

CLIMATE INVESTMENT FUNDS

Joint CTF-SCF/TFC.20/Inf.5
January 24, 2019

Joint Meeting of the CTF and SCF Trust Fund Committee
Ouarzazate, Morocco
January 31, 2019

**DECISION TEXTS OF PREVIOUS DISCUSSED STRATEGIC PAPERS ON THE FUTURE OF THE
CLIMATE INVESTMENT FUNDS**

1. CIF and the Emerging Financial Architecture for Climate Change *presented at the Joint Meeting held on November 2, 2012*

The joint meeting of the CTF and SCF Trust Fund Committees, having discussed the document CTF-SCF/TFC.9/10/Rev.1, *CIF and the Emerging Financial Architecture for Climate Change*:

- a) recognizes and welcomes the progress that is being made on climate finance within the UNFCCC, including under the Standing Committee on Finance, and the Green Climate Fund;
- b) requests the CIF partners, including countries, MDBs, the CIF Administrative Unit and observers, to share lessons and experiences from the CIF with those deliberating on climate finance within the UNFCCC and the GCF;
- c) agrees to monitor developments in the elaboration of the operational procedures and modalities of the GCF so as to determine if and when it is timely and appropriate in the Joint CTF-SCF meeting to give in-depth consideration to operational, financial and legal issues associated with the CIF sunset clause;
- d) agrees that the CIF should play its part in ensuring the continuity of climate finance provided to eligible recipient countries while the GCF's structures are put in place and requests the CIF Administrative Unit to provide the joint meeting with updates relevant to this issue; and
- e) encourages the CIF Administrative Unit to critically scrutinize the comparative advantage of the CIF to work on the proposals contained in the annex to the document, bearing in mind options for how they might be implemented.

2. Models for the Future Operations of the CIF *Presented at the Joint Meeting, November 17, 2014*

The joint meeting of the CTF and SCF Trust Fund Committees, having discussed the document CTF-SCF/TFC.13/3, *Models for the Future Operations of the CIF*, agrees with the following principles to serve as the guiding framework for the discussion of the future operations of the CIF, working towards and mindful of the need to reduce uncertainty for the endorsed investment plans and programs:

- a) Supporting the continuity of climate finance flows and action on the ground and reducing funding gaps in the CIF operations in the near term;
- b) Progressively taking measures to strengthen complementarity, coordination and cooperation within the climate finance architecture;
- c) Focusing on knowledge management and sharing of lessons learned;
- d) Enhancing the programmatic approach and leverage of funds; and
- e) Continuing to deliver strong value for money in terms of economy, efficiency and effectiveness of CIF operations and investments on the ground.

The joint meeting agrees to continue monitoring the developments in the international climate finance architecture over the next two years to make a decision as to if and when the Trustee should stop receiving new contributions at a future joint meeting, taking into consideration:

- a) The developments relating to the international climate finance architecture;
- b) The need to reduce fragmentation but maintain diversity of financing options; and
- c) The role and value of the CIF in the design and implementation of pilot approaches and lessons learned for delivering climate finance at scale.

The joint meeting will provide guidance at a later meeting regarding which model(s) should be further explored for a paper detailing the necessary steps and the indicative timeline for implementing the model(s) and the proposed strategy to be prepared by the CIF AU in collaboration with the Trustee and MDBs, for consideration by the Joint Committees at no later than the first meeting in 2016.

The joint meeting notes that any investment plans and programs under the CIF could be designed in such a way that recipient countries, if they so desire, could use them to access funding from other sources or mechanisms in the climate finance architecture.

The joint meeting requests the CIF Administrative Unit to further explore ways to enhance the sharing of knowledge and lessons learned with the other entities and mechanisms in the climate finance architecture.

3. Strategic Directions for the Climate Investment Funds *Presented at the Joint Meeting held on June 15, 2016*

The joint meeting of the CTF and SCF Trust Fund Committees reviewed the document JOINT CTF-SCF/TFC.16/3, *Strategic Directions for the CIF*, and appreciates the detailed and focused gap analysis conducted on how the CIF fits within the climate finance architecture (including, inter alia, the Green Climate Fund). The joint meeting also notes that the analysis took into account future opportunities and explored roles each CIF program could play based on its comparative advantage and value added.

The joint meeting recognizes, with appreciation, the value of the climate actions in developing countries supported by the CIF. The joint meeting notes the need to support the continuity of climate finance flows at scale in the near term through a diverse set of financing options to support actions in developing countries. In this regard, the joint meeting recognizes the important role and commitment of MDBs in delivering climate finance. The joint meeting highlights the importance of disbursing current CIF funds effectively and agrees to continue monitoring the developments in the international climate finance architecture to inform a discussion on the sunset clause in December 2018 at the earliest, and take a decision on this issue in June 2019, in particular on if and when the Trustee should stop receiving new contributions for the Clean Technology Fund and/or the Strategic Climate Fund.

The joint meeting agrees on the need to enhance cooperation between the CIF and other entities and mechanisms in the climate finance architecture, in particular the Green Climate Fund, through, inter alia:

- a) Improved coordination at the country level led by the CIF focal points and GCF's national designated authorities, including in cooperation with MDBs when requested, for mobilizing funding and implementing investment plans/SPCRs;
- b) Enhanced efforts by all stakeholders of the CIF to share lessons learned, including through the CIF evaluative and learning special initiative; and
- c) Exploring joint training and learning sessions for CIF and other multilateral climate finance mechanisms.

The joint meeting invites the CTF Trust Fund Committee to consider the analysis presented in the Strategic Directions paper and discuss the value proposition for a new business model for the CTF, including the new financing modalities.

The joint meeting also invites the SCF Sub-Committees to consider the analysis presented in the Strategic Directions paper on the specific context, lessons learned, and continued value proposition of the three programs (FIP, SREP and PPCR).