

# CLIMATE INVESTMENT FUNDS

## Piloting Low-Emissions Growth and Climate-Resilient Development in Developing Countries

The Climate Investment Funds (CIF) are a pair of financing instruments which help developing countries pilot ways to transform their economies through low-emissions and climate-resilient development, with scaled-up funding channeled through the Multilateral Development Banks (MDBs).



It is now recognized that economic development and climate change must be addressed together. The CIF were created in 2008 to help developing countries address challenge, opening opportunities for blending funds for climate action with national, MDB, and private sector development resources, leveraging substantial additional funds. In addition, the CIF are designed to strengthen the global knowledge base for urgently needed climate solutions.

The two CIF funds are:

- **Clean Technology Fund (CTF)**, financing national investment plans to demonstrate, deploy and transfer low-emissions technologies for significant greenhouse gas (GHG) reductions.
- **Strategic Climate Fund (SCF)**, financing three programs to pilot new sectoral approaches with scaling-up potential:
  - Forest Investment Program (FIP)
  - Pilot Program for Climate Resilience (PPCR)
  - Scaling Up Renewable Energy Program in Low Income Countries (SREP)

### CIF CONTRIBUTIONS (US\$ millions\*)

Country	Pledge
Australia	135
Canada	97
Denmark	38
France	300
Germany	813
Japan	1,200
Korea	3
Netherlands	76
Norway	194
Spain	152
Sweden	92
Switzerland	20
United Kingdom	1,414
United States	2,000
<b>TOTAL</b>	<b>\$6.5 billion</b>

\*based on exchange rate on September 25 2008, initial CIF pledging date

The CIF are implemented jointly by the MDBs: African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Bank, and World Bank Group.

## Clean Technology Fund (CTF)

**Purpose:** to provide scaled-up financing in country investment plans for demonstration, deployment and transfer of low carbon technologies with significant potential for GHG emissions savings.

**Governance:** Trust Fund Committee – 8 representatives each of contributor and eligible recipient countries; observer representatives of GEF, UNDP, UNEP, UNFCCC, 4 civil society, 2 private sector.

**Funding:** \$4.5 billion in concessional financing.

### CTF Investment Plans

**Endorsed Investment Plans:** Colombia, Egypt, Indonesia, Kazakhstan, Mexico, Morocco, Nigeria, Philippines, South Africa, Thailand, Turkey, Ukraine, Vietnam, regional (Middle East and North Africa Concentrated Solar Power Program) CTF funding \$4.3 billion + \$37 billion co-financing.

**Financial leverage:** \$1 leveraged to \$8.4 from all sources (of which \$3 is from private sector).

## Strategic Climate Fund (SCF)

**Purpose:** to support developing country efforts toward climate-resilient, low-carbon development and to provide lessons through learning-by-doing.

**Governance:** Trust Fund Committee – 8 representatives each of contributor and eligible recipient countries; observer representatives from GEF, UNDP, UNEP, UNFCCC, 4 civil society, 2 Indigenous Peoples, 2 private sector.

**Funding:** \$2 billion total in grants and concessional financing for targeted programs.

### Targeted SCF Programs

**Pilot Program for Climate Resilience (PPCR):** To help developing countries pilot and demonstrate ways to integrate climate risk and resilience into their development planning. **Pilots:** Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen, Zambia, two regional programs (Caribbean: Dominica, Grenada, Haiti, Jamaica, St. Lucia, St. Vincent and the Grenadines; and South Pacific: Papua New Guinea, Samoa, Tonga). *PPCR funding \$1 billion.*

**Scaling Up Renewable Energy Program in Low Income Countries (SREP):** To help low income countries pilot and demonstrate the viability of low carbon development in the energy sector by creating economic opportunities and increasing energy access through renewable energy. **Pilots:** Honduras, Ethiopia, Kenya, Maldives, Mali, Nepal. *SREP funding \$360 million.*

**Forest Investment Program (FIP):** To support developing country efforts to reduce deforestation and forest degradation (REDD) and promote sustainable forest management leading to emission reductions and protection of carbon reservoirs. **Pilots:** Brazil, Burkina Faso, Democratic Republic of Congo, Ghana, Indonesia, Laos, Mexico, Peru. *FIP funding \$609 million.*

### Partnership Forum

The CIF are designed to contribute to effective global solutions to climate change by sharing lessons and experiences in an inclusive, transparent and strategic manner. The CIF Partnership Forum is an annual gathering for all stakeholders to engage in dialogue on the CIF's strategic directions, results and impacts.

