



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

*Brasilia, Brazil (Hybrid)*

**Wednesday, June 28, 2023**

**FY24 CIF BUSINESS PLAN AND BUDGET**



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Joint CTF-SCF/TFC.28/07.1  
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## PROPOSED DECISION

- (i) The Joint Meeting of the Clean Technology Fund (CTF) and Strategic Climate Fund (SCF) Trust Fund Committees has reviewed the *Joint CTF-SCF/TFC.28/07.1, FY24 CIF Business Plan and Budget*, welcomes the business plan, and notes that the proposed FY24 CIF budget provides administrative resources for the expected work program of CIF's operating structure: the CIF Administrative Unit as the central coordinating unit of the CIF partnership, the Trustee as administrator of the financial assets of the CIF trust funds, and the six MDBs as the implementing partners.
- (ii) The Joint Meeting of the CTF and SCF Trust Fund Committees approves the business plan and administrative budget contained in the document *Joint CTF-SCF/TFC.28/07.1, FY24 CIF Business Plan and Budget*, as detailed in this summary FY24 Budget Commitment table and supported by Table 1 and Annex 1 in the document.

**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

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.

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## 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. In recent years, the CIF has successfully expanded its global reach to heighten climate action awareness, motivate and foster a robust international climate network, advance evidence-based learning to stimulate climate investments, and inspire the forthcoming generation of climate leaders. With a commitment to sustainability, gender equality, and just transitions in all its transformative interventions, CIF is one of the few multilateral partnerships that directly engage with communities most susceptible to climate change and most reliant on natural resources, ensuring that transformational change excludes no one.
3. 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.
4. 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.

5. 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 program has attracted significant interest. It was featured in Ministerial events at both the Climate Change COP27 and Biodiversity COP15 and it received the endorsement of the scientific community, which praised NPC's unique programmatic demand-drive approach and its innovative Dedicated Grant Mechanism that empowers Indigenous Peoples and Local Communities (IPLC) with decision-making authority over investments. Since COP27, eight countries and regions have been selected as the initial beneficiaries.
6. 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). An initial consultation meeting was held to bring together a range of stakeholders at the Abu Dhabi Sustainability Week in January 2023. The program was endorsed at G7 Climate, Energy, and Environment Ministerial in Sapporo, Japan in April 2023, and a roadmap has been established to heighten the program's visibility enroute to COP28 in Dubai.
7. 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.
8. In parallel with these strategic developments, CIF stands ready to support the World Bank Group's work on the Evolution Roadmap as a proven model that galvanizes MDBs to

operate as a system, enhancing their coordination and collaboration to tackle frontier climate challenges that they can't on their own.

9. CIF also supports the Banks' Evolution Roadmap by serving as a world-leading climate finance learning laboratory – piloting operations and innovative finance mechanisms that require risk appetite, and serving as a knowledge hub based on its 15 years dedicated to climate finance and serving as a world class resource on just transitions (JT). In the context of the Evolution Roadmap, it is recognized that concessional resources are needed to incentivize actions that contribute to GPGs and to scale up blended finance for the private sector.
10. 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

11. The CIF Business Plan and Budget is approved annually by the CTF and SCF Trust Fund Committees. This document presents the Business Plan and Budget proposal for the fiscal year 2024 (FY24) to support activities of the CIF partnership<sup>1</sup> and administrative services provided by the CIF Administrative Unit, the CIF Trustee, and MDBs during the period from July 1, 2023, to June 30, 2024. The following table summarizes the proposed FY24 budget commitment for the CTF and SCF Trust Funds. In this table, and elsewhere in this document, the following definitions apply:
  - a. CTF – I refers to the proposed budget allocation from the CTF Trust Fund for all programming and implementation activities other than that for the Accelerating Coal Transitions (ACT) Investment Program. Budget for the CCMM is funded by the CTF and has been shown as a separate line item where necessary. ACT refers to proposed allocations for programming activities related to the ACT Program. Budget commitments for CTF – I and ACT together form the FY24 commitment for the CTF Trust Fund.
  - b. SCF – I refers to proposed budget allocations for programming and implementation activities related to the Pilot Program for Climate Resilience (PPCR), Forest Investment

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<sup>1</sup> Composed of the CIF Administrative Unit, IBRD as CIF Trustee, and the following MDBs as CIF implementing entities: African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank Group (IDB Group), the World Bank Group's International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC)

Program (FIP) and Scaling Up Renewable Energy Program (SREP). SCF – II refers to proposed allocations for programming and implementation activities related to the new SCF Programs, namely, the Renewable Energy Integration Program (REI), the Nature, People and Climate Investment Program (NPC), Climate-Smart Urbanization Program (Cities) and Climate-Resilient Transition in Industry (Industries). Budget commitments for SCF – I and SCF – II together form the FY24 commitment for the SCF Trust Fund.

**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

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.

12. The FY24 budget proposal requests an annual budget to cover costs of administrative services, which are a significant portion of the annual CIF work plan, and includes core administrative services provided by the CIF Administrative Unit, the MDB focal point teams, and the Trustee to deliver on the CIF mandate. CIF administrative services focus on seven priority (target) areas: 1) Policy development, working with CIF governing bodies and managing relations; 2) Investment plan development, update, and revision; 3) Development and approval of CIF funding of programs and projects; 4) Knowledge management and communications; 5) Monitoring and evaluation and stakeholder engagement; 6) Gender mainstreaming; and 7) Managing resources and risk. The budget proposal also covers multi-year activities, which are typically designed for specific initiatives or purposes beyond core administrative services and may extend over multiple fiscal years.
13. Project-related costs incurred by the MDBs are managed outside the CIF administrative budget. The MDBs recover their costs of preparing, supporting implementation, and supervising CTF-funded programs and projects through a fee applied to CTF loans and guarantees paid by the borrower as well as program implementation service fees approved by the Trust Fund Committee. Under SCF's targeted programs, recovery occurs through fees approved case-by-case by the Trust Fund Committee based on requests for payment for project implementation support and supervision services.
14. Table 1 provides an overview of the FY23 approved budget and expected utilization, and the proposed FY24 budget to deliver on the strategic focus areas of the CIF partnership, including budgets to cover costs of administrative services and multi-year country

engagement and special initiative activities. Additional financial tables are presented in Annex 1.

**Table 1: FY23 Projected budget outcome and FY24 proposed budget (USD '000)**

Summary of Budget Request			
	FY23 Approved Budget	FY23 Projected Utilization	FY24 Proposed Budget
<b>Total</b>	<b>41,065.0</b>	<b>38,740.1</b>	<b>40,660.5</b>
Administrative Services	30,971.2	28,646.3	35,960.5
Multi-year Activities	10,093.8	10,093.8	4,700.0

Administrative Services	FY23 Approved Budget	FY23 Projected Utilization	FY24 Proposed Budget
<b>Total</b>	<b>30,971.2</b>	<b>28,646.3</b>	<b>35,960.5</b>
<b>Administrative Unit</b>	<b>14,210.8</b>	<b>13,500.2</b>	<b>14,592.4</b>
<b>MDBs</b>	<b>10,376.4</b>	<b>9,185.1</b>	<b>11,405.9</b>
<i>ADB</i>	<i>1,698.7</i>	<i>1,541.2</i>	<i>1,960.0</i>
<i>AfDB</i>	<i>1,713.9</i>	<i>1,667.6</i>	<i>2,043.7</i>
<i>EBRD</i>	<i>1,151.3</i>	<i>963.5</i>	<i>1,311.8</i>
<i>IDB Group</i>	<i>1,368.0</i>	<i>1,271.1</i>	<i>1,545.2</i>
<i>IBRD</i>	<i>3,245.0</i>	<i>2,542.1</i>	<i>3,271.0</i>
<i>IFC</i>	<i>1,199.5</i>	<i>1,199.5</i>	<i>1,274.2</i>
<b>Trustee</b>	<b>5,489.0</b>	<b>5,066.0</b>	<b>8,912.2</b>
<b>External Audit Fee</b>	<b>895.0</b>	<b>895.0</b>	<b>1,050.0</b>

Note: The CIF Administrative Unit's FY23 approved budget and projected utilization, and FY24 budget requests are based on the World Bank's historical cost recovery rate of 17 percent applied on personnel costs. The FY24 Trustee Budget includes one time CCMM set up costs of USD 2.48 million for the Trustee and Treasury Manager.

