

# OVERVIEW

## Climate Investment Funds (CIF)

Recognizing that UNFCCC deliberations on the future of the climate change regime are underway, including discussions on a future financial architecture and funding strategy for climate change, the CIF have been designed as an interim measure to demonstrate what can be achieved through scaled-up assistance to developing countries and to strengthen the knowledge base in the development community.

The CIF will build on progress made by many of the developing countries through a:

- **Clean Technology Fund** for scaling up investments in low-carbon technologies
- **Strategic Climate Fund** for supporting various programs to test innovative approaches to climate action
- Range of financial instruments to unleash the potential of both the public and private sectors to address climate change

- ◇ The CIF is guided by UNFCCC principles, will utilize capabilities, skills, and core processes of MDBs, and have broad-based, inclusive governance
- ◇ CIF funds are additional to existing ODA and provide grant and concessional financing for country-owned programs
- ◇ ODA-eligible countries that have an active MDB country program may access the CIF.

## Partnership Forum

The Partnership Forum is an annual meeting of Climate Investment Funds (CIF) stakeholders to discuss strategic directions, results and impacts. Because the CIF are poised to generate groundbreaking lessons and new knowledge at an unprecedented scale, their lessons and experiences must be shared in an inclusive, transparent and strategic manner, and contribute effectively to an equitable global solution to climate change.

The first Forum was held on October 14, 2008 in Washington D.C., and was an opportunity for all stakeholders to share views on the challenges of scaling up mitigation and adaptation in developing countries, and exchange ideas on how the CIF can generate and disseminate knowledge.

### **CIF Stakeholders include:**

- Countries
- Multilateral Development Banks
- UN and UN agencies
- Global Environment Facility
- UN Framework Convention on Climate Change
- Adaptation Fund
- Bilateral Development Agencies
- Non-Governmental Organizations
- Indigenous Peoples
- Private Sector Entities
- Scientific and Technical Experts

# CLIMATE INVESTMENT FUNDS



## Clean Technology Fund (CTF)

- ◇ To promote scaled-up financing for demonstration, deployment and transfer of low carbon technologies with a significant potential for long-term greenhouse gas emissions savings
- ◇ Programs in:
  - *Power Sector*: Renewable energy and highly efficient technologies to reduce carbon intensity
  - *Transport Sector*: Efficiency and modal shifts
  - *Energy Efficiency*: Buildings, industry, and agriculture

### Clean Technology Fund Trust Fund Committee\*

Australia, Brazil, China, Egypt, France, Germany, India, Japan, Mexico, Morocco, South Africa, Spain, Sweden, Turkey, UK, and US

- ◇ Accessing CTF:
  1. Country requests joint mission of WBG and Regional Development Bank to prepare investment plan
  2. Investment plan developed under the leadership of the country to describe how CTF financing will be used in major sectors of the economy through a joint MDB program
  3. Trust Fund Committee reviews investment plan, endorses further development of activities for CTF financing, and facilitates prioritization of projects according to agreed criteria such as:
    - » Potential GHG emission savings
    - » Demonstration potential
    - » Development impact
    - » Implementation potential

- ◇ Role of the Private Sector:

As the foundation of economic growth, the private sector has a significant role to play in the reduction of greenhouse gas emissions, especially when the barriers are non-regulatory. CTF strategies for achieving progress towards low carbon development will therefore include a combination of public and private initiatives that together achieve significant impact.

## Strategic Climate Fund (SCF)

- ◇ To provide experiences and lessons in responding to the challenge of climate change
- ◇ Targeted programs with dedicated funding to provide financing to pilot new approaches with potential for scaled-up, transformational action aimed at a specific climate change challenge or sectoral response
- ◇ Decisions for approving program priorities, operational criteria and financing delegated to Sub-Committee of donors and recipients
- ◇ First program designed is Pilot Program for Climate Resilience (PPCR)
- ◇ Other programs under design are Forest Investment Program and Program for Scaling up Renewable Energy in Low Income Countries

### Strategic Climate Fund Trust Fund Committee\*

Algeria, Australia, Bangladesh, Canada, Costa Rica, ECA Seat (tba), Germany, Indonesia, Japan, Kenya, Netherlands, Norway, Switzerland, Thailand, UK, and Yemen

Donors have pledged about US\$6 billion to the CIF.

Operational criteria for the CTF and SCF are in the process of being established. Please register at the web page [www.worldbank.org/cif](http://www.worldbank.org/cif) to be automatically notified of updates and new information.

\*Trust Fund Committees and Sub-Committees have an equal number of representatives from contributor countries and from eligible recipient countries, identified through a consultation among countries in each group.

### The SCF Pilot Program for Climate Resilience (PPCR) will:

- ◇ Provide incentives for scaled-up action and transformational change in integrating consideration of climate resilience in national development planning consistent with poverty reduction and sustainable development goals
- ◇ Build on National Adaptation Programs of Action and other relevant country studies
- ◇ Provide additional financial resources to help fund public and private sector investments identified in climate resilient development plans
- ◇ Work in nine pilot countries and two pilot regions
- ◇ Benefit from Expert Group to recommend pilot countries to be selected by Trust Fund Committee

### Pilot Program for Climate Resilience Sub-Committee\*

Australia, Bangladesh, Bolivia, Canada, Germany, Japan, Maldives, Samoa, Senegal, UK, Yemen, and the Adaptation Fund