48,597	205,549	405	205,953
AFDB	FY11 Approved	99,000	63,000	25,000	45,000	232,000	11,600	243,600
	FY11 Revised	113,922	52,533	-	76,551	243,006	10,110	253,115
EBRD	FY11 Approved	175,198	30,000	12,000	96,000	313,198	52,560	365,758
	FY11 Revised	205,452	-	11,760	106,067	323,279	52,560	375,839
IADB	FY11 Approved	198,000	54,300	-	27,500	279,800	27,980	307,780
	FY11 Revised	182,861	83,220	-	39,285	305,367	30,537	335,904
IBRD	FY11 Approved	358,489	17,419	-	83,500	459,408	66,192	525,600
	FY11 Revised	238,691	65,000	243	59,214	363,148	41,003	404,151
IFC	FY11 Approved	468,609	15,475	-	30,000	514,084	32,819	546,903
	FY11 Revised	447,807	50,160	-	46,087	544,053	2,850	546,903
TOTAL	FY11 Approved	1,308,269	404,444	37,000	376,500	2,126,213	193,147	2,319,360
	FY11 Revised	1,190,454	406,144	12,002	375,802	1,984,402	137,464	2,121,866

SCF

		Staff Costs	Consultant Costs	Contractual Services	Travel	Total Direct Costs	Indirect Costs	TOTAL
ADB	FY11 Approved	4,486	329,850	-	127,500	461,836	998	462,834
	FY11 Revised	1,932	369,217	-	85,432	456,581	613	457,193
AFDB	FY11 Approved	234,000	153,000	75,000	108,000	570,000	28,500	598,500
	FY11 Revised	224,743	157,598	-	91,085	473,426	19,611	493,036
EBRD	FY11 Approved	96,120	-	-	96,000	192,120	56,400	248,520
	FY11 Revised	64,080	-	17,112	49,535	130,727	56,400	187,127
IADB	FY11 Approved	360,000	142,990	-	34,500	537,490	53,749	591,239
	FY11 Revised	258,995	208,389	-	37,363	504,747	50,475	555,222
IBRD	FY11 Approved	1,027,487	22,257	-	160,500	1,210,244	222,216	1,432,460
	FY11 Revised	836,103	196,540	11,297	159,834	1,203,774	140,498	1,344,272
IFC	FY11 Approved	207,850	8,250	-	69,750	285,850	19,395	305,245
	FY11 Revised	243,021	8,684	-	50,322	302,027	3,218	305,244
TOTAL	FY11 Approved	1,929,943	656,347	75,000	596,250	3,257,540	381,258	3,638,798
	FY11 Revised	1,628,874	940,428	28,409	473,570	3,071,280	270,814	3,342,094

TOTAL

		Staff Costs	Consultant Costs	Contractual Services	Travel	Total Direct Costs	Indirect Costs	TOTAL
ADB	FY11 Approved	13,459	554,100	-	222,000	789,559	2,993	792,553
	FY11 Revised	3,652	524,449	-	134,029	662,129	1,017	663,147
AFDB	FY11 Approved	333,000	216,000	100,000	153,000	802,000	40,100	842,100
	FY11 Revised	338,665	210,130	-	167,636	716,431	29,720	746,151
EBRD	FY11 Approved	271,318	30,000	12,000	192,000	505,318	108,960	614,278
	FY11 Revised	269,532	-	28,872	155,602	454,006	108,960	562,966
IADB	FY11 Approved	558,000	197,290	-	62,000	817,290	81,729	899,019
	FY11 Revised	441,856	291,610	-	76,648	810,114	81,011	891,125
IBRD	FY11 Approved	1,385,976	39,676	-	244,000	1,669,652	288,408	1,958,060
	FY11 Revised	1,074,794	261,540	11,539	219,048	1,566,922	181,501	1,748,423
IFC	FY11 Approved	676,459	23,725	-	99,750	799,934	52,214	852,148
	FY11 Revised	690,828	58,843	-	96,409	846,080	6,068	852,148
TOTAL	FY11 Approved	3,238,212	1,060,791	112,000	972,750	5,383,753	574,405	5,958,158
	FY11 Revised	2,819,327	1,346,572	40,411	849,372	5,055,682	408,278	5,463,960

4b. FY11 Approved and Revised Budget for MDB Administrative Services by Service Category.