Multi-Year Activities (Funds to be utilized in multi years)	Approved Budget for Activities Beginning in FY23	Expected Utilization at Activity Completion	Proposed Budget for Activities Beginning in FY24
<b>Total</b>	<b>10,093.8</b>	<b>10,093.8</b>	<b>4,700.0</b>
Country Engagement	5,243.8	5,243.8	300.0
Special Initiatives	4,850.0	4,850.0	4,400.0
<i>CIF Collaboration Hub (CCH) Phase III</i>	-	-	400.0
<i>CIF Website Enhancements</i>	250.0	250.0	-
<i>CIF Governance Review</i>	600.0	600.0	-
<i>E&amp;L Initiative Phase III - Year 2</i>	4,000.0	4,000.0	4,000.0



## 2.1 Core Administrative Services

15. Table 2 provides a breakdown of approved FY23 costs by the seven CIF administrative services target areas, expected utilization by end FY23, and the proposed budget for FY24.

**Table 2: Administrative services: FY23 projected budget outcome and FY24 proposed budget by target area (USD '000)**

Target Area	FY23 Approved Budget	FY23 Projected Utilization	FY24 Proposed Budget
<b>Total</b>	<b>30,971.2</b>	<b>28,646.3</b>	<b>35,960.5</b>
Policy development, working with CIF governing bodies, and managing relations	12,596.3	10,920.7	11,951.1
Investment plan development, update, and revision	1,381.1	1,226.2	2,315.8
Development and approval of CIF funding of programs and projects	963.3	828.9	1,333.6
Knowledge management and communications	4,667.1	4,375.6	4,984.6
Monitoring and evaluation; stakeholder engagement in review of investment plan implementation	4,490.8	4,104.8	4,734.6
Gender mainstreaming	1,400.4	1,234.1	1,529.5
Managing resources and risk	5,472.2	5,956.0	9,111.3
<i>of which External Audit Fee</i>	895.0	895.0	1,050.0

Note: The CIF Administrative Unit's FY23 approved budget and projected utilization, and FY24 budget requests are based on the World Bank's historical cost recovery rate of 17 percent applied on personnel costs.

16. 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.
17. The CIF partnership also undertook significant efforts in FY23 toward launching the additional approved programs (NPC and Industries), building strategic partnerships, and working with contributors to establish the CTF Parallel Fund to facilitate acceptance of loan contributions into CTF.
18. The proposed FY24 budget represents an overall decrease of around 1 percent from the approved FY23 budget, with the following highlights:
19. Until FY23, budget requests for CCMM from the Trustee, CIF Administrative Unit and MDBs were classified as special initiatives. Effective FY24, the CCMM work program of the CIF

Partnership is expected to become an integral part of CTF, and accordingly, CCMM budget requests for FY24 have been merged with those of CTF. For ease of comparison in this document, FY23 CCMM approved budgets and projected utilization numbers have been moved under CTF.

20. FY24 budget requests for CTF – I is higher than FY23 by 26 percent primarily due to the CCMM, particularly the addition of the Treasury Manager setup and ongoing costs budgets. The budget request for SCF – I programs is less in real terms and aligned with [projections provided for SCF administrative costs until FY28](#) and the [decision](#) of the SCF Trust Fund Committee on cost reductions.
21. 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.
22. 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.
23. 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 administrating 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.

24. 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).
25. During FY23, the CIF Administrative Unit filled all vacant positions due to staff who are retiring, took on other jobs and have rotated within the World Bank, with the exception of the Deputy Manager position which will now be filled upon selection of the new CEO of the CIF Administrative Unit
26. The World Bank is proposing a substantial increase in the Financial Intermediary Fund (FIF) Trust Fund Cost Recovery Rate. This rate is determined and applied by the trust fund policy unit of the World Bank's Budget, Performance Review & Strategic Planning (BPS) Vice-Presidency on certain FIF trustee and secretariat trust funds managed by the World Bank to recover administrative costs of the World Bank's Institutional Governance and Administrative (IG&A) Units. Until FY21, a cost recovery rate of 17 percent on personnel (staff and consultant) costs incurred by the relevant FIF trust funds was charged and

recovered upon disbursement. The World Bank has proposed an increased rate of 22 percent on the total administrative budget (all costs, including personnel costs) of the relevant FIFs. The new cost recovery rate thus works out to around 28.2 percent when calculated on direct administrative costs actually incurred by the relevant FIF trust funds administered by the World Bank.

27. The World Bank proposed to apply the new cost recovery rate to the trust funds of the CIF Administrative Unit effective FY23. However, the CTF and SCF Trust Fund Committees have not yet approved the application of new cost recovery rate on the CIF Administrative Unit Trust Funds.
28. 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.
29. 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.
30. The FY24 CIF budget shows marginal increases in certain categories, primarily to provide for investment plan preparation work and other operationalization activities of the new programs and CCMM, such as preparing design and implementation guidance documents and managing the expressions of interests' processes.
31. Costs associated with investment planning have increased substantially due to the expected increase in investment plan development activity under the new programs. A nominal budget under CTF – I and SCF – I intends to cover MDB costs associated with expected changes to endorsed investment plan envelopes through restructuring, funding reprioritization, and other changes.

32. Knowledge management and communications continue to be an area of priority in FY24. A marginal increase in the knowledge management budget is envisaged, as additional support to knowledge activities is expected through the CIF Evaluation and Learning (E&L) Initiative. CIF communications costs are estimated to increase in FY24, with greater focus on dissemination of a large array of knowledge products, expanded virtual engagements, various activities leading to COP28, and increased CIF presence through strategic communication campaigns and other activities.
33. Monitoring and reporting (M&R) activities are projected to increase in FY24 due to expanded work in portfolio M&R analytics, given that a majority of the CTF – I and SCF – I portfolio is now approved and under implementation. There is also an increased impetus on stakeholder engagement activities in FY24, with primary focus on observer capacity building and youth engagement.
34. In FY24, gender mainstreaming will continue to be an area of prime importance for the CIF partnership, with increased focus on gender activities in knowledge, capacity building, and upstream technical support to MDBs and countries.
35. Costs associated with managing resources and risk includes Trustee core costs, external audit fees, and financial and risk management costs, for the CTF and SCF, but also the ongoing costs of administering the CTF Parallel Fund, as well as establishment and ongoing costs for the CCMM. For FY24, budgets related to the Treasury Manager have been included under the Trustee budgets, thus driving up the Trustee budget request. All expenses related to the CTF Parallel Fund are fully covered by contributions to the CTF Parallel Fund.

