

Introduction of CIF Business Plan and FY12 Budget

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***CTF AND SCF JOINT
COMMITTEES MEETING
June 27, 2011***

Overview

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I: Business Development

- Preparation of Investment Plans
- Project Funding
- Challenges

➤ **II: Proposed FY12 Budget**

- Introduction
- Summary
- Administrative costs and Project Funding

I. CIF Business Development - Progress and Plans

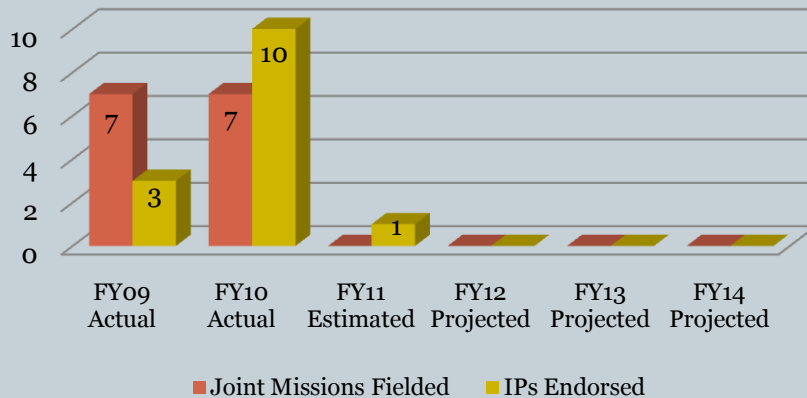
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**PREPARATION OF INVESTMENT
PLANS**

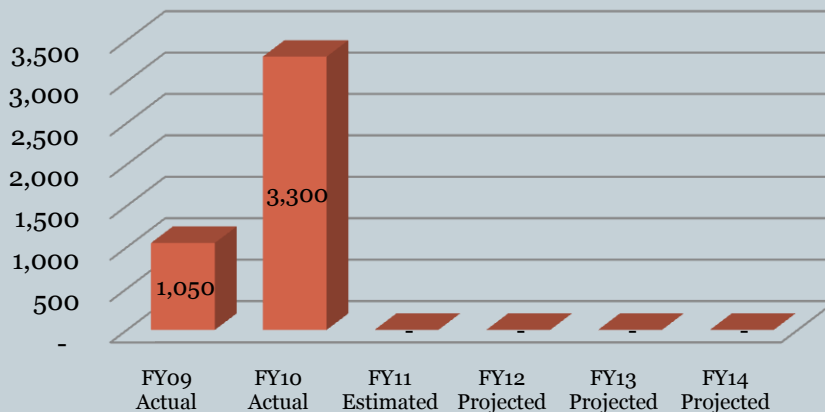
CTF - Joint missions initiated and IPs endorsed

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Joint Missions/Investment Plans



Indicative Funding (in million \$)



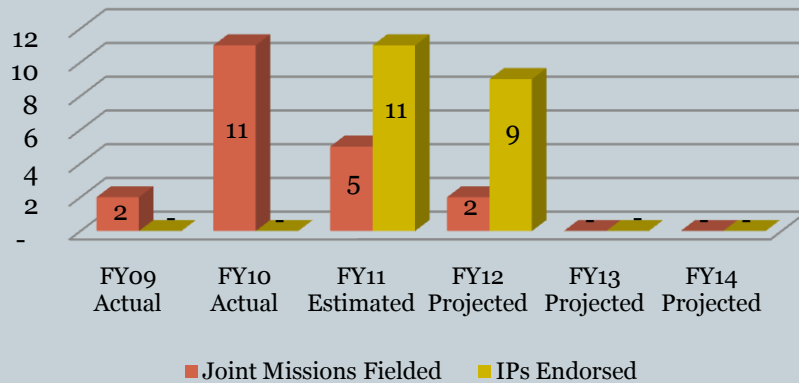
- IPs have been prepared for 13 single partner countries and a regional grouping of 5 countries calling for total of \$4.6 billion in CTF resources.

- The CTF Trust Fund Committee has agreed that an additional IP be prepared.

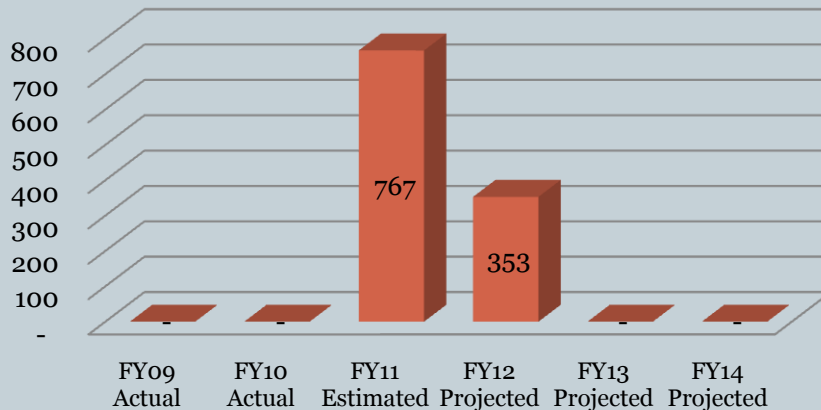
PPCR - Joint missions initiated and SPCRs endorsed

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Joint Missions/Investment Plans



Indicative Funding (in million \$)



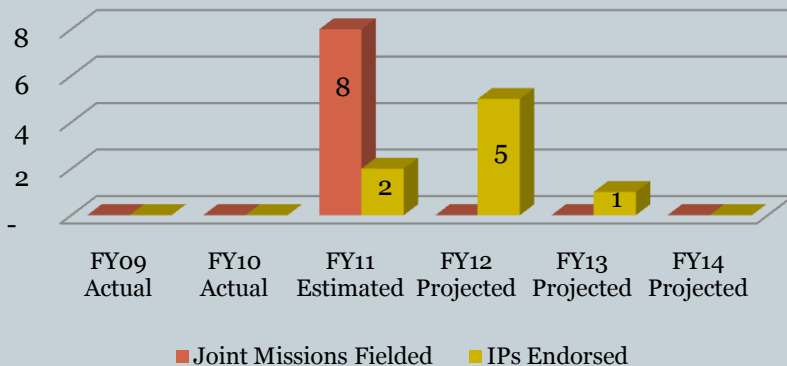
- By end FY11, seven pilot countries and 4 countries participating in the regional programs are expected to have their SPCRs endorsed, calling for \$767 million in PPCR resources.

