



# Update on CIF Activities

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# Overview of CIF Activities

- Operationalizing new CIF Programs.
- COVID-19 Initiative
- M&R self-paced virtual training
- Orientation for new Members and Observers.
- Knowledge products developed
- Enhancing CIF external engagement



# Just Transitions

## OBJECTIVES

Just transitions towards low-carbon and climate-resilient development create opportunities for environmental sustainability, social equity, and economic prosperity.

### Key Just Transitions Questions:

- *Who decides?* How inclusive are decision-making processes?
- *Who benefits?* How are benefits and losses distributed to reach safe and just outcomes?

- Investigate how to achieve just transitions through the transformational changes necessary to address climate change
- Provide policy recommendations based on research, consultations, and case study analysis
- Foster a community of relevant and interested stakeholders for joint learning

## WORKSTREAMS

### Just Transition Framework



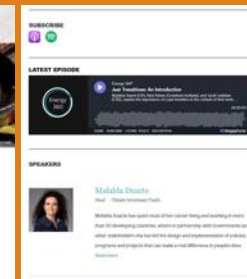
### CIF Case Studies



### Events and Policy Briefs



### Just Transition Initiative: Resource Library, Research and Podcasts





**Private Sector  
Mobilization Reporting  
Practices and Potential  
Implications for New CIF  
Programs**



# Introduction to CIF Reporting Framework and Practices

# CIF Reporting Framework and Practices

- CIF transparently tracks and reports mobilization resources (or “co-finance”) based on the following classifications –
  - MDB
  - Bilateral
  - Government
  - Private sector (no breakdown by private sector institution)
  - Other (e.g., through Civil Society Organizations)




# Mobilization Reporting by MDBs to the CIF

**Target co-financing**

At MDB board approval and TFC approval  
(All Programs)

**Achieved co-financing**

Tracked over the life of the project  
(CTF/SREP only)



# Comparison with Joint MDB and OECD Mobilization Reporting Methodologies



# MDB Approach and Task Force on Mobilization

## Private Direct Mobilization

100% attribution to lead MDB involved in transaction

## Private Indirect Mobilization

Pro-rated attribution according to MDBs involved

# OECD Approach

**50% of private finance mobilized** attributed to lead MDB that set up deal

**Remaining 50%** attributed to all public sector financiers on a pro-rata basis\*

\* pro-rated based on the proportion of public sector financiers' contribution to the total project amount.

# Illustrative Example of CIF, Joint MDB and OECD Approaches

			Private finance mobilized by reporting approach (USD millions)		
Lender	Role	Commitment (USD millions)	CIF	OECD	Joint MDB
MDB	Arranger	200	0	125	150
MDB	Participant	50	0	12.5	0
CIF	Participant	25	150	6.25	0
Government	Participant	25	0	6.25	0
Private sector	Participant	150	-	-	-
<b>Total financing</b>		450			
<b>Total private sector mobilized</b>			150	150	150

# Observations

- Joint MDB approach does not attribute private sector mobilization to the CIF.
- OECD attribution approach recognizes other actors, including the CIF, though falls significantly short of measuring CIF's impact on the project.
- CIF approach does not include any attribution.
- CIF reports all sources of funding provided by non-CIF financiers.





***“We believe the existing mobilization reporting provided by CIF for its programs and projects provides the most comprehensive and transparent measure of CIF’s relative contribution to the projects in which it participates.”***

CIF (2021). Comparative Analysis of Private Sector Mobilization Reporting Practices and Potential Implications for New CIF Programs.



# Recommendations for Consideration

# Potential enhancements through new CIF Programs

- Monitor ongoing conversations with MDBs/OECD on private sector mobilization issues
- Introduce reporting of achieved mobilization results for CIF's new programs
- Examine the feasibility of providing mobilization results for CIF's new programs in accordance with OECD methodologies (as supplemental reporting only)





# Proposal for CIF Climate Ventures (CCV) Window



# The Climate Innovation Need



- **Accelerate pathways** to net zero emissions and build climate resilience
- **Create new market opportunities** for climate innovation
- Enhance the role of **concessional finance** to support early-stage (and riskier) projects

# Key barriers to innovation

An aerial photograph of a rural village. The houses have corrugated metal roofs and are scattered across a dry, dusty landscape. In the center, there is a prominent stupa with a golden spire. To the right, a river flows through the area, surrounded by lush green trees and vegetation. The overall scene depicts a typical rural settlement in a developing country.