## 2.2 Multi-Year Budget and Special Initiatives

36. 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.

## 2.3 Proposed Multi-Year Activities

37. **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. Additional funds to supplement CIF General Country Engagement (CE-Gen) resource pool are not being requested under the FY24 business plan. Annex 2 provides information on CE-Gen activities approved in FY23.

## 2.4 Special Initiatives

38. **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.

39. **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.
40. Funding in FY24 will be dedicated to deepening work in priority learning themes, new publications and strategic learning engagements, south-south learning, implementation of independent evaluations, and other initiatives. Table 4 provides a summary of funding allocation to the E&L Initiative over the proposed five-year period.
41. The E&L FY24 Annual Report has additional details. The FY24 work plan is based on the Trust Fund Committees’ guidance and feedback, as well as additional consultations with a wide range of stakeholders, including MDBs. In addition, the launch of a complementary, CIF-hosted policy dialogue platform, which elevates selected analysis from the E&L and other related initiatives to high level, influential fora, may also be considered pending interest from the Trust Fund Committee.

**Table 4: Funding allocation to E&L Initiative Phase III by year (USD '000)**

	Total	CTF - I	ACT	SCF - I	SCF - II	SCF - I Split by Program			SCF - II Split by Program		
						PPCR	FIP	SREP	REI	NPC	Ind/Cit
E&L Initiative Phase III	20,000.0	5,700.0	4,300.0	5,700.0	4,300.0	1,900.0	1,900.0	1,900.0	1,950.0	1,450.0	900.0
Year 1 - FY24	4,000.0	1,500.0	500.0	1,500.0	500.0	500.0	500.0	500.0	500.0	-	-
Year 2 - FY24	4,000.0	1,200.0	800.0	1,500.0	500.0	500.0	500.0	500.0	250.0	250.0	-
Year 3 - FY25	4,000.0	1,000.0	1,000.0	900.0	1,100.0	300.0	300.0	300.0	400.0	400.0	300.0
Year 4 - FY26	4,000.0	1,000.0	1,000.0	900.0	1,100.0	300.0	300.0	300.0	400.0	400.0	300.0
Year 5 - FY27	4,000.0	1,000.0	1,000.0	900.0	1,100.0	300.0	300.0	300.0	400.0	400.0	300.0

### 3 Overview of CIF Activities

42. During the last 15 years, CIF has matured into a global leader in climate finance, with a unique model of delivering flexible, predictable, highly concessional climate finance and co-funding, in conjunction with robust on-the-ground technical expertise.
43. CIF has an solid history of initiating and expanding groundbreaking climate solutions and innovations, fostering transformative impact via its established and emerging programs focused on clean technology, energy access, climate resilience, sustainable forests, renewable energy integration, sustainable landscapes , and low-carbon and climate-resilient transition in industry.
44. Both CIF trust funds, CTF and SCF, continue to move forward with vigor following the launch of the ACT, REI and NPC programs. CIF has also started the process to launch the Industrial Decarbonization and the Climate-Smart Urbanization (Cities) programs in FY23.
45. As of December 31, 2022, contributors have pledged close to USD 11.2 billion to CIF, of which USD 8 billion have been pledged to CTF, including the ACT, and USD 3.2 billion to SCF, including the new programs. Net cumulative funding commitments as of December 31, 2022, including administrative expenses, total USD 7.95 billion (USD 5.4 billion from CTF and USD 2.55 billion from SCF). Reported disbursements as of December 31, 2022, total USD 4.37 billion (USD 2.85 billion from CTF and USD 1.52 billion from SCF). More details on the progress of the CIF Portfolio are in Annex 3.

#### 3.1 Policy Development, working with the Governing Bodies, and managing relations

46. **Overview:** In FY23, the CIF Administrative Unit continued to provide support to the Trust Fund Committees, including convening virtually the intersessional meetings of the CTF Trust Fund Committee and the Global Climate Action Program (GCAP) Sub-Committee in October 2022, the Joint Meeting of the CTF and SCF Trust Fund Committees, and the Meetings of the CTF Trust Fund Committee and the GCAP Sub-Committee in January-February 2023, and the planned Joint Meeting of the CTF and SCF Trust Fund Committees and the Meetings of the CTF and, SCF Committees, and GCAP Sub-Committees in June 2023. The June 2023 Trust Fund Committee meetings are being held in-person in Brasilia, Brazil with the occasion marking 15 years of CIF.
47. **Key decisions:** In FY23, the Committees took several key decisions with continuing impact on the CIF work program, including the following:



- a. The CTF Trust Fund Committee endorsed the ACT Investment Plan for South Africa for a total requested funding of USD 500 million. The Committee also reviewed the ACT Investment Plan for Indonesia for a total requested funding of USD 500 million and requested resubmission of the same considering comments by members.
- b. The GCAP Sub-Committee endorsed the Colombia REI Investment Plan for a total indicative allocation of USD 70 million and requested the Government of Colombia to submit a final version of its Investment Plan, which takes into accounts the comments made by members, including in respect of the leverage ratio..
- c. The CTF Trust Fund Committee requested the CIF Administrative Unit to work with the MDBs to prepare a strategic approach to the use of CTF grants and decided to pause approval of all grant requests for projects until receipt of an analysis by the CIF Administrative Unit on the implications of approving MDB pipeline grant requests.
- d. CTF Trust Fund Committee took various decision to advance CCMM, including requesting the financial model for the base case and *pari passu* enhancement, draft amendments to contribution agreements, financial procedures agreements, CIF governance framework, pass-through agreements and other specified documents. The Committee also requested due diligence by contributors to confirm their participation in CCMM, indicative endorsements by MDBs, as well as engagements with credit rating agencies to provide credit ratings for the CCMM issuer.
- e. The GCAP Sub-Committee invited Dominican Republic, Egypt, Fiji, Kenya and a five-country Regional Africa group to prepare NPC investment plans, and requested preparation of right-size allocations for each expression of interest based on a total indicative allocation of up to USD 200 million in aggregate and submit a proposal to the Sub-Committee for endorsement, with an additional five countries (Brazil, Ethiopia, Rwanda, Zambia and Namibia) to be invited based on availability of additional resources. This request was coordinated by the CIF Administrative Unit in collaboration with the Independent Expert Group and the MDBs.
- f. During FY23, the Governance Review process, led by the designated Ad Hoc Committee of the Operational and Governance Review, culminated in the completion of a Hosting Arrangement with the World Bank. This significant accomplishment included the creation and dissemination of the Independent Report on Phase One (Administrative and Institutional Arrangements), which led to the negotiation process with the World Bank, including the updating of the CIF Administrative Unit's Roles and Responsibilities and the Head of CIF Administrative Unit's Terms of Reference and Recruitment Process. This process, conducted with significant collaboration with the

Trust Fund Committees and MDBs, will codify significant changes to the CIF Administrative Unit's structure and role, that will allow it to follow through on its ambitious new programming.

