



## **Joint Meeting of the CTF and SCF Trust Fund Committees**

**Brasilia, Brazil (Hybrid)**

**Wednesday June 28, 2023**

**FY24 CIF BUSINESS PLAN AND BUDGET (SUMMARY)**



CLIMATE INVESTMENT FUNDS  
1818 H Street NW  
Washington, D.C. 20433 USA  
T: +1 (202) 458-1801  
[www.cif.org](http://www.cif.org)

Joint CTF-SCF/TFC.28/07.1

June 19, 2023

---

## 1. STRATEGIC OVERVIEW

1. The Climate Investment Funds (CIF) were established in 2008 as a fast-moving, multilateral response to the climate challenge through the multilateral development banks (MDBs). With over USD 11 billion, CIF is one of the largest multilateral climate funds for low and middle-income developing countries seeking a pathway to low carbon and climate resilient development. CIF's large-scale, low-cost, long-term financing lowers the risk and cost of climate financing, which is intended to enable the testing of new business models, build track records in unproven markets, and boost investor confidence to unlock additional sources of finance. As of December 2022, around USD 7.5 billion of CIF resources under implementation are mobilizing an additional USD 62 billion in co-financing for climate change mitigation and resilience interventions in 72 recipient countries.
2. Since the June 2019 Clean Technology Fund (CTF) and Strategic Climate Fund (SCF) Trust Fund Committee meetings when CIF governing body members decided to indefinitely postpone the sunset clause, shareholders have requested the development of new strategic impact programs to address the next set of frontier climate challenges. These include supporting coal transition, energy storage technologies, renewable energy integration systems, nature-based solutions, the decarbonization of hard-to-abate industries, and climate-smart cities.
3. During fiscal year 2022 (FY22) at COP26, CIF programs addressing just energy transition, namely, the Accelerating Coal Transition (ACT) Investment Program and the Renewable Energy Integration (REI) Program, were launched with endorsement by the G7 Leaders' Summit earlier in the year. These new CIF investment programs have supported greater climate ambition within CIF partner MDBs and countries, while leveraging multi-stakeholder experience in promoting alignment of resources, knowledge, and expertise across institutions for transformational impact. In October 2022, CIF supported Just Energy Transition Partnership (JETP) initiatives to endorse new investment plans set to allocate USD 1 billion for a just transition from coal to clean power in South Africa and Indonesia, with CIF's ACT providing the largest public financing component in each country.
4. With a capitalization of around USD 400 million, the CIF Nature, People and Climate (NPC) Investment Program was launched at the UN Stockholm+50 Conference in Stockholm, Sweden, in June 2022. The program advances nature-based solutions with a holistic approach that tackles the climate-biodiversity conservation nexus, including support for

sustainable livelihoods, coastal resilience, climate-smart agriculture, supply chains and sustainable mangrove forestry, among others. The Industry Decarbonization Investment Program was also launched at COP27 during the Breakthrough Agenda-led Ministerial Event. The program aims to transform the carbon emissions pathway of hard-to-abate sectors (e.g., heavy duty transport including maritime shipping, cement, iron and steel, petrochemicals and fertilizers).

5. Efforts have continued to develop the CIF Capital Markets Mechanism (CCMM). It aims to issue investment-grade bonds and raise significant new finance for scaling clean energy and sustainable infrastructure in emerging economies. It is estimated to support commitment of USD 500 million of additional concessional capital every year for developing countries, leading to an estimated USD 50 billion in total investment over 10 years based on historical mobilization ratio in this portfolio. CIF aspires to initiate the bond issuance process by the end of calendar year 2023, with World Bank agreement to be the CCMM Trustee and Treasury Manager overseeing due diligence, including such critical milestones as establishing the CCMM issuer, engaging auditors and accountants, and obtaining final credit rating.
6. FY23 has been a successful year, and CIF aspires to continue strengthening its position in the global climate financial architecture, completing the governance review to make the structure and design of CIF fit for purpose, and delivering the next set of programs and initiatives for operationalization to support developing countries climate ambition.

## 2. FY24 BUDGET PROPOSAL

7. For FY23, the CTF and SCF Trust Fund Committees approved the CIF budget in two tranches for a total amount of USD 41.06 million, of which USD 35.08 million was approved in their joint meeting held in June 2022 and USD 5.99 million in a subsequent joint meeting held in January 2023. FY23 budget utilization remains within the overall approved budget envelope at around 94.3 percent of the approved budget, with no major variances to report.
8. For FY24, a budget of USD 40.66 million is proposed to deliver on strategic focus areas of the CIF partnership, including USD 35.96 million for administration services and USD 4.7 million for multi-year country engagement and special initiative activities<sup>1</sup>.