CTF	ADB		AFDB		EBRD		IADB		IBRD		IFC		TOTAL	
	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised
1. Internal outreach and integration of CIF in MDB policies, procedures and systems	142,302	91,721	28,350	62,324	75,110	87,144	122,980	144,954	265,176	176,841	212,454	206,882	846,371	769,865
2. CIF operational reporting	34,921	35,062	47,250	58,514	53,285	47,200	51,480	43,453	69,032	48,235	17,646	89,272	273,615	321,736
3. Participation in CIF committees and fora	84,000	48,597	94,500	120,676	137,270	160,502	88,110	97,182	110,220	98,947	102,357	59,697	616,457	585,602
4. Financial management and relations with the CIF Trustee	68,495	30,573	73,500	11,603	100,093	80,993	45,210	50,314	81,172	80,128	214,446	191,052	582,916	444,663
Grand Total	329,718	205,953	243,600	253,115	365,758	375,839	307,780	335,904	525,600	404,151	546,903	546,903	2,319,360	2,121,866

SCF	ADB		AFDB		EBRD		IADB		IBRD		IFC		TOTAL	
	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised
1. Internal outreach and integration of CIF in MDB policies, procedures and systems	211,801	296,003	85,050	166,806	60,480	66,912	186,780	224,660	643,584	661,251	55,822	156,496	1,243,517	1,572,127
2. CIF operational reporting	69,411	45,037	103,950	152,292	25,920	15,240	79,200	52,199	163,556	144,211	23,529	5,414	465,566	414,392
3. Participation in CIF committees and fora	117,000	85,432	226,800	161,740	156,480	99,335	142,109	122,327	425,176	393,267	194,151	94,197	1,261,716	956,298
4. Financial management and relations with the CIF Trustee	64,623	30,722	182,700	12,199	5,640	5,640	183,150	156,036	200,144	145,543	31,742	49,137	667,999	399,277
Grand Total	462,834	457,193	598,500	493,036	248,520	187,127	591,239	555,222	1,432,460	1,344,272	305,245	305,244	3,638,798	3,342,094

4c. FY11 Approved and Revised Budget for Trustee Administrative.

Budgetary Requirements for Services Provided by the Trustee						
FY11 (USD)						
Trustee Services	CTF		SCF		TOTAL	
	FY11 Budget	FY11 Revised Budget	FY11 Budget	FY11 Revised Budget	FY11 Budget	FY11 Revised Budget
Financial and Relationship Management	235,000.0	210,000.0	157,000.0	140,000.0	392,000.0	350,000.0
Investment Management a/	458,000.0	595,000.0	264,000.0	172,000.0	722,000.0	767,000.0
Accounting and Reporting	180,000.0	178,400.0	180,000.0	178,900.0	360,000.0	357,300.0
Legal Services	79,000.0	79,000.0	119,000.0	119,000.0	198,000.0	198,000.0
External Audit c/	675,000.0	372,200.0	675,000.0	279,800.0	1,350,000.0	652,000.0
Total Costs	1,627,000.0	1,434,600.0	1,395,000.0	889,700.0	3,022,000.0	2,324,300.0

a/ Investment Management fees are calculated based on a flat-rate of 3.5 basis points against the average annual balance of the portfolio; the projected average portfolio size is revised to \$1.7 billion from \$1.3 billion for the CTF trust fund and to \$490 million from \$754 million for the SCF trust fund for FY11.

c/ Revised budget represents expected costs for external audits being conducted by Trustee as well as by the MDB which received more than \$100 million from the Trustee.

4d. FY11 Approved and Revised Budget for Administrative Unit Services.

	CTF		SCF		TOTAL	
	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised	FY11 Approved	FY11 Revised
1. Facilitating the work of TFCs and Sub-Committees	408,320	394,419	665,469	591,629	1,073,789	986,048
2. Managing Institutional Relations and Partnership building (excl Partnership Forum)	988,939	1,119,699	2,271,596	1,679,548	3,260,535	2,799,246
3. Policy and Program Development 1/	769,609	1,013,100	1,988,512	1,519,651	2,758,121	2,532,751
4. Management and Finance	270,867	236,371	372,643	354,557	643,510	590,928
GRAND TOTAL	2,437,735	2,763,589	5,298,220	4,145,384	7,735,955	6,908,973
Partnership Forum	540,000	573,821	810,000	860,732	1,350,000	1,434,553
1/ FY11 Approved Budget for SCF includes one time extraordinary expense of \$548,000 for consultations on the design of a Dedicated Grant Mechanism for Indigenous Peoples and Local Communities.						