48. **CIF Collaboration Hub:** The CCH underwent additional development and enhancements in FY23 to meet the increasing needs of the CIF portfolio, including system changes required to operationalize the new programs and develop sub-window structures under CTF and SCF for ACT, REI and NPC; system setup for the new GCAP Sub-Committee; enhance gender monitoring and performance trend analysis across the CIF portfolio; addition of the necessary country co-financing, project milestones, project status, sector, and thematic records; updates on financial, operational, and results reporting templates; and updates on relevant portfolio management functions.
49. **Policy development:** Significant work was undertaken in FY23 on policy development and implementation, including the following:
  - a. Design documents and integrated results frameworks for the ACT, REI and NPC, MEL policy and guidance document; and NPC right-size allocation guidance document. Updated policy documents will be issued for existing and new CIF programs in FY24.
  - b. The CIF Financial Terms and Conditions Policy, which forms the cornerstone of how CIF resources are deployed to projects, will conclude its annual update by late June 2023, with the revised policy going into effect in FY24.
50. **CIF Governance Review:** Launched in FY22, with an aim to evaluate whether CIF's fund structure, governance, and organizational arrangements maximize CIF's potential to fulfil its mandate, given the evolution of CIF and the entire climate finance architecture since the original arrangements were put in place, 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.
51. In their October 2022 meeting, the CTF and SCF TFCs Trust Fund Committees welcomed a position paper of the Ad Hoc Committee on Phase I of the Governance Review, as well the presentation made by the independent consultancy team's presentation appointed in FY22, summarizing key issues from their independent review of the CIF's operational and governance arrangements of the CIF. The CTF and SCF TFCs Committees then requested the

MDBs to submit options for seeking an enhancing the role for of MDBs in CIF governance, and a list of CIF-specific requirements and activities that may overlap or conflict with general MDB policies and procedures. The CTF and SCF TFCs Committees also requested members and observers to submit any additional inputs for consideration that, , which together with the submissions from the MDBs and recommendations of the Ad Hoc Committee, should be considered for negotiating of a new World Bank-CIF hosting arrangement and necessary changes to the gGovernance framework documents.

52. In their January 2023 meeting, the CTF and SCF Trust Fund Committees requested MDBs to prepare Terms of Reference for the MDB Committee that, amongst other things, outline a process for the potential enhancement of the MDB Committee, and propose any consequential changes to the CIF Governance Frameworks. A negotiating team was also constituted to engage the World Bank on a new hosting arrangement, which is ongoing as of the date of this report.
53. **Contributions:** 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.
54. 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 TFC Meetings.

### **3.2 Updates on Programs, Investment Plan Development and other Initiatives**

55. **CIF financing:** As of December 31, 2022, total MDB-approved CIF financing has reached USD 7.14 billion, leveraging co-financing of USD 62.5 billion, including around USD 18.9 billion from the private sector.
56. **CTF:** As of December 31, 2022, the CTF Trust Fund Committee has approved USD 5.2 billion in funding for 161 projects and programs, leveraging USD 57.4 billion in co-financing, including USD 18.6 billion from the private sector. Results reporting indicates that total CTF investments of USD 5 billion have mobilized a cumulative total of USD 25 billion in co-financing to date, including USD 730 million mobilized in 2023 alone. The final expected leverage ratio of these investments is 1:10.4. CTF investments have resulted in a cumulative 165 million tons of CO<sub>2</sub> (MtCO<sub>2</sub>) in greenhouse gas (GHG) emissions reductions since the first projects were approved in 2009, with annual GHG emission reductions reaching an all-

time high at 32.4 MtCO<sub>2</sub> in reporting year (RY) 2023. In addition, CTF investments resulted in 12.4 gigawatts (GW) of installed renewable energy generation capacity in RY2023 and 5,816 gigawatt hours (GWh) in annual energy savings.

57. **ACT:** The Accelerating Coal Transition (ACT)—the first multilateral effort to advance an equitable, inclusive shift away from coal power in developing countries—identified South Africa, India, Indonesia, the Philippines, Dominican Republic, and North Macedonia as the first beneficiaries. During the CTF TFC meetings in October 2022, both South Africa and Indonesia submitted their ACT Investment Plans (IPs) for endorsement.
58. The South Africa ACT Investment Plan was endorsed for USD 500 million by the CTF Trust Fund Committee in October 2022, and proceeded to the implementation phase in 2023. The plan will demonstrate potential public sector solutions to ramp up the process of decommissioning coal plants, providing opportunities for future scale up. It will also focus on the long-term impacts on lives and livelihoods, by creating new opportunities for coal workers and affected communities to meet South Africa’s energy security, climate change, and poverty reduction targets.
59. The Government of India is expected to submit its ACT investment plan for the CTF Trust Fund Committee's consideration in the second half of 2023. Indonesia submitted a revised investment plan in May 2023 for CTF Trust Fund Committee endorsement. The Philippines requested an extension until November 2023.
60. In the February 2023 meetings of the CTF Trust Fund Committee, two new countries (Dominican Republic and North Macedonia) were invited to participate in ACT with an indicative allocation of up to USD 85 million each. Both country governments have already started coordinating with MDB partners to design their respective ACT investment plans
61. The ACT program actively contributes to the latest knowledge in the sector by acting as a learning platform in collaboration with CIF's Technical Assistance Facility (TAF). Early experience of ACT and other coal phaseout efforts has fed into the ReACT report and the forthcoming technical product, ReACT Tool..
62. In the first half of 2023, the Women-Led Coal Transition (WOLCOT) Mechanism was operationalized under ACT. A WOLCOT Advisory Group was established to provide strategic advice and support for knowledge exchange and collaboration among stakeholders working on coal transitions and to provide technical feedback on MDBs' grant proposals.
63. **FIP:** As of December 31, 2022, USD 0.6 billion in funding has been approved for 53 projects, leveraging close to USD 1.2 billion in co-financing. Based on MDB-reported results data from 12 FIP projects in seven countries, FIP has achieved a cumulative total of 27.73 million tons

of CO2 eq. (Mt CO2 eq) reduced, avoided, or from enhanced carbon stocks as of December 31, 2022. In relative terms, FIP countries in Africa (Burkina Faso, Côte d'Ivoire, Democratic Republic of Congo (DRC), Ghana, and Republic of Congo) have reached approximately 26 percent of their total targeted GHG emissions to reduce/avoid/sequester (i.e., 18.04 million Mt CO2 eq against a collective target of 68.29 million Mt CO2 eq). In Asia, cumulative GHG emissions reduced/avoided from FIP projects in Indonesia and Lao PDR account for more than 15 percent of the total target for the region.

64. 63. In FY23, the FIP team delivered a series of knowledge events and communication products to harvest lessons from 15 years of CIFs' experience in sustainable forest management. In January 2023, CIF enhanced efforts to support FIP countries with national, participatory monitoring and reporting (M&R). A 3three-day FIP M&R capacity-Building workshop was held in January 2023 in Brazzaville, the Republic of Congo. This workshop brought together participants from neighboring FIP countries (Burkina Faso, Democratic Republic of Congo, DRC, Côte d'Ivoire, Rwanda, and Tunisia) to facilitate South-South learning to support the Republic of Congo into launching its first country investment plan-level M&R system.
65. In March 2023, online M&R training was held to build Guatemala's capacity to carry out vital monitoring and reporting on their efforts to preserve their forests. This training was specifically adapted and prepared for Guatemala and was delivered in Spanish.
66. In March 2023, a four-day learning event, the "Africa Knowledge Exchange" in Côte d'Ivoire aimed to promote knowledge-sharing and broker lessons learned from 15 years of CIF experience in 16 African countries. Undertaken in collaboration with the Government of Côte d'Ivoire and the AfDB, the event brought together approximately 200 participants from CIF recipient country governments, contributor countries, the private sector, civil society, Indigenous Peoples, and local community groups. It offered an opportunity to connect, showcase innovations and outcomes, and discuss the challenges faced and lessons learned in implementing sustainable forestry, climate resilience, and nature-based solutions through FIP and PPCR projects.
67. **PPCR:** As of December 31, 2022, the PPCR Technical Committee has approved 86 projects for a total of USD 980.2 million in PPCR funding. The project disbursement rate has reached 88 percent, increasing from USD 847 million in December 2021 to USD 867 million by the end of December 2022.
68. In PPCR's current state of maturity, projects perform remarkably in achieving their intended sectoral outputs (see Table 9). All ten MDB-reported PPCR indicators (under "Land and Water," "Floods and Coasts," "Adaptation Finance," "Policies," "Infrastructure," "Climate