- Remaining 9 SPCRs expected to be submitted for endorsement in FY12.

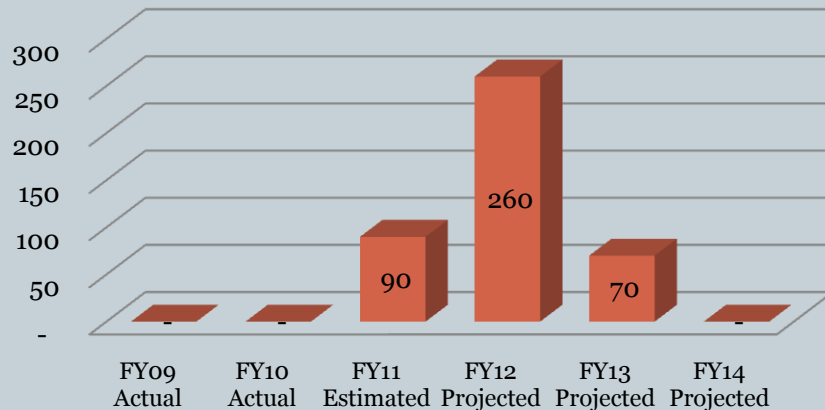
FIP - Joint missions initiated and IPs endorsed

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Joint Missions/Investment Plans



Indicative Funding (in million \$)

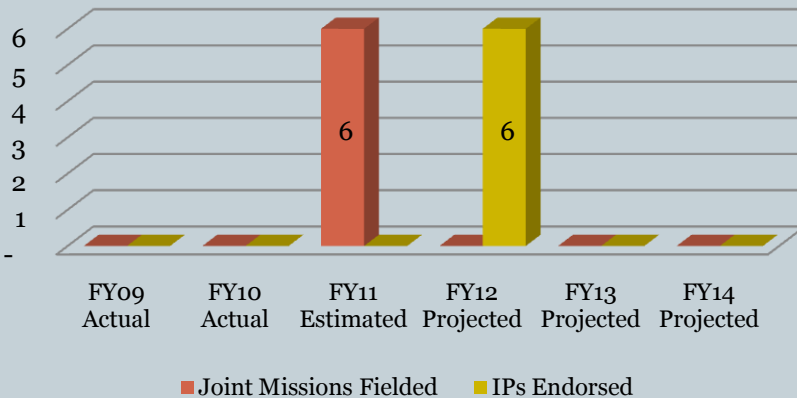


- Scoping missions were completed in all 8 pilots in FY11, and 2 countries submitted their IPs calling for \$90 million in FIP resources.
- 6 countries have requested preparation grants to help develop IPs.
- A reserve of \$150 million was established.

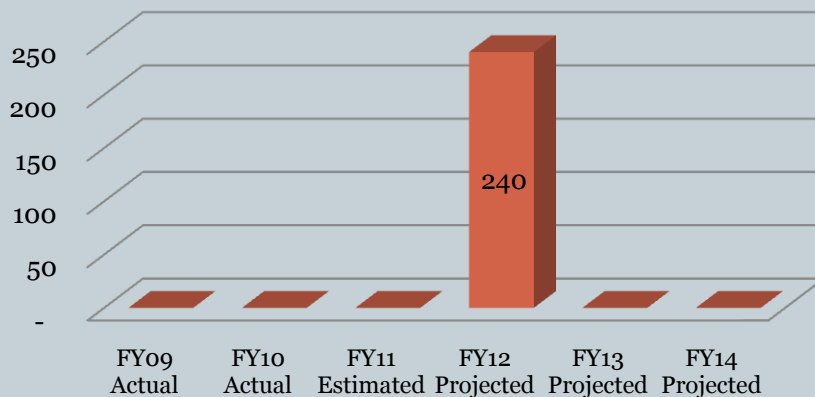
SREP - Joint missions initiated and IPs endorsed

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Joint Missions/Investment Plans



Indicative Funding (in million \$)



- Scoping missions were completed in all 6 pilot countries during FY11.
- Resulting IPs are planned for submission in FY12, expected to call for a total of \$240 million in SREP funding.
- A reserve of \$60 million was established.

I. CIF Business Development - Progress and Plans

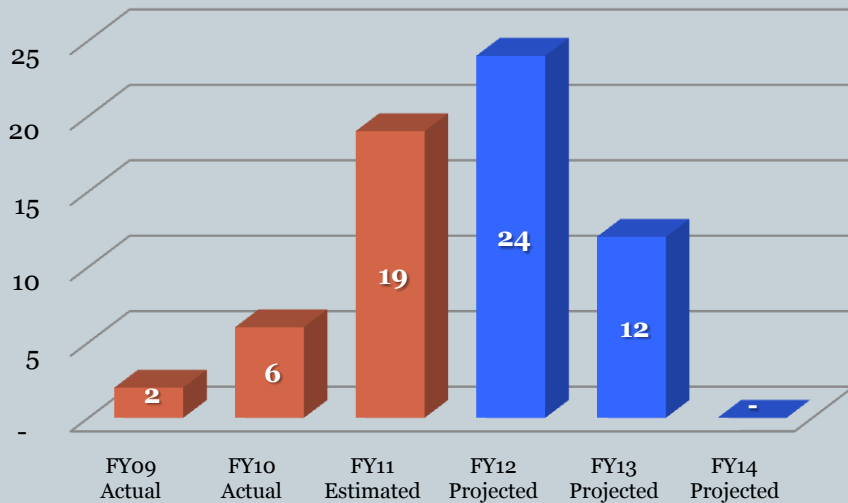
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PROJECT FUNDING

