



DRIVING CLIMATE AMBITION THROUGH RESULTS-BASED FINANCE

The Climate Emissions Reduction Facility (CERF)

*FCPF CF25 meeting
September 15, 2022*



WHAT IS CERF?

The **Climate Emissions Reduction Facility (CERF)** is a new **Umbrella Trust Fund** that will consolidate all the Bank's Results-Based Climate Finance (RBCF) work.

CERF provides **climate finance at scale – \$40 - \$60 million per project** – paid out during project operation to reward generation of verified emissions reductions.

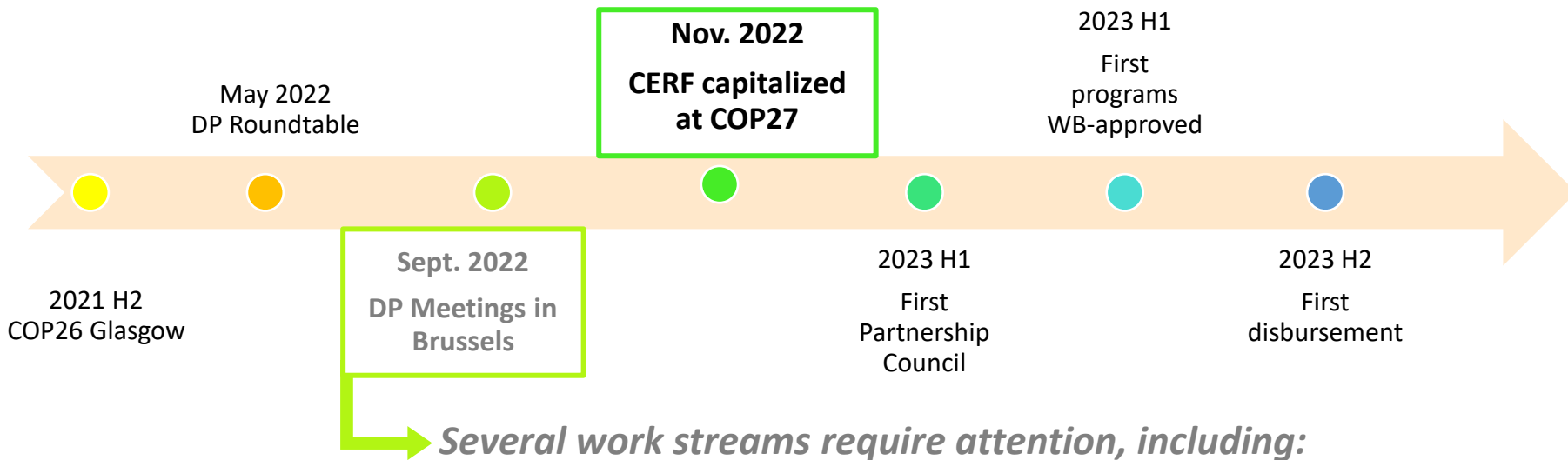
CERF can support WBG projects in three sector pillars: **(i) natural climate solutions, (ii) sustainable infrastructure, and (iii) green fiscal and financial sector actions.**

CERF operations will incorporate the outcomes of **the Paris Agreement and the Glasgow Climate Pact.**

CERF incorporates over 20 years of lessons in RBCF to **mainstream processes into World Bank operations to simplify steps** to obtain and disburse funding.

CERF-supported projects create Emission Reduction Credits (ERCs) to help meet **increased ambition in NDCs and participate in voluntary and compliance offset markets.**

CERF DEVELOPMENT MILESTONES



- DP contribution commitments
- Finalize details of COP27 capitalization & comms/visibility
- Further develop & advance methodological framework(s)
- Bring business development architecture fully online

CERF DEVELOPMENT IS PROGRESSING WELL TOWARDS COP27 ANNOUNCEMENT...

- ✓ **Methodological Framework:** WB team has continued to develop the CERF MF & will present a draft (that focuses on Pillar 1) for discussion at these meetings. Work for Pillar 2 and Pillar 3 on-going.
- ✓ **Development Partner (DP) Engagement:** Continued bilateral discussions with potential DPs (including philanthropies).
- ✓ **WB Senior Management Engagement:** Team has briefed WB SMT, which is now actively fundraising & cascading support for CERF to operational teams.
- ✓ **Early Pipeline Development:** Initial outreach to some regions & global units has occurred, and very early ideas for CERF projects are being formulated.
- ✓ **Internal Organization:** Climate Funds Management is organizing itself to be able to operationalize CERF as soon as it is capitalized.

THANK YOU