Information,” and “Knowledge and Capacity” in Table 9) have achievement rates over 80 percent of the respective program-level targets. Six of the MDB-reported PPCR indicators demonstrate achievement rates well over 100 percent. On average, completed projects (see section 5.6) have also achieved significantly more than their expected results. For example, when only considering completed projects, eight of ten MDB-reported PPCR indicators have achievement rates over 100 percent, and only two indicators have achieved less compared to what the full portfolio has achieved (“Policies” with a 98.8 percent achievement rate for final results compared to 99.6 percent for the full portfolio and “Land and Water” with a 110.2 percent achievement rate for final results compared to 124.6 percent for the full portfolio). See Table 11 in section 5.6 for more information on results from completed projects.

69. PPCR has also made good progress on country-reported outcomes (“People/Groups Supported” in Table 9). The program has supported 7,126,244 women and 7,968,864 men to cope with the effects of climate change, as well as 3,211,154 households, 5,688 communities, 25,494 businesses, and 3,251 public services, which have adopted PPCR-supported tools, instruments, strategies, and activities..
70. **SREP:** As of March 31, 2023, SREP has received USD 771.5 million in cumulative funding, of which USD 111.5 million is unrestricted. Total anticipated commitments are USD 59.3 million, including commitments for projects and programs in the sealed and reserve pipeline, project preparation grants (PPGs), CIF-TAF, and multilateral development bank (MDB) project implementation services (MPIS). The SREP Pipeline was revised in FY23 bringing 6 new projects to the program. During the year, the following two projects were approved: the USD 28.5 million Ghana Mini Grid and Solar PV Net Metering and the USD 11 million Cambodia Energy Transition Sector Development Program (SDP). Additionally, the USD 5.5 million Caucasus Green Economy Financing Facility (GEFF) – SREP Armenia Renewable Energy Grant Support was also approved in January 2023. During the year USD 13.63 million in grant were cancelled due to unused residual project preparation grant (PPG) funds or unused funds at project closures. SREP projects disbursed USD 34 million in FY22 (vs USD 36 million in FY21) and have already disbursed USD 35 million during the first six months of FY23, reaching USD 240 million in total. Out of the 51 MDB-approved projects, 45 are disbursing.
71. Overall, FY23 saw increases across all four core SREP indicators: annual electricity output, number of people, businesses, and community services benefiting from improved access to electricity and other modern energy services fuels, increased public and private investments in targeted subsectors, and Installed capacity (megawatt, MW) from renewable energy. Annual electricity production increased by 11 percent during the year, from 195,703

MWh/yr to 222,129 MWh/yr, driven by a combination of improvements in SREP projects that have previously reported results as well as those reporting results for the first time.

72. An additional 1,140 businesses saw improved access to electricity (19 percent year-on-year increase), while co-financing increased by USD 130 million, reaching USD 1,274 million (11 percent year-on-year increase). The number of people with improved access to electricity also saw its largest ever year-on-year increase due to a combination of new projects becoming operational and existing projects reporting larger increases, adding an additional 752,161 people (367,419 men and 384,742 women) during the year (a 69 percent increase from the previous year), while another 120 MW of clean energy capacity was installed (37 percent year-on-year increase), the second largest absolute year-on-year increase since SREP results reporting began.
73. The SREP portfolio is still relatively young, with almost half of the portfolio (43 percent) in the 3-5 years of implementation bracket. Many SREP projects are still in the early implementation phase and have yet to produce results, as it takes on average three to four years for these projects to become operational after approval. Thus, it is expected that the SREP portfolio will deliver more results as more projects continue to mature in the next few years.
74. **NPC:** During FY 23, the NPC Program went through a process of selecting countries into the program, allocating resources, initiating investment plans, and raising awareness about the program and more generally about nature-based solutions to climate change. The FY 23 annual budget supported the following:
  - Design and implementation of high-profile events at the UNFCCC Climate COP in Egypt and the CBD Biodiversity COP in Montreal where announcement on NPC recipient countries and financing commitments by contributor countries were made.
  - Engagement of technical experts from the Independent Expert Group (which recommended countries to be part of NPC) to assist in developing an approach to allocating resources to selected countries.
  - Initial scoping mission to the Dominican Republic to kick off the investment planning process.
  - A series of webinars to increase members of the CIF community's understanding of various issues important to nature-based solutions to climate change.
75. **REI:** CIF REI supports grid flexibility measures on both the supply and demand side in four key ways: scaling up renewable energy enabling technologies, enhancing readiness of energy infrastructure for renewables, supporting innovative business models, and

improving power system and market design and operations. In February 2023, endorsed a wide-ranging investment plan to fast-track the transformation of Colombia's energy system and help enable its grid system to absorb and channel more clean power. A first-of-its-kind investment in South America, the decision provides Colombia with access to USD 70 million in highly concessional capital to scale clean energy transmission solutions, advanced metering, and other efforts designed to make integrating variable renewable energy more flexible, cost-efficient, and resilient.

76. To support all countries in accelerating RE renewable energy integration, CIF has established the REI Learning Platform, a new initiative that will facilitate the sharing of emerging knowledge among countries. On June 1, 2023 the learning platform will officially be launched with the help of REI partner countries Colombia, Dominican Republic, and Mali; the ADBsian Development Bank, and technical experts. The REI Learning Platform is a direct response to calls from country partners for a forum for knowledge exchange that advances their national renewable energy ambitions and associated climate goals. Activities will be determined by the needs and demands articulated by users and participants of the learning platform. It will include virtual and in-person events, peer-to-peer exchanges, and analytical work, including case studies and pilot support activities. As a first consultative step, CIF has invited all relevant stakeholders to participate in a survey.
77. **Industries:** CIF launched the Industrial Decarbonization program at COP27, with plans to deploy at least USD 500 million to drive the decarbonization of high-emitting industries in developing countries. Manufacturing operations for iron and steel, cement, chemicals, aluminum, pulp and paper, and other commodities produce very large amounts of GHG emissions—and require costly changes to decarbonize.
78. The United Kingdom and Sweden have already pledged to capitalize the effort, and additional commitments are expected. Through the Industrial Decarbonization program, CIF will support MDBs and the private sector to design and implement innovative strategies and financing instruments, including the targeted use of concessional finance, as well as technical assistance, as part of an integrated strategy.
79. **Cities:** The Cities program will work with cities in developing countries to accelerate the transition to low-carbon, climate-resilient urbanization. It will support the development of climate-informed urban planning carried forward by strategic public and private investment. Robust data and tools for broad participation will guide decision-making to ensure choices align with green and sustainable development and are buoyed by public buy-in. The program is expected to be launched and operationalized in FY24.