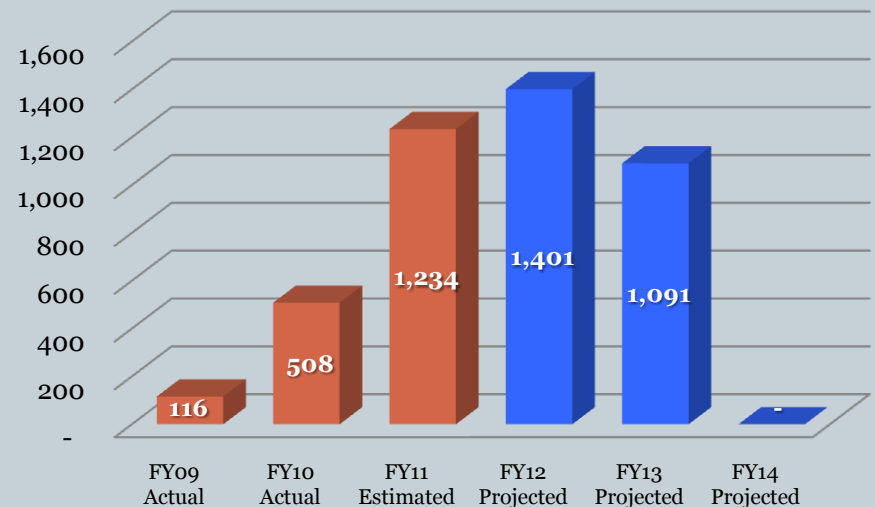
CTF Project Funding

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Number of Projects
(Estimated total 63)



Project Funding
(Total \$4,350 million)



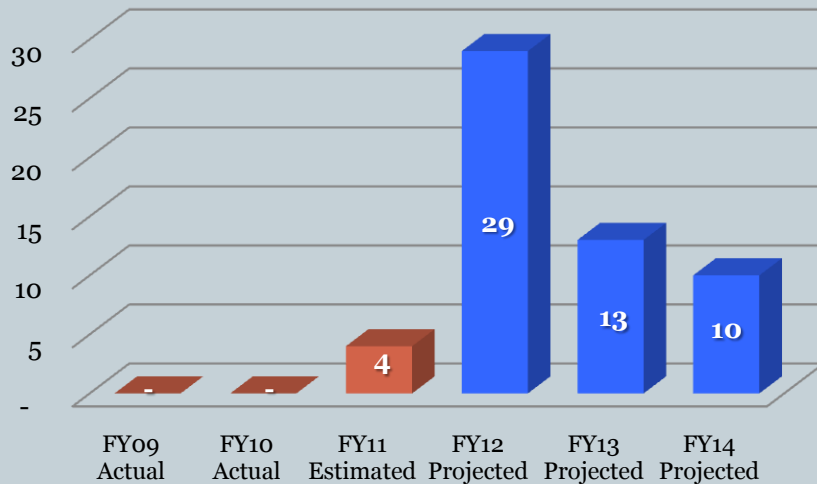
- Portfolio expected to total 63 projects of which 21 (or 33%) have received TFC approval for funding.
- Projections of approvals consistent with Trustee's revised projections of available funds.

PPCR Project Funding

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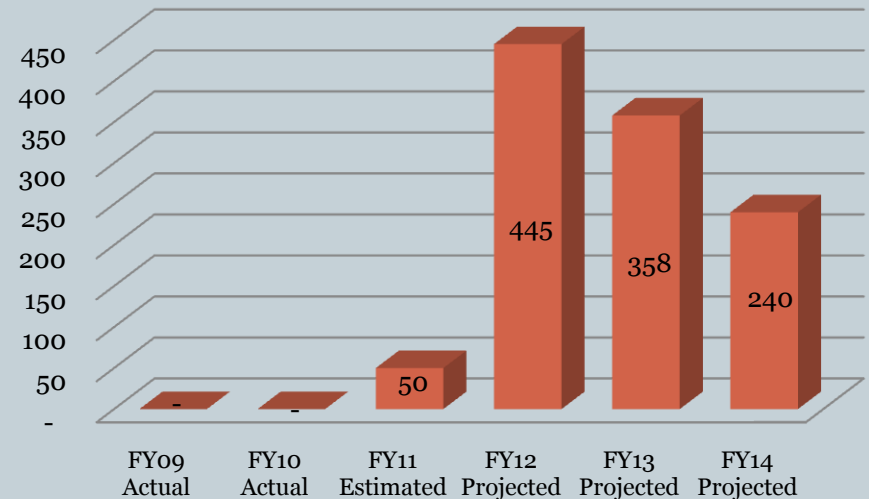
Number of Projects

(Estimated total 56)



Project Funding

(Total \$1,094 million)



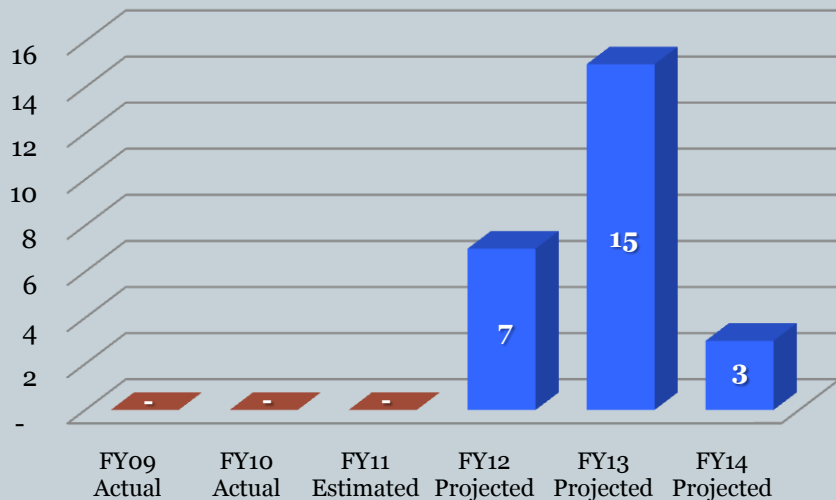
- Over 50% of the projected ultimate PPCR project portfolio is expected to be submitted for funding approval in FY12.