**Summary table: FY24 Budget Commitment (USD '000)**

	CTF - I	ACT	SCF - I	SCF - II	Total
<b>Total</b>	<b>17,066.5</b>	<b>5,869.1</b>	<b>10,567.8</b>	<b>7,157.1</b>	<b>40,660.5</b>
Administrative Services	15,866.5	4,635.1	9,067.8	6,391.1	35,960.5
Multi-Year Activities:	1,200.0	1,234.0	1,500.0	766.0	4,700.0
<i>Country Engagement</i>	-	300.0	-	-	300.0
<i>Special Initiatives</i>	1,200.0	934.0	1,500.0	766.0	4,400.0

<sup>1</sup> The budget proposal covers administrative services, which are the core services provided by the CIF Administrative Unit, the focal point teams of the MDBs, and the Trustee to deliver on the CIF mandate, and which are a sizeable portion of the annual CIF work plan. Multi-year activities are typically designed for specific initiatives or purposes that may extend over multiple fiscal years.

Note: The CIF Administrative Unit's FY24 budget requests are based on the World Bank's historical cost recovery rate of 17 percent applied to personnel costs.

9. The proposed FY24 budget represents an overall decrease of around 1 percent from the approved FY23 budget. FY24 budget requests for CTF – I (Legacy CTF and CCMM) is 26 percent more than FY23 primarily due to the CCMM, particularly the addition of the Treasury Manager setup and ongoing costs budgets. The proposed FY24 budget for SCF – I programs is aligned with [projections provided for SCF administrative costs until FY28](#) and the [decision](#) of the SCF Trust Fund Committee on cost reductions.
10. The ACT program budget request is 7 percent higher than in FY23, while the budget for SCF – II programs is higher by around 27 percent, the latter primarily due to the increased budget requests by MDBs as the new programs gain traction. It is important to highlight that the FY24 budget requests for all programs reflect economies of scale and overall cost reductions achieved by the CIF partnership over the last few years in administering and implementing the CTF – I and SCF – I programs.
11. In the case of SCF – II, it is expected that the Industries and Cities programs will become operational in FY24; hence, budget requests for launch of these two new programs have also been included in the FY24 budget proposal. Experience with the ACT and REI programs has shown that launching and operationalizing new programs is very resource intensive, both in the lead-up to the launch and during the subsequent operationalization phase. A conservative budget estimate for the Industries and Cities programs has been included in the FY24 budget request for approval to help with the seamless operationalization of the two new programs. Any unused budgets will be returned as per the normal practice.
12. The FY24 Trustee and proposed CCMM Treasury Manager budget shows an increase of around 62 percent over FY23, which is primarily due to the consolidation of Trustee and Treasury Manager budget requests to cover estimated cost of establishing and administering the CCMM. The detailed breakdown of Trustee and Treasury Manager budget estimates are given in Annex -6. MDB budgets requests for FY24 are overall higher by close to 10 percent, of which CTF – I budget requests have increased cumulatively by 10 percent on account of the CCMM, SCF – I budgets are lower by 9 percent; and the ACT and SCF – II budget proposals drive the overall MDB budget request for CTF and SCF around 6 and 41 percent higher, respectively, than FY23 levels, the latter primarily on account of the expected operationalization of the new programs.
13. The FY24 CIF Administrative Unit budget has increased over FY23 by a nominal 2.7 percent, which is an actual decrease in real terms. As part of this business plan, it is foreseen that the CIF Administrative Unit's budget finance 13 new staff positions to support the new initiatives and the increasing work program demands from the Trust Fund Committees and CIF Partnership. With these new positions the permanent staff cohort of the CIF Administrative Unit would grow from 35 to 48 and permit rebalancing the reliance on long-term and short-term consultants to deliver on the core business needs. The 13 staff positions consist of:

- a. 2 lead specialists, one as a lead finance specialist to support CCMM and other financial work of CIF and another lead operations specialist to support the growing program portfolio (from 4 programs – CTF, SREP, PPCR and FIP – to 8 including REI, NPC, ACT and Industrial Decarbonization)
  - b. 2 senior specialists to support the delivery of the Industrial Decarbonization program and the new CEO in the front office (this last one is currently being performed by a short-term consultant)
  - c. 5 specialist positions to support the growing CTF portfolio with the day-to-day work including the new REI learning platform; CCMM implementation; and the large work programs of the Evaluation and Learning Initiative, Monitoring and Reporting and Communications
  - d. 2 analyst positions in support of Communications and the ACT program
  - e. 2 administrative positions including an executive assistant for the new CEO (currently most of the administrative support work and the executive assistant role is being performed by short-term consultants).
14. For the purposes of the CIF Administrative Unit's FY24 budget request, the World Bank historical cost recovery rate has been considered. An estimated incremental budget of around USD 3.5 million is needed for FY24 to cover the new World Bank cost recovery for the CIF Administrative Unit as and when it is applied. If the Trust Fund Committee approves the application of the new World Bank cost recovery rate for FY23, an additional amount of around USD 3 million is needed for FY23. Upon the CTF and SCF Trust Fund Committees approval of the application of the World Bank new cost recovery rate on the CIF Administrative Unit trust funds, an approval by mail for the indicated incremental budgets for FY23 and FY24 as applicable will be requested.
15. MDB FY24 budget has increased by USD 1 million over FY23, primarily due to the CCMM and new programs. SCF – I program budgets have reduced by around 9 percent, and MDBs have continued to honor their 2018 commitments on SCF cost reductions. MDB budgets have almost uniformly increased across all target areas, but higher increases are in areas of new program launch, CCMM, Trust Fund Committee and policy related activities, investment plan preparation, and project and program development related activities.
16. For FY24, the multi-year budget request is proposed under two categories: country engagement for USD 0.3 million, and special initiatives for USD 4.40 million (see Table 3). The proposed country engagement budget is requested as a top-up to the country engagement resource pool that covers MDB costs for providing support services to countries invited to prepare investment plans under the ACT (ACT CE-IP).

**Table 3: Proposed FY24 budget for multi-year activities (USD '000)**

	Total	CTF - I	ACT	SCF - I	SCF - II	SCF - I			SCF - II		
						Split by Program			Split by Program		
						PPCR	FIP	SREP	REI	NPC	Ind/Cit
<b>Multi-Year Proposed Total Budget</b>	<b>4,700.0</b>	<b>1,200.0</b>	<b>1,234.0</b>	<b>1,500.0</b>	<b>766.0</b>	<b>500.0</b>	<b>500.0</b>	<b>500.0</b>	<b>383.0</b>	<b>383.0</b>	<b>-</b>
<b>Country Engagement</b>	<b>300.0</b>	<b>-</b>	<b>300.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Country Engagement Budget for Investment Plan Preparation (CE-IP)</i>	300.0	-	300.0	-	-	-	-	-	-	-	-
<b>Special Initiatives</b>	<b>4,400.0</b>	<b>1,200.0</b>	<b>934.0</b>	<b>1,500.0</b>	<b>766.0</b>	<b>500.0</b>	<b>500.0</b>	<b>500.0</b>	<b>383.0</b>	<b>383.0</b>	<b>-</b>
<i>CIF Collaboration Hub</i>	400.0	-	134.0	-	266.0	-	-	-	133.0	133.0	-
<i>E&amp;L Initiative Phase III: Proposed Budget - Year 2 (FY24)</i>	4,000.0	1,200.0	800.0	1,500.0	500.0	500.0	500.0	500.0	250.0	250.0	-

Note: Based on the proposed work program distribution under the FY24-FY28 E&L work plan, of the USD 4 million E&L Initiative Phase III: Proposed Budget - Year 2 (FY24) indicated, USD 3 million is proposed to be allocated to CIF Administrative Unit managed activities, while USD 1 million is proposed to be allocated to MDB managed activities.

17. **Country engagement budget for investment plan support (CE-IP):** A total budget of USD 0.3 million is being requested to top-up the country engagement resource pool for investment plan preparation within the ACT programs. The CTF and SCF Trust Fund Committees had [approved](#) an ACT Country Engagement (CE-IP) resource pool of USD 1 million (up to USD 0.25 million each for the four original ACT countries: Philippines, Indonesia, India, and South Africa) to cover MDB costs incurred in support of ACT investment plan preparation. Of the USD 1 million, USD 0.8 million was allocated to MDBs based on approvals by the Trust Fund Committees in January 2022, and the MDB Committee in January 2023. In its meeting held on February 1, 2023, the CTF Trust Fund Committee invited two more countries, the Republic of North Macedonia and Dominican Republic, to prepare and submit investment plans under the ACT program. The unutilized balance of USD 0.2 million in the ACT CE-IP resource pool, plus the additional amount of USD 0.3 million being requested, will cover MDB costs incurred to support ACT investment plan preparation in the two new countries.
18. **CIF Collaboration Hub (CCH) enhancements** (USD 0.4 million): This budget is being requested to deliver on CCH enhancements to accommodate the requirements of the new SCF – II programs, amend reporting templates under the expected financial procedures agreement due to CCMM, automate workflows on concept endorsement and SAP integration, enhance reports (including gender, reporting dashboard, results, and

development of a public facing disbursement dashboard), and enhance overall CCH user experience to meet current needs and increased usage by stakeholders.

19. **E&L Initiative Phase 3** (USD 4 million): A budget of USD 4 million is proposed for FY24 (year 2 of Phase 3) activities of the E&L Initiative. This is per the decision of the Joint Meeting of the CTF and SCF Trust Fund Committees held in January 2022 in which the CIF Administrative Unit was requested to prepare a business plan for FY24–27 consistent with Option B, or the “Increased Ambition” scenario, with a resource allocation of roughly USD 4 million per fiscal year.