80. **Technical Assistance Facility:** TAF has programmed a total of USD 34.1 million, funding 59 projects across CIF's six partner MDBs as of early 2023. This funding has been channeled toward clean energy activities and to support green and resilient recovery from the COVID-19 pandemic.
81. Remaining resources of USD 1.25 million will be programmed into projects that aim to strengthen financial sector policy and regulation with energy relevance and to promote innovative financing vehicles and transaction enablers to mobilize and scale up private clean energy investment. This final round of funding is expected to be completed in mid-2023.
82. Building on the CIF mandate of becoming a learning lab, TAF continues to help inform other CIF programs areas, including the following:
  - a. In October 2022, TAF launched the [Enablers](#) report highlighting the crucial role of technical assistance in helping countries build a strong and predictable enabling environment to scale up climate finance. The report reviewed and drew lessons from past clean energy and climate resilience-related technical assistance activities supported by CIF.
  - b. The [ReACT](#) report launched in March 2023 is the result of a collaboration with the ACT program to examine technical and financial approaches to coal repurposing . Based on these findings, the CIF Administrative Unit is designing an online public-access technical tool that is expected to be launched in summer 2023. This ReACT Tool will provide a free and uniquely flexible approach to help coal asset stakeholders prioritize coal plants for accelerated retirement and identify climate-smart clean alternative solutions to repurpose coal assets.
83. **Just Energy Transition Partnership:** Following the official endorsement of the South African JETP investment plan at COP27, the CTF Trust Fund Committee in its February 2023 meetings noted the interest expressed by some members in programming the remaining resources available to support the Government of South Africa in the implementation phase of JETP.
84. Accordingly, the Government of South Africa submitted a proposal outlining the scope of work, roles, and responsibilities and timelines in programming these remaining resources.
85. These additional efforts are expected to design and establish the investment plan-level M&R system, including the data system for collation, analysis, and reporting. The specialist leading this effort will define the parameters of the M&R system delivery, ensure alignment with existing government monitoring and evaluation (M&E) systems and the M&E

requirements of JETP donors, and oversee the establishment of a robust data system and the commissioning of technical elements to deliver these outputs..

86. **Climate and Health Economic Valuation (CHEV) and Best Buys Flagship Product:** Since FY21, CIF has engaged with the World Bank’s Health, Nutrition, and Population global practice to deliver on 10 Climate and Health Country Profiles (CHCPs). This joint work has provided policymakers and planners with essential analysis and tools to assess health threats and associated costs, and are informing investments in climate-resilient health programs of the World Bank and other MDBs. CIF will continue this successful engagement in FY24 to expand the scope and coverage of Climate and Health Economic Valuations (CHEV) assessments by revising the CHEV methodology and conducting CHEV assessments in multiple countries. Additionally, the collaboration also aims to develop Climate and Health Best Buys that offer concrete and cost-effective adaptation and/or mitigation interventions for countries to implement to tackle the health risks and impacts posed by climate change.

### 3.3 Knowledge Management and Evaluation and Learning

87. The CIF knowledge agenda continues to be guided by CIF’s mandate to serve as a learning laboratory for climate finance. CIF’s knowledge efforts in FY23 focused on generating knowledge and results from CIF’s diverse portfolio of projects, and disseminating this knowledge to CIF’s stakeholders and partners. For the first time since the Covid-19 pandemic, in-person events were taking place, resulting in three different types of events: virtual, hybrid, and in-person. A total of 29 events (webinars, workshops, launch events, interest group meetings, etc.) reached over 2,100 participants. To maximize impact and participation in CIF’s online events, the quarterly CIF Knowledge Review newsletter reached an audience of over 1,700 individuals. CIF also continues to implement its strategic learning partnerships, such as the [Transformational Change Learning Partnership \(TCLP\)](#), [Just Transitions Initiative \(JTI\)](#), and the [Climate Delivery Initiative \(CDI\)](#).
88. **Events at COP27:** Climate finance was a strong focus of COP27, resulting in the CIF sharing its wealth of knowledge in a total of [31 events](#). This included a dedicated workshop from the Climate Funds Collaboration Platform, a collaboration space for the five major climate funds, on planning ahead for 2023 and the next phases of collaboration on results, indicators, and methodologies for measuring impact. The Egyptian Ministry of International Cooperation’s (MOIC) “[Sharm El-Sheikh Guidebook for Just Financing](#)” was also launched, with CIF contributions to the chapters on enhancing the investability of green projects,

using blended finance for green investments, and case studies on mainstreaming just climate finance in developing countries.

89. **Innovate4Climate:** In May 2023, CIF presented and shared knowledge in [four events](#) during Innovate4Climate (I4C) 2023. The events covered how to accelerate climate finance delivery at scale, plan for a just transition, finance the coal transition, and accelerate gender innovation through climate finance. CIF also had a booth at the Marketplace, where two new CIF toolkits, aimed at supporting a clean energy transition, were featured.
90. **ACT knowledge activities:** In March 2023, as part of ACT's initial steps in supporting global efforts to advance coal transitions, [ReACT: A Simplified Guide to Repurpose Coal Assets](#) was launched at the [ACT NOW! Technical and Financial Approaches for Coal Asset Transition](#) event. The report analyzes the latest technical and financial repurposing strategies for coal assets in developing regions, and includes case studies on South Africa, India, and Indonesia. It is accompanied by the new ReACT Tool, which offers a preliminary assessment of existing coal power plants and supports decision making. It helps users to identify suitable assets that are ready for repurposing as well as potential repurposing solutions (energy and non-energy) for a set of identified coal plants.
91. **TAF knowledge activities:** TAF continues to share knowledge, enhance learning, and inform delivery of impact on the ground, working closely with key partners and stakeholders, such as MDBs, donor and recipient countries, civil society, private sector, and thought leaders. In October 2022 a joint CIF and KPMG report, [Enablers: The Role of Enabling Environment in Scaling Up Climate Finance](#), was published and [launched](#). The report highlights the crucial role of technical assistance in scaling up climate finance and lays out key findings and recommendations from an analysis of over 50 projects financed by CIF.
92. **Knowledge for Resilience series:** The CIF Knowledge for Resilience (KfR) series continued developing and sharing knowledge to advance climate resilience goals and guide decision making among stakeholders. A new report completed in FY23, *Strengthening Disaster Risk Management in Climate Resilience Action: A Learning Review of CIF Supported Projects*, looks at PPCR and TAF experience to highlight opportunities and entry points for advancing the disaster risk management through climate resilience action. It makes the case for integrated approaches to address interconnected challenges.
93. **Nature Series webinars:** In February 2023, the CIF Nature Series was launched, aiming to introduce nature-based issues, experiences and success stories to a targeted audience of MDBs and country representatives involved in NPC activities. The [first webinar](#) provided an introduction to nature-based solutions with support from the International Union for Conservation of Nature (IUCN), which has been at the forefront of enhancing understanding

on nature-based solutions. The [second webinar](#) in April 2023 presented key elements that contribute to designing successful adaptation-oriented nature-based solutions projects, building on lessons learned from the Adaptation Fund's portfolio and over 15 years of experience funding adaptation projects.

