

Strategic Directions and Use of Future CTF Resources

Daniel Morris

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CTF's Yesterday (2008-2016)

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- **Establishing the Programmatic Approach**
 - Fifteen countries and one regional program
- **Large Amounts of Available Capital**
 - Investment Plans between USD 150 to 775 million
- **Leadership in Supporting Emerging Technologies**
 - Concentrated Solar Power in Morocco, South Africa, and Chile
 - Geothermal in LAC, Indonesia, and Türkiye



CTF's Today (2017-2023)

- Aim to Increase **Country and Private Sector Participation**
 - Dedicated Private Sector Programs (DPSP) open to all CIF countries
- Focus on **Thematic Approaches**
 - Defined Investment Areas for DPSP I-III
 - GESP
 - ACT Investment Plans
- New Windows Attract Significant **New Contributions**
 - USD 2.2 billion for ACT
 - USD 345 million for GESP



CTF's Tomorrow (2023 and Beyond)

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- CTF's evolving role in **climate finance architecture**
- **CCMM** – USD 5 to 7.5 billion over 10 years
- Changing demand for **subsidy use** (grants/high risk instruments)
- **Programmatic Approach and/or DPSP model**
 - Emerging synergies in clean energy and technology
- Continued work on the CTF **Governance Review**



CTF's Role in Climate Finance Architecture

- Continue as source of concessional **co-financing and collaboration** for MDBs
- Complimentary and contributing to **Evolution Roadmap?**
- Improved **cooperation** with other climate funds
- First climate fund to tap **capital markets**



New Demands and Limits for Subsidy Use

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- **Demand for grants**, especially for private sector projects, continues to grow to support new technologies
- **CCMM** allows a small grant pool in CTF to preserve its capital base
- Experience shows that **high risk instruments** (guarantees, equity) do not generate reflows as much as projected
- CTF will continue to provide highly concessional finance while also accessing capital markets
- Long-term role of grants will need to be agreed upon



Modality Option: Next Stage of Programmatic Approach

- **Energy Transition Investment Plans**
 - Large-scale IPs to tackle relevant aspects of transitioning to clean economies (Renewables, fossil abatement, grids and access, transport, industry, agriculture)
- **Open CTF to New Country Applications**
 - Only 15 of ~65 eligible countries have developed IPs
- **Regional Approaches**
 - Multi-state IPs focused on specific interventions
 - Examples of emerging opportunities in Central America, Caribbean, MENA



Modality Option: Thematic Flexible Programming 8

- Extend and **expand DPSP experience** in geothermal or energy storage to new sectors with more structured approaches.
 - Hydrogen Accelerator Program
 - Transport Decarbonization
 - Offshore Wind and Island Energy Programs
 - Tech-specific Incubators



Modality Option: CTF Support for Existing GCAP Programs

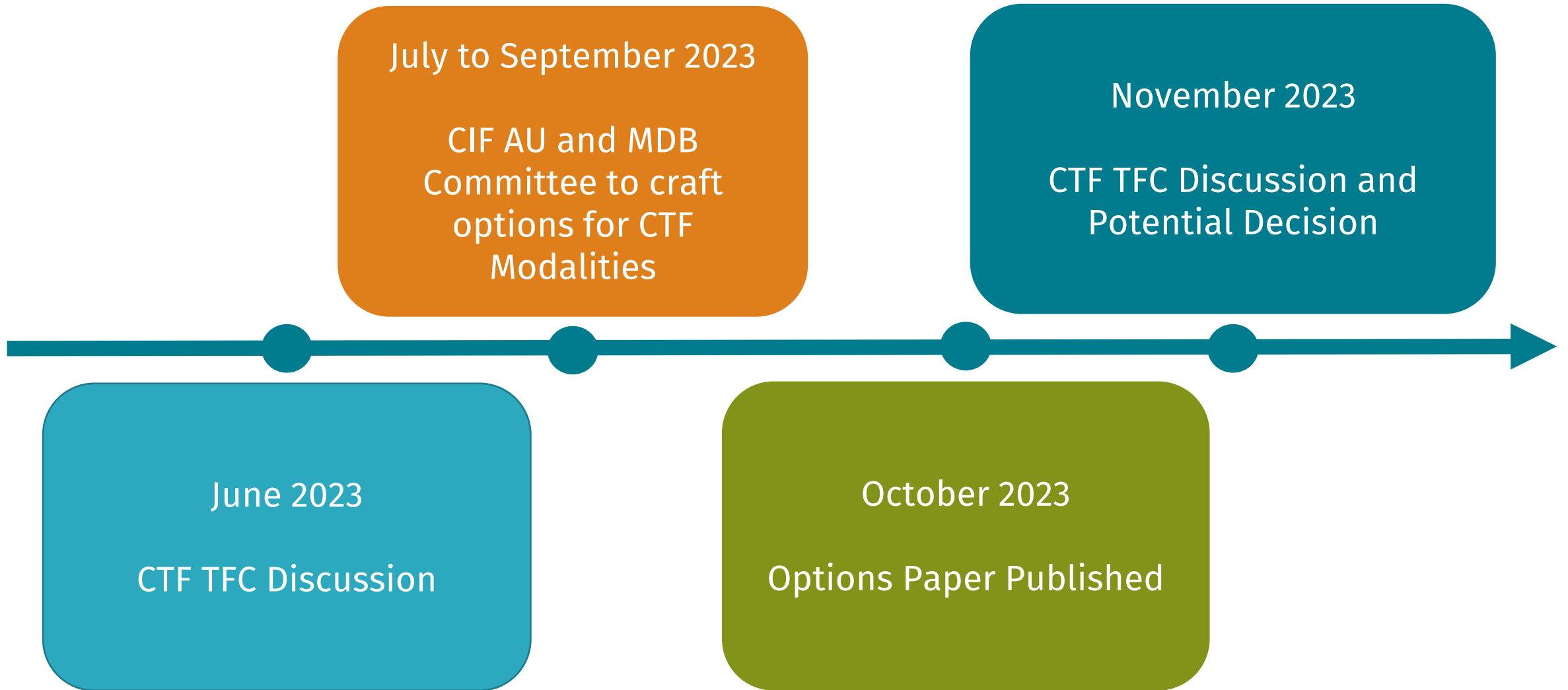
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- Use **GCAP resources to support IP development**, then support project pipeline in CTF
- Potential challenges include results reporting, alignment with CTF investment criteria, confusion for stakeholders
- **REI Program**
 - Eight of ten REI countries are CTF participants or CTF-eligible, five have no guarantee of resources
 - CTF could support more work in Ukraine long-term than REI can
- **Industry Decarbonization**
 - Potential overlap with CTF operations, including ACT
 - Multiple CTF countries expected to apply



Potential Next Steps

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CIF



CLIMATE INVESTMENT FUNDS

Investing in the future