### 3. OVERVIEW OF CIF ACTIVITIES

20. In FY23, the Trust Fund Committees took several key decisions with continuing impact on the CIF work program, including operational and governance review, decisions related to further advancement of the CCMM, invitation to countries to prepare NPC investment plans, endorsement of ACT Investment Plan for South Africa for a total requested funding of USD 500 million, and endorsement of the Colombia REI Investment Plan for a total indicative allocation of USD 70 million.
21. Significant work was undertaken in FY23 on policy development and implementation, including design documents and integrated results frameworks for the ACT, REI and NPC, MEL policy and guidance document; and NPC right-size allocation guidance document.
22. Launched in FY22, with an aim to evaluate CIF’s fund structure, governance, and organizational arrangements to maximize CIF’s potential to fulfil its mandate, the CIF Governance Review progressed significantly in FY23. An Ad Hoc Committee with initial representation from Canada, Jamaica, South Africa, Uganda, the UK and the US was constituted to take the process forward. During the course of the year, representatives from Brazil, Zambia and India were appointed to the Committee as the representatives of recipient countries. An independent consultancy team was also constituted to undertake a detailed review of the operational and governance arrangements of the CIF. The FY24 business plan and budget document has additional details of this process.
23. Since the G7 Leaders’ Summit in June 2021, where the [G7 endorsed the Climate Investment Funds’ contributions to climate finance](#), CIF has raised over USD 3 billion in commitments from the following contributors: Canada, Denmark, Germany, Italy, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States. Contributing countries continue to identify and announce new contributions to CIF’s new investment programs.
24. In FY24, strategic activities to support policy development, governance, and engagement with CIF stakeholders will continue and will include implementation of decisions taken through FY23, including the June 2023 Trust Fund Committees Meetings.
25. Significant efforts in FY23 will go into the launch and operationalization of the new programs, along with further progress on the investment plan preparation activities of the ACT, REI and NPC programs. CIF Partnership will also dedicate significant efforts in FY24 on the progress of the E&L Initiative Phase 3, operationalization of the CCMM and outcomes of the Governance Review, among others.

## 4. CIF PORTFOLIO REVIEW

26. As of December 31, 2022, CIF's cumulative approvals total USD 7.5 billion, and disbursements amount to USD 4.37 billion, the latter representing 61 percent of USD 7.14 billion in MDB-approved CIF funding for over 400 projects. As of December 31, 2022, CIF projects have leveraged close to USD 62.5 billion in co-financing from private and public sectors, MDBs, bilateral, and other sources, including USD 18.5 billion from private sector sources.
27. CIF remains committed to advancing climate-smart investments through its portfolio. As of December 31, 2022, CTF has 161 projects in 33 countries approved by the Trust Fund Committee, leveraging over USD 57 billion in co-financing from private and public sectors, MDBs, bilateral, and other sources. The SCF programs (FIP, PPCR, and SREP) show progress with USD 2.2 billion of commitments in 59 countries leveraging USD 6.9 billion in co-financing. Disbursements<sup>2</sup> show significant improvement with USD 2.85 billion reported as disbursed under CTF, USD 0.87 billion under PPCR, USD 0.42 billion under FIP, and USD 0.24 billion under SREP in MDB-approved projects (see Figure 1). The [CIF Disbursement Report](#) provides more information on the status and progress of the CIF portfolio.
28. CIF continues to progress toward full commitment of its resources with USD 7.7 billion expected to be programmed by the end of FY23. New contributions have enabled ACT and REI to begin developing programming within their investment plans. CTF and SCF continue to achieve their objectives by fully committing the remaining available resources to the pipeline. By end FY24, the current programming portfolio reports that an expected 91 percent of the programmed CIF funding will be moved to implementation

---

<sup>2</sup> Disbursement data as of December 31, 2022.





## The Climate Investment Funds

The Climate Investment Funds (CIF) were established in 2008 to mobilize resources and trigger investments for low carbon, climate resilient development in select middle and low income countries. To date, 14 contributor countries have pledged funds to CIF that have been channeled for mitigation and adaptation interventions at an unprecedented scale in 72 recipient countries. The CIF is the largest active climate finance mechanism in the world.

### THE CLIMATE INVESTMENT FUNDS

c/o The World Bank Group  
1818 H Street NW, Washington, D.C. 20433 USA

Telephone: +1 (202) 458-1801  
Internet: [www.climateinvestmentfunds.org](http://www.climateinvestmentfunds.org)



@CIF\_action



CIFaction



CIFaction



CIFaction



CIFaction



@CIF\_action