FIP Project Funding

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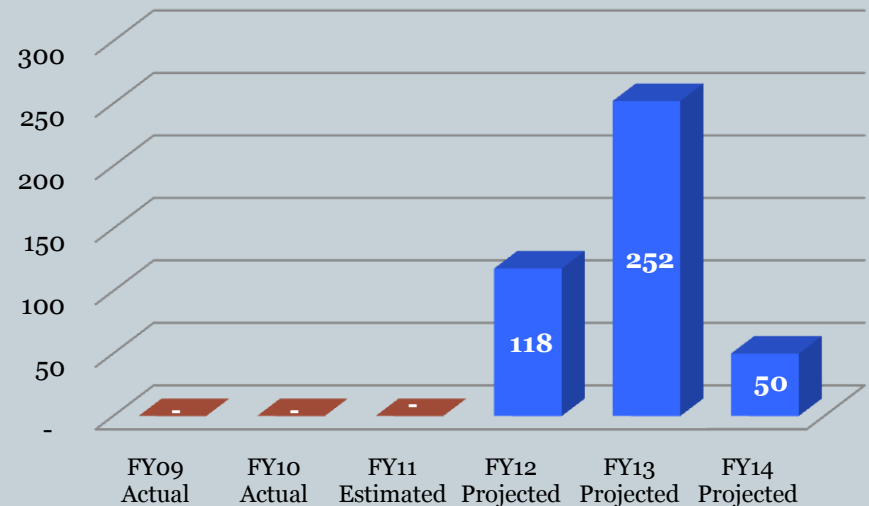
Number of Projects

(Estimated total 25)



Project Funding

(Total \$420 million)



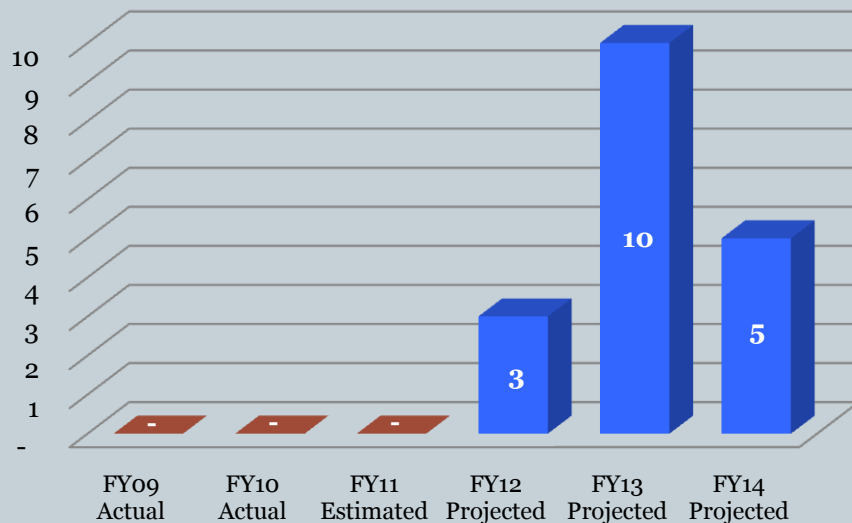
- Submissions of project funding proposals will commence in FY12 and are expected to peak in FY13 with 50% of the estimated portfolio of 25 projects.

SREP Project Funding

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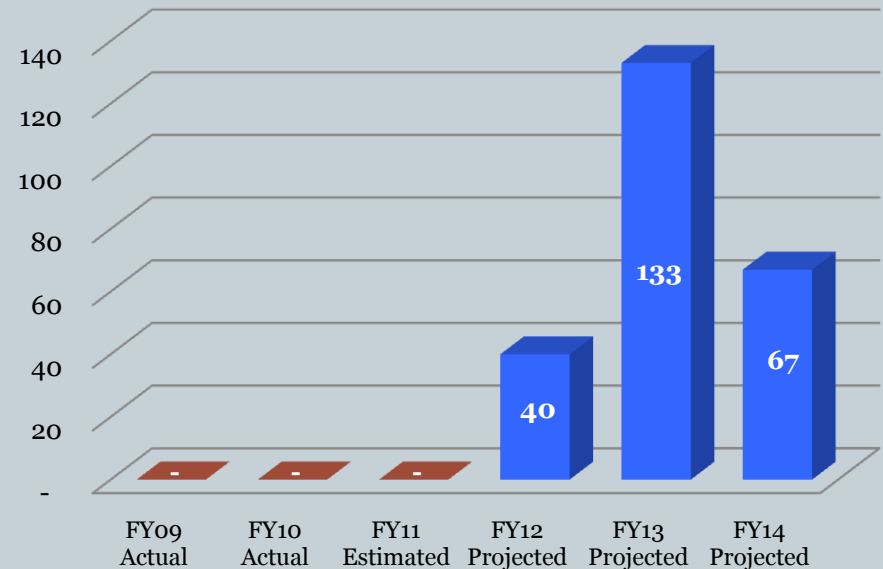
Number of Projects

(Estimated total 18)



Project Funding

(Total \$240 million)



- Submission of project funding proposals to start in FY12, but 15 of 18 expected projects tentatively projected for approval in FY13 and FY14.