- **Limited enabling environment** to support climate innovation in developing countries
- **Lack of capital and technical assistance** to support transition of technologies from prototype, testing, to early-adoption phase
- **Few business models** to support the transfer and adoption technologies in local markets



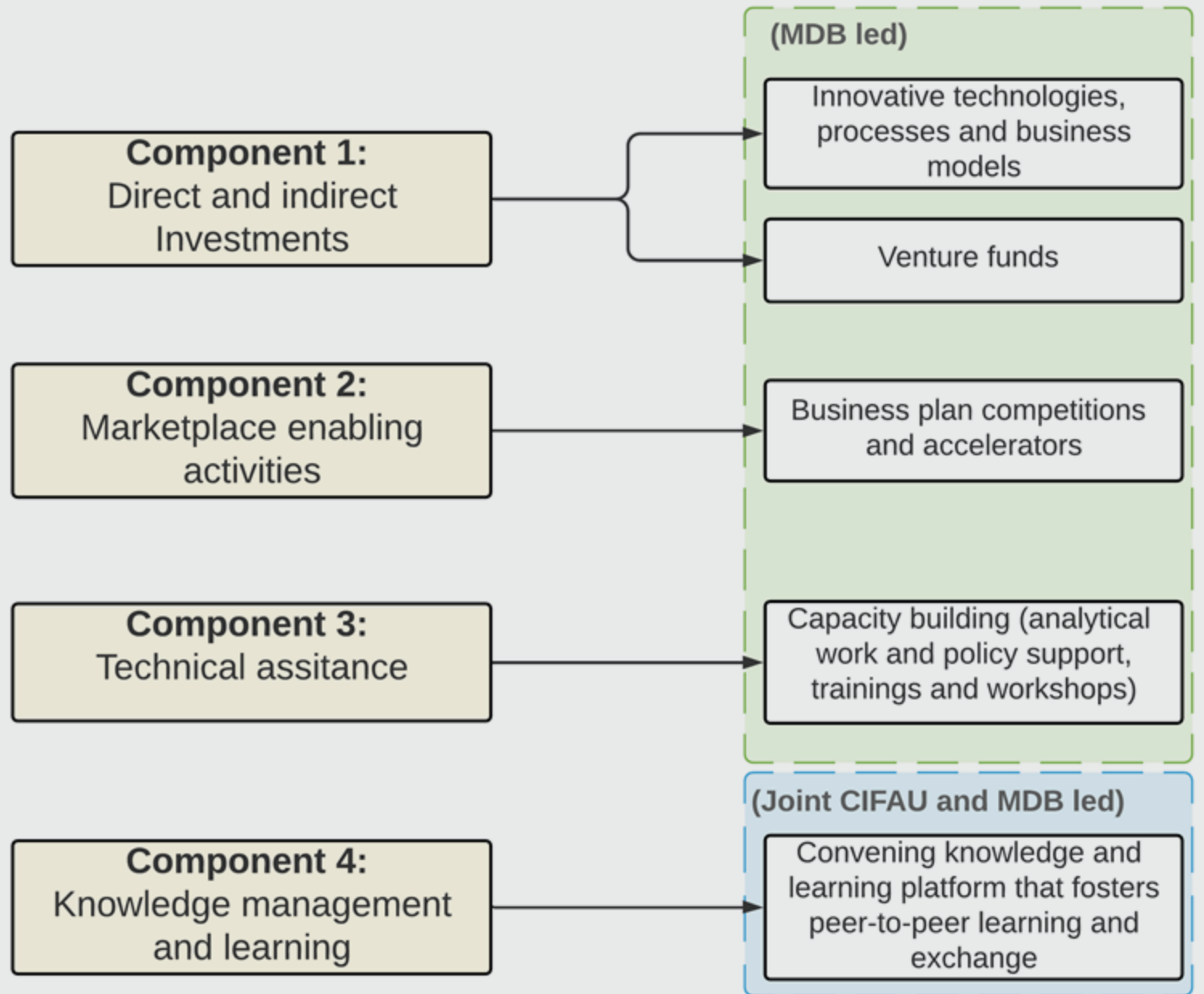
# Concept Proposal for the CCV Window

# CCV Window: First-of-a-kind facility

- Fostering climate innovation in a **conscious, dedicated, and programmatic** way
- **Fully aligned** with the CIF's new programs
- Addressing **key barriers** to climate innovation in developing countries



# 4 overarching components that bring together a suite of investments



# Innovation spotlight: ADB Ventures

- ADB Ventures
  - Providing technical assistance and making catalytic investments in early-stage private companies in the Asia-Pacific Region.
  - Financing innovative, clean-technology startups
  - Building bankable investment pipeline of early-stage projects
- The CCV Window aims to do more, in a programmatic way.



# CIF Business Model and Rational

- Provide a **predictable and flexible** envelope of concessional finance to support CIF partner MDBs
- Support **country-led and participatory** climate innovation that aligns with national priorities
- Based on a **programmatic approach** that combines technical assistance and a suite of complementary investments



# Theory of Change

- **Demonstrate role of concessional capital in bridging financing gaps** for high impact technologies and innovations
- **Offer a range of financing and risk-sharing instruments**, as supported under the CIF new programs
- **Apply CIF's programmatic approach** to climate finance in a venture context





# CIF



# CLIMATE INVESTMENT FUNDS

*Investing in the future*

