

CLIMATE INVESTMENT FUNDS

September 15, 2010



Structure

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Clean Technology Fund (CTF)

Finance scaled-up demonstration, deployment and transfer of *low emissions technologies* to initiate transformation to low emission development

CTF Investment Plans

- Support country and regional development strategies
- Optimize blending with MDB financing and other sources, including bilateral programs
- Range of financial products to stimulate private sector engagement

13 CTF Investment Plans (\$4.2 billion): Colombia, Egypt, Indonesia, Kazakhstan, Mexico, Morocco, Philippines, South Africa, Thailand, Turkey, Ukraine, Vietnam; regional MENA Concentrated Solar Power (Algeria, Egypt, Jordan, Morocco, Tunisia)

\$4.2 billion

Strategic Climate Fund (SCF)

Targeted programs with dedicated funding to pilot new approaches to initiate transformation with potential for scaling up

Pilot Program for Climate Resilience (PPCR)
Mainstream resilience in development planning

9 PPCR country, 2 regional pilots (\$967m): Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen, Zambia, Caribbean, S. Pacific

Forest Investment Program (FIP)
Reduce emissions from deforestation and forest degradation

8 FIP pilots (\$542m): Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Laos, Mexico, Peru

Scaling Up Renewable Energy in Low Income Countries (SREP)
Create new economic opportunities and increase energy access through renewable energy

6 SREP pilots (\$295m): Ethiopia, Honduras, Kenya, Maldives, Mali, Nepal

\$1.8 billion

Design and Operating Principles

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- Partnership among Multilateral Development Banks (AfDB, ADB, EBRD, IDB, and WBG), including their private sector arms, to support mitigation and adaptation in a coherent and integrated way
- Multi-stakeholder with balanced governance
- Demonstrate scale and transformation
- Leverage public and private sector
- Complementarity with other partners at the country level

* exchange rates as of March 31, 2010

<i>Pledges to date</i>	<i>US\$M equiv.</i>
Australia	137
Canada	96
Denmark	24
France	274
Germany	741
Japan	1,190
Netherlands	73
Norway	177
Spain	108
Sweden	83
Switzerland	20
United Kingdom	1,212
United States	2,000
Total	\$6.1 billion

SCF: Forest Investment Program (FIP)

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Purpose —

To support countries' efforts to reduce emissions from deforestation and forest degradation (REDD+) by financing efforts to address the drivers of deforestation. REDD+ includes reducing emission from deforestation and forest degradation, conservation, sustainable management of forests and enhancement of carbon stocks.

Scale —

\$542 million in initial pledges

Governance —

Sub-Committee: Australia, Brazil, Democratic Republic of Congo, Denmark, Indonesia, Japan, Morocco, Nepal, Norway, Romania, UK, and US; observers (2 civil society, 2 private sector and 2 indigenous peoples representatives), FCPF, GEF, UNFCCC, UN-REDD



Measuring Success

- Effective REDD+ programs
- Conservation or enhancement of existing carbon reservoirs
- Effectively address drivers of deforestation and degradation
- Effectively address economic benefits and incentive systems

FIP Pilot Countries selected by an Expert Group:

- **Brazil**
- **Burkina Faso**
- **Democratic Republic of Congo**
- **Ghana**
- **Indonesia**
- **Lao PDR**
- **Mexico**
- **Peru**

MDB Joint Missions to support government to develop investment strategy

- Inclusive, transparent and participatory process involving:
 - Sectoral ministries
 - Provincial, state and local authorities
 - Development partners including UN and bilaterals
 - NGOs
 - Indigenous peoples organization
 - Women's groups and local communities
 - Private sector

Programming process to take fully into account:

- Sustainable development plans
- National climate change efforts
- Forest-related programs
- Ongoing and planned MDB operations in country's forest sector
- Other climate and forest funding sources and initiatives

Investment Strategy to be developed under leadership of, and finalized, approved and owned by, government of pilot country

Draft investment strategies will be publicly available in country for purposes of consultation

Final investment strategies will be made publicly available in-country and on the FIP website

FIP Project and Program Implementation

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Projects and programs developed through country led process and may be executed by, among others :

- National, regional and local governments
- Indigenous peoples or their organizations
- Community based organizations
- NGOs
- Private enterprise or other members of civil society

The FIP programming, approval and supervision processes will follow the MDB's policies and procedures, including the relevant MDB's disclosure policies

Government of pilot countries should establish, or identify an existing, cross-cutting, multi-stakeholder national level steering committee

Role of MDB Committee: to facilitate collaboration, coordination and information exchange among MDBs.

Responsibilities include:

- Serve as a forum to ensure effective operational coordination, exchange of information and experience among MDBs
- Identify areas of MDB cooperation to harmonize their climate change activities
- Review agenda and documentation prepared for Sub-Committee
- Review recommendations on program criteria and priorities and the activity cycle
- Monitor progress in implementing programs
- Report on annual activities, performance and lessons
- Liaise with other development partners
- Advise the Administrative Unit on its work program

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