I. CIF Business Development - Progress and Plans

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CHALLENGES MOVING FORWARD

Four major challenges as we transit into implementation of investment plans

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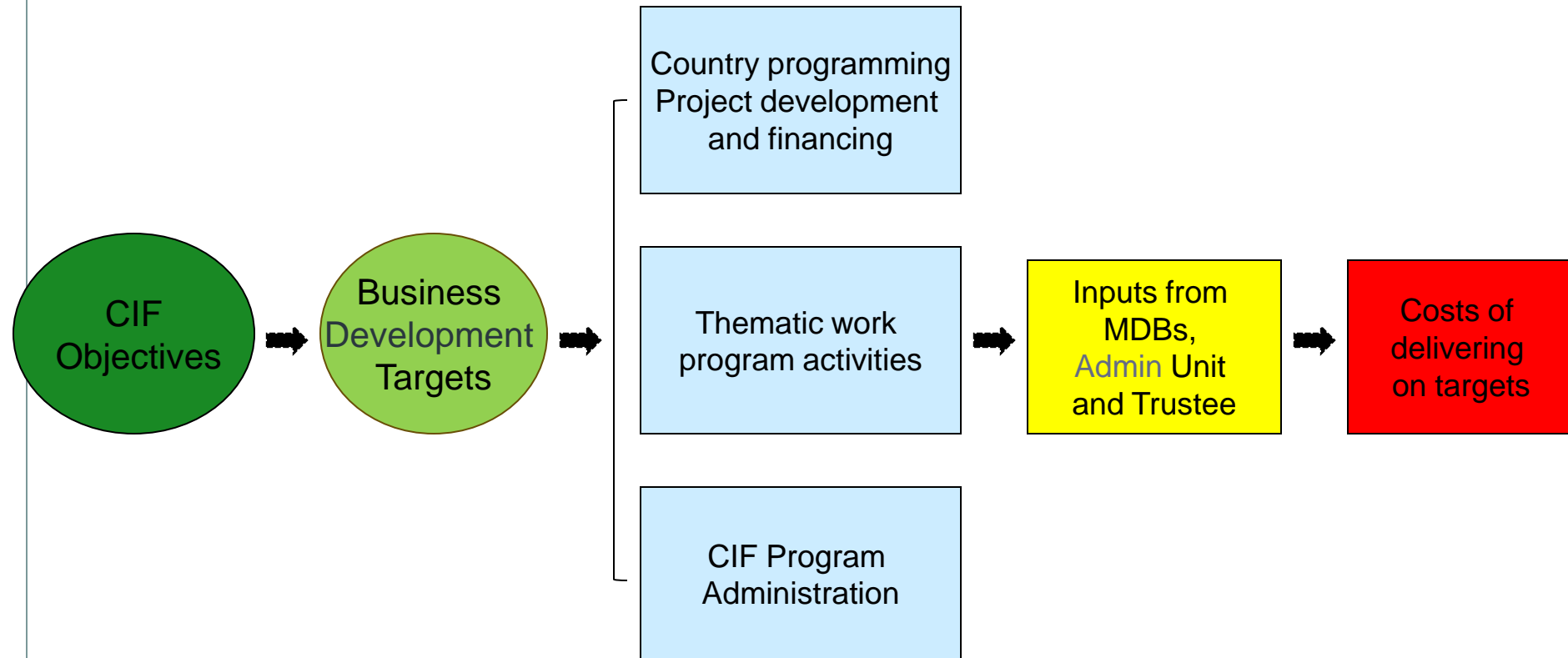
- Promoting effective and **timely lessons sharing** from investment plan preparation and project design and implementation.
- **Managing for results** through monitoring progress and evaluation of outcomes of CIF funded activities based on agreed results frameworks.
- **Enhancing outreach** to stakeholders to leverage support for CIF program implementation and climate finance more broadly.
- **Maintaining CIFs programmatic approach** during IP implementation.

II. The Proposed FY12 Budget

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- **Introduction**
- **Brief summary**
- **Administrative costs and project funding**