94. **Africa Knowledge Exchange:** A [four-day learning event](#), organized in collaboration with the AfDB and Government of Côte d'Ivoire, took place in Abidjan, Côte d'Ivoire in March 2023. The event aimed to promote knowledge-sharing and broker lessons learned from 15 years of CIF experience in African countries, focusing on lessons learned in implementing sustainable forestry, climate resilience, and nature-based solutions through FIP and PPCR projects. A focus was placed on identifying lessons that could be useful for CIF countries that will be designing and implementing projects and programs under the newNPC Program. See [feature story](#) for more information.
95. **DGM Annual Report:** The Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) 2022 Annual Report was released, covering the program's seventh year. . It highlights how Indigenous Peoples and local communities in eight countries (Burkina Faso, Indonesia, Brazil, Mexico, Ghana, DRC, Mozambique, and Peru) have received DGM funding and technical support to manage 628 sub-projects, with a combined value of over USD 19 million toward community-led initiatives. Many DGM countries have returned to in-person field visits, training, events, and sub-project implementation and monitoring for the first time since the COVID-19 pandemic.
96. **Evaluation and Learning (E&L) Initiative:** In June 2022, the joint meeting of the CTF-SCF Trust Fund Committees approved a five-year [E&L FY23–27 Business Plan](#) for the E&L Initiative, reflecting an enhanced ambition in high priority areas. This business plan was developed after comprehensive consultations with over 100 individuals, covering all CIF stakeholders. The business plan focuses on the generation and dissemination of new evidence and applied learning through collaborations and partnerships on five priority learning themes: transformational change; just transition; development impacts; scaling climate finance; and sector and program-specific topics, including mid-term and other evaluations. In the first year of its new business plan, the E&L Initiative made substantial progress on the implementation of activities. To follow are a few highlights from E&L Initiative activities. For full details, please refer to the [E&L FY23 Annual Report and FY24 Work Plan](#).
  - a. **Evaluations:** The independent [Evaluation of the Development Impacts from CIF's Investments](#) was completed this fiscal year, and provides important tools to understand how climate investments can contribute to broader development impacts.

The evaluation includes a final [report](#), 13 country [case studies](#), and a [memo](#) on development impact modeling approaches. In addition, the mid-term evaluation of FIP and DGM was launched and is expected to be published in FY24. Dissemination of the [evaluation of the SREP program](#) which was completed in June 2022, continued in FY23 with feature stories and events in other relevant fora.

- b. **Operationalization of conceptual work:** The current business plan places a strong emphasis on operationalizing the conceptual work advanced by the E&L initiative. Toolkits called “Maximizing Transformational Change” were developed for each of CIF’s new programs to maximize impact by incorporating dimensions of transformational change, just transition, and development impacts into program and project planning, implementation, and evaluation.
- c. **Transformational Change Learning Partnership:** [TCLP](#) developed a new two-year strategy with a focus on practical application. The importance and impact of evaluative approaches throughout the program and project lifecycles is being enhanced through the development of guidelines for transforming evaluations.
- d. **Just transition Initiative:** A new Just Transition Toolbox that provides practical guidance on how to plan for and implement just transitions in multiple sectors was launched. This toolbox presents key planning steps and processes needed for a just transition and shares over 100 resources (i.e., tools, methods, and case studies) associated with the steps outlined. Associated with the toolbox, six new, just transition analytical projects are now being funded through the E&L Initiative through an MDB-call for proposal mechanism. In addition, a case study on *Supporting Just Transitions to a Sustainable Water Sector in Bolivia* explored the need for broad, deep, and potentially disruptive changes in water management in Bolivia to deal with its compounding water crisis exacerbated by climate change. The case study was published in both [English](#) and [Spanish](#).
- e. **Learning Platforms:** The E&L Initiative launched a [learning platform for the REI program](#) in May 2023 and is expected to launch a similar platform for the NPC program in early FY24. The platforms respond to the significant interest seen from countries to participate in the new programs, and will advance learning-based approaches where gaps exist, and will especially target countries that have not received CIF funding for preparing an IP but have expressed interest.
- f. **Applied learning exchanges:** There was an enhanced focus in this FY on South-South knowledge exchange as a tool for applied learning. The E&L Initiative, in collaboration with the PPCR team, organized two South-South Knowledge Exchange workshops (in

[Egypt](#) and [Mozambique](#)), as well as provided technical inputs and sponsored participants to attend the Africa Knowledge Exchange in [Côte d'Ivoire](#). These events provided a platform for countries to discuss lessons on resilience, forestry, and nature-based solutions.

- g. **DGM webinar:** In response to a request posed by the CIF's Trust Fund Committee, the E&L Initiative, in collaboration with the FIP team, organized a webinar in May 2023 on initial lessons learned from the governance and implementation of the DGM to-date. The early findings shared were based on existing evidence and were not early findings from the independent mid-term evaluation of the FIP and DGM. To continue supporting the design of a similar mechanism for CIF's new NPC Program, subsequent learning events will be organized once the independent evaluation is completed.

97. **CIF-MDB KMEL coordination calls:** In FY23, the CIF launched bi-annual Knowledge, Monitoring, Evaluation, and Learning (KMEL) coordination calls with the MDBs. During these calls, CIF and MDBs share upcoming KMEL activities to provide a holistic overview of new studies and learning opportunities. These calls identify possible opportunities for coordination, consolidation, and/or cooperation with MDBs as well as address MDBs' requests to be informed of upcoming KMEL requests. The first call was held in May 2023.

98. **MDB knowledge work:** MDB partners and the CIF Administrative Unit have continued to collaborate closely on knowledge management activities. Some highlights include the following:

- a. **ADB:** In collaboration with CIF and other partners, ADB organized two workshops: one at COP27 in Sharm El Sheikh, Egypt, in collaboration with the Global Center for Adaptation (GCA), titled, Climate-Responsive Fiscal Planning for Scaled-up Investment in Climate Adaptation; and a regional workshop in Manila on Identifying Climate Adaptation Investment Priorities: Bridging the gap between adaptation planning and financing. CIF also supported the Climatic Series by the ADB Ventures program under CTF
- b. **AfDB:** In FY23, the CIF Administrative Unit supported the [Africa Knowledge Exchange](#) co-organized by AfDB and the Government of Côte d'Ivoire in Abidjan. The CIF Administrative Unit and AfDB, in partnership with GCA, also launched a call for applications for the second edition of the African Youth Adaptation Solutions (YouthADAPT) Challenge to encourage youth entrepreneurship in climate change adaptation and resilience investments across Africa.

- c. **EBRD:** Collaboration between CIF and EBRD teams throughout FY23 included the preparation of joint press releases, social media promotion, and events. CIF co-hosted a training for young climate leaders, called [Journey into International Climate Finance](#) and supported events, such as the launch of the [Green Economy Financing Facility \(GEFF\)](#) in Türkiye, and workshops, such as a meeting to discuss how to develop low-carbon pathways.
- d. **IDB Group:** CIF closely collaborates with IDB Group on knowledge activities, including those being organized on the sidelines of the June 2023 Trust Fund Committee meetings in Brazil, and knowledge products, including a study on Socio-environmental and Technical Support Post-COVID for Geothermal Development in LAC.
- e. **IBRD:** Collaboration between CIF and IBRD teams included participation in events, knowledge and communication products, and planning for knowledge activities as part of the June 2023 Trust Fund Committee meetings. IBRD participated in the Africa Knowledge Exchange as panelists in sessions dedicated to the DGM, country-led participatory M&R, and the FIP and DGM Mid-term Evaluation Workshop. Several knowledge products are also being finalized in collaboration with IBRD teams, including one looking at the experience of FIP projects during COVID-19, lessons learned from the Noor CSP project, and a study on gender and forests based on experience in Mexico.