The budget is driven by business development targets

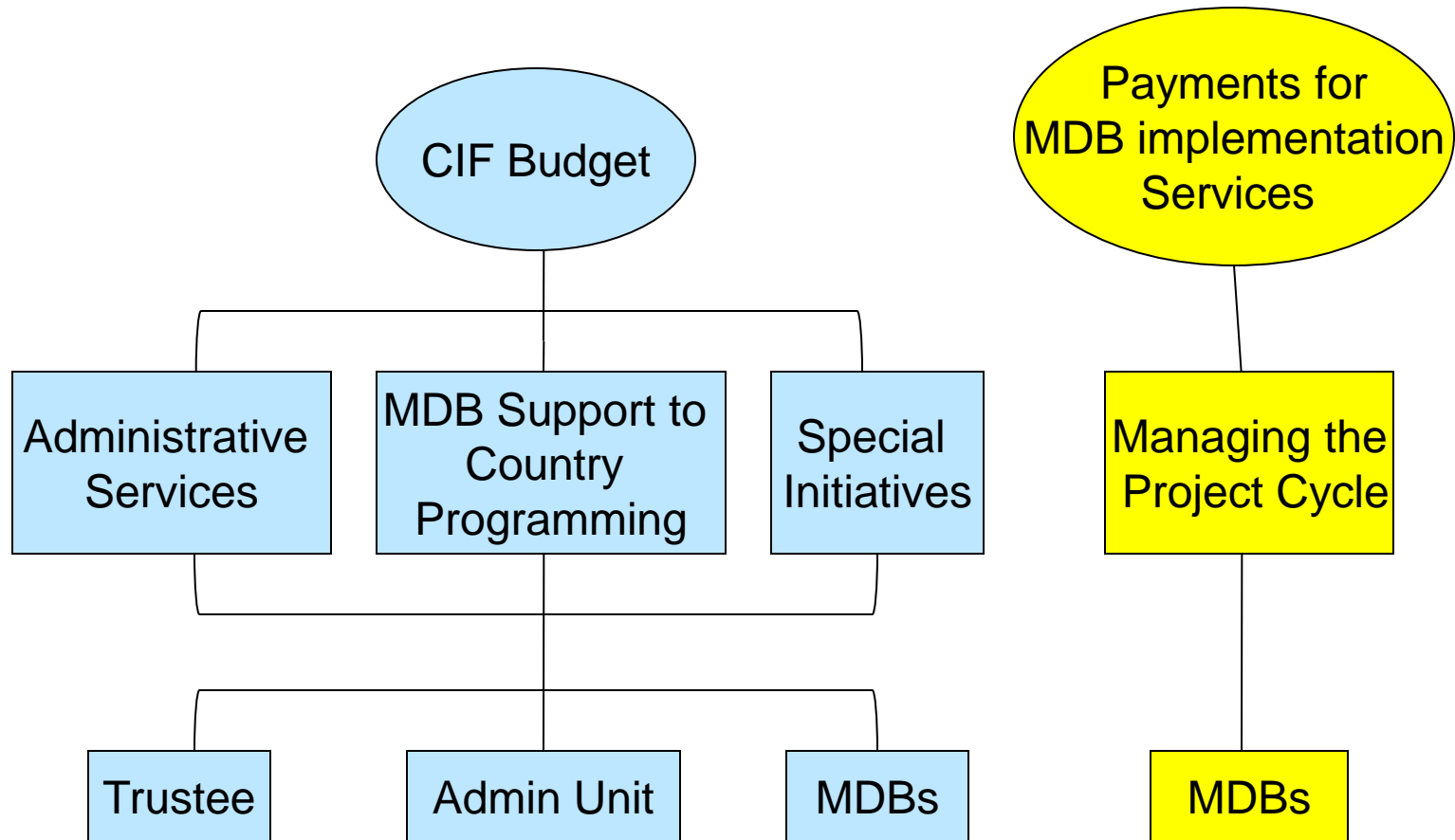


Budget preparation is guided by four principles laid down in CIF design

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- full cost recovery
- value for money
- reasonableness
- transparency

Budget covers estimated expenditures of all CIF management entities



Business development priorities impact the size and composition of the budget

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- Joint mission work will tail off in FY12, while IP submissions will rise and project preparation efforts close to triple .

	<u><i>FY11</i></u>	<u><i>FY12</i></u>
Joint missions initiated	19	2
Country plans/programs for review	14	20
Project proposals for review	23	63

- Country and project based lessons learning and sharing, with the Global Support Program playing a major role.
- Implementation of CIF results frameworks at the country program and project levels and the launching of an independent evaluation of the CIF.
- Continued strong emphasis on stakeholder outreach, including the 2012 Partnership Forum.

Summary in Four Points

First - Overall budget size

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- The proposed FY12 budget of \$20.98 million is unchanged in real terms from the approved FY11 budget.

Second - Costs of administrative services

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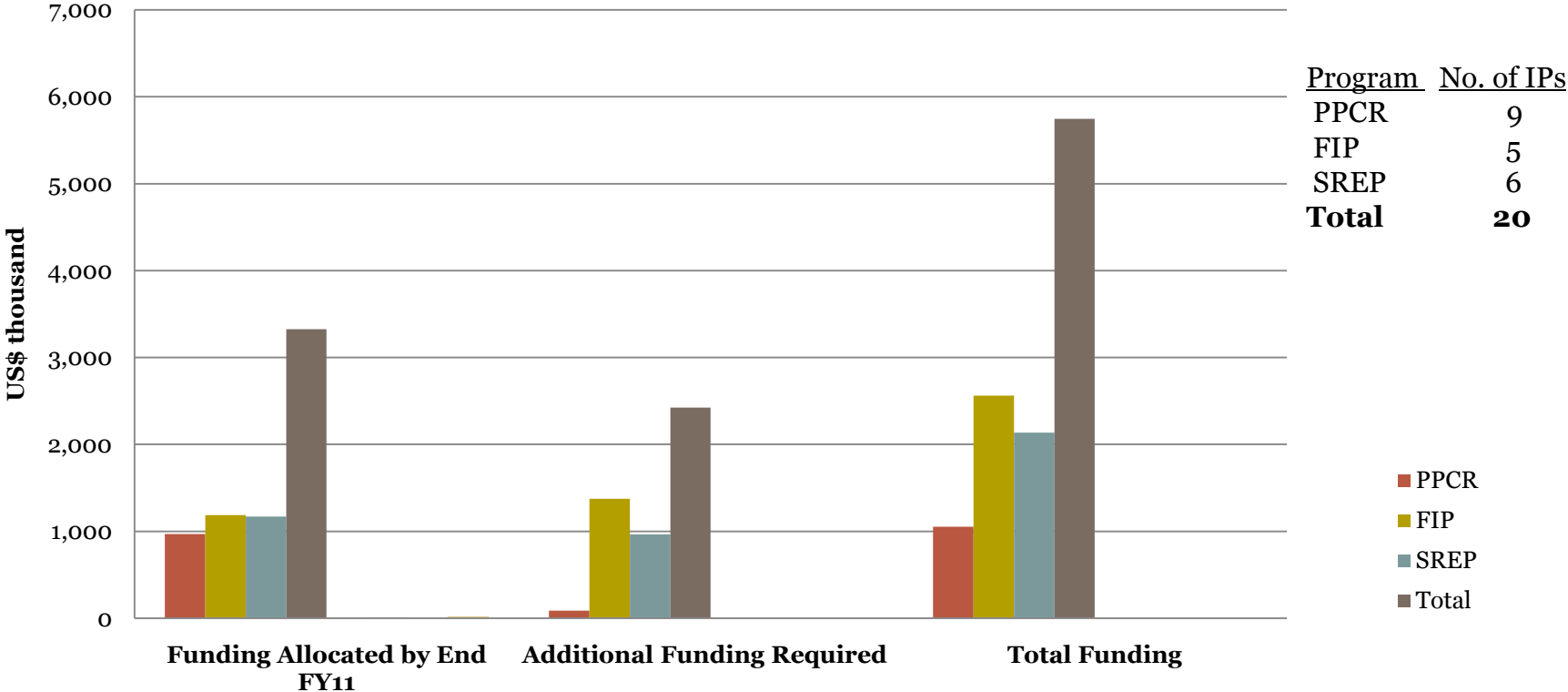
- Estimated to increase by \$2.12 million over the estimated actual FY expenditures.
 - ✓ **Trustee - increase of \$632,000** is net result of shift in external audits from FY11 to FY12 and expected small decline in investment management expenditures.
 - ✓ **CIF Admin Unit - increase of \$530,000** due to FY11 delays in recruitment of planned additional staff .
 - ✓ **MDBs - increase of \$958,000** of which over 90% on account of expanded SCF coordination activities.

Third - Additional funding of \$2.61 million for MDB support to country programming

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- FY09-11 budget allocations have been fully utilized by MDB joint missions under MDB Committee oversight.
- Completion of the 20 remaining investment plans requires additional funding of \$2.42 million.
- In addition, costs of FY12 independent Technical Quality Reviews of 20 SCF investment plans will need to be covered.

Estimated Funding Requirements for MDB Support for completion of remaining 20 SCF Investment Plans



Fourth - CTF and SCF budget shares

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- The CIF budget covers estimates of expenditures for specific CTF and SCF activities.
- CTF and SCF share the proposed FY12 budget in the ratio of 1 to 2.
- SCF's share has grown over time given the later start up of country programming under PPCR, FIP and SREP.

Administrative Costs and Project Funding

Definition

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Administrative services costs

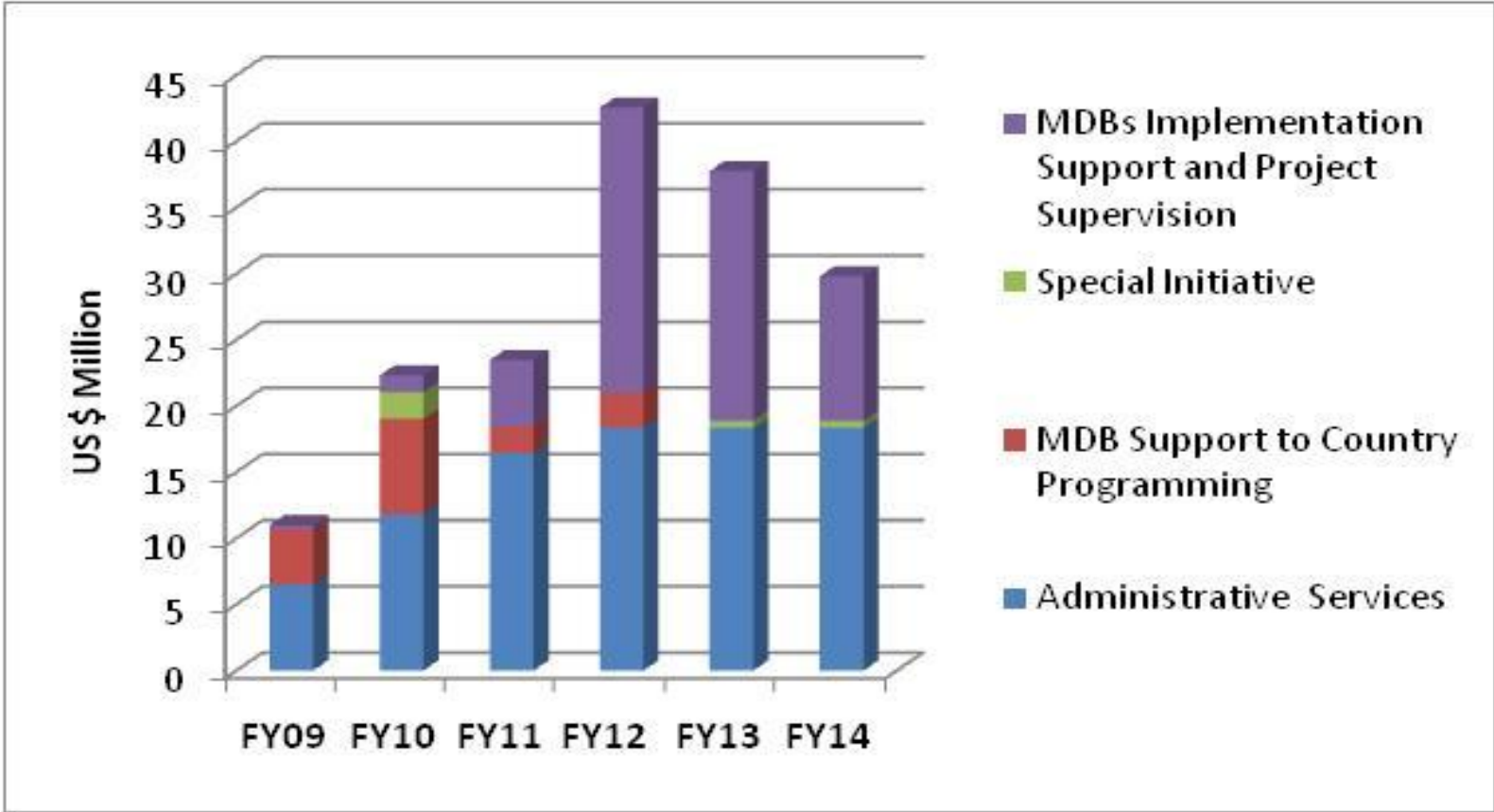
+ MDB costs for supporting country programming

+ Special initiatives costs

+ Payments for MDB implementation services

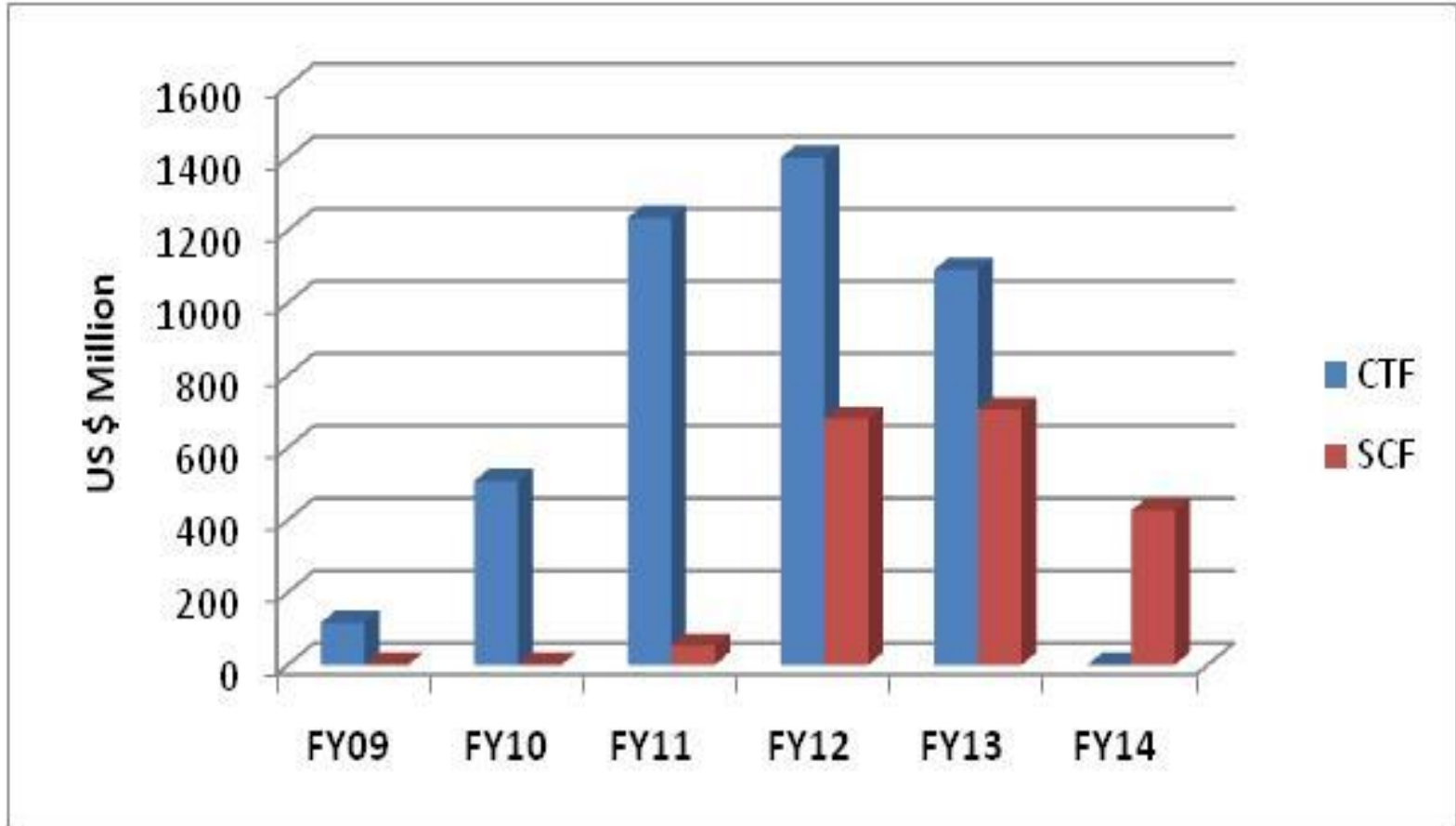
= ***Program and project related administrative costs***

Projected CIF Program and Project related Administrative Costs FY09-14



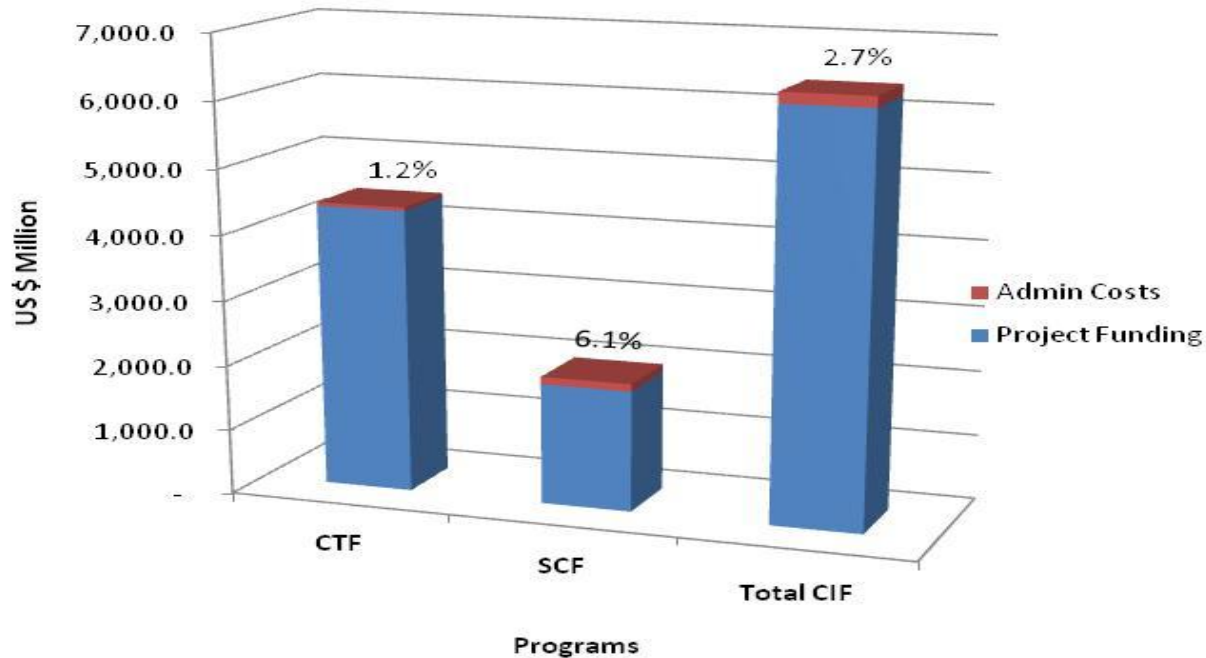
Projected Project Funding by CIF Program FY09-14

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Program and Project Related Administrative Costs as a Percentage of Project Funding

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THANK YOU!