99. Annex 4 provides a summary of CIF knowledge products completed in FY23.

### 3.4 Monitoring and Reporting

100. With a majority of the CIF portfolio approved and under implementation, activities related to results reporting, analytics, learning, and engagement of country recipient stakeholders has become increasingly important. In FY23, CIF conducted a wide variety of M&R work.

101. The **monitoring and reporting toolkits for ACT and REI** were finalized and published in June 2023. The toolkits translate the new innovative Integrated Results Frameworks for these programs into a practical guide and formal M&R system that provides comprehensive operational guidance on the design and implementation requirements of the ACT/REI Monitoring and Reporting System. It includes background theory and key design features for M&R, a description of roles and responsibilities for M&R, the M&R process for both projects and investment plans, an overview of ACT/REI indicator categories, detailed methodological guidance on core indicators and co-benefit indicators, definitions, and practical information on how to navigate the CIF Collaboration Hub for annual reporting. The toolkit is intended to support CIF recipient countries, MDBs, and other CIF stakeholders

with their M&R roles and responsibilities while also serving as a general resource on results management for the wider international climate finance community.

102. Another important set of new products were created in this FY. The M&R **Results Deep Dive series** is a supplement to CIF's annual results reports. While annual M&R provides a systematic synthesis of portfolio performance against each program's core impact indicators, the Deep Dives provide in-depth reviews of these results within specific thematic or developmental dimensions of climate change. As such, they offer greater granularity in the drivers and implications of various performance characteristics. A total of six deep dives were produced and published in FY 23. These are also expected to be presented at the knowledge café in Brasilia during the June CIF TFC meetings.
103. **Annual results reporting:** In FY23, the annual results reporting for all CIF programs progressed as planned. The portfolios are continuing to mature, with the majority of the reporting projects in all programs reporting having reached past the mid-term point. The TAF portfolio reported on results for the first time this fiscal year. A concentrated effort was made in this FY to enhance the country-led participatory M&R reporting, as this reporting mode which had previously been suspended due to the COVID pandemic. In FY24 there will be a focused effort on bringing out the lessons of the increasing growing portfolio of completed projects.
104. **Country-led participatory M&R:** PPCR and FIP deploy a unique, country-led M&R system using a participatory approach that brings together projects and partners to make monitoring and results reporting comprehensive, iterative, and inclusive. On an annual basis, each PPCR and FIP recipient country convenes national and local stakeholders to monitor progress on PPCR or FIP investments, discuss shared issues, and generate feedback. After over 10 years of experience with this innovative M&R system, CIF and MDB partners are collaborating with country focal points to update strategies for capturing the results of completed projects and to meet the needs of a new generation of climate resilience, forest, and nature investments.
105. As part of the annual country led M&R systems, the CIF's M&R team undertook two important workshops in this fiscal year. For FIP, a number of African countries were brought together for an in-depth M&R workshop in Brazzaville, the Republic of Congo in January 2023. Some countries like Burkina Faso, DRC, and Côte d'Ivoire, have accumulated significant experience over many years on how to implement inclusive, country-led M&R systems for their FIP investment plans. Others, like the Republic of Congo, Tunisia, and Rwanda, are less familiar with FIP procedures. This presented an opportunity for important



cross-country learning, as well as in depth training and capacity building on M&R, gender, and social inclusion.

106. In February 2023, CIF and ADB teamed up to hold a PPCR M&R Dialogue and Strategy Workshop for the Asia-Pacific Region in Manila, Philippines. Country representatives from Bhutan, Cambodia, Kyrgyz Republic, Nepal, Philippines, Samoa, and Tajikistan, and CIF civil society observers participated in the workshop. The event provided a platform to discuss and support the updating of country-level M&R after a temporary reporting suspension during the COVID-19 pandemic. Countries, CIF, and ADB discussed the implications of some investment plans reaching a new, more mature stage in implementation and how best to capture results. Countries also shared knowledge, experiences, and lessons on implementing the PPCR M&R system. Finally, countries had the opportunity to discuss mainstreaming women's leadership in resilience programs, from investment planning through project implementation.
107. **M&R for mature and closing investment plans:** As CIF programs mature, an increasing number of countries are approaching a stage where many projects in their investment plans are reaching or approaching completion. In FY23, the M&R team prepared a "Close-Out Paper" containing comprehensive guidance and approaches for CIF going forward on this front. The paper outlined the status, challenges, and opportunities associated with the programmatic approach and CIF's country investment plans, in particular, throughout the late to final stages of their implementation.
108. In FY24, CIF plans to pilot "Investment Plan Close-Out Workshops" for countries with sufficient interest and need. These workshops will combine features from the existing M&R systems, the E&L Initiative, gender, and policy priority areas for multi-stakeholder reflections, self-evaluation, and learning at the programmatic level. The objective is to pilot workshops with one to three countries and to develop an overall approach that will be proposed to the Trust Fund Committees for application across all CIF countries.
109. **The Climate Delivery Initiative (CDI):** In FY23, the CDI series continued the implementation of case studies with a sharpened focus on challenges and solutions endemic to climate finance and expanded in scope to serve as a research base and reference point for both recording and dissecting barriers to actualizing climate objectives. A total of four CDI studies were completed and published in FY23, as follows. For SREP, Rwanda Renewable Energy Fund Project: Engaging the Private Sector in Off-Grid Solar Electrification; for PPCR, Promoting Climate Adaptation in Coastal Bangladesh: Catalyzing Private Sector Participation to Champion Climate-Resilient Agriculture and Food Security; and Dominica, Building Resilience to Climate Change and Disasters in a Small Island Developing State: Lessons from

Dominica, and for FIP, Tree Tenure, Land Tenure, Timber, and Agriculture: Ghana's Human-Forest Nexus. In FY24, a new round of CDI studies will be launched.

110. **Development Impact Evaluation (DIME):**In FY23, CIF and DIME embarked on a new stream of work through the ACT program. The CIF-ACT-DIME research is a vehicle for rigorous testing and real-time evidence generation for CIF's new ACT program. The initiative is geared to further the goal of ACT (to accelerate the transition from coal-powered to clean energy while supporting socio-economic goals and environmental remediation)– via that of DIME (to support development operations with cutting-edge impact evaluation, research, data analytics, and modeling in strategic learning areas). As such, the activities of the program, the research questions it will investigate, and the outputs it will deliver, will be oriented toward generating actionable findings for project design, implementation, or, as needed, course-corrections and fine-tuning.
111. The goal of the program is to deliver operationally relevant and actualizable findings based on robust scientific, mathematical, or economic modeling and evaluations to drive evidence-based climate action and adaptive project delivery. It will ensure national pipelines and individual project designs draw insights from the latest evidence and maximizing efficiency and impact potential by identifying and addressing bottlenecks or untapped data inputs and delivery enhancements in implementation. Tools and methods will include diagnostics and ex-ante modeling at the initial stages, (including national ACT investment plan development and operationalization, pipeline development, and project design), and randomized control trials and mixed-methods testing and analysis at project implementation stages.
112. **Climate funds collaboration platform on results, indicators, and methodologies for measuring impact:** This [partnership](#) between the leading global climate funds (GEF, GCF, AF, CIF, and the NAMA Facility) is currently in its third year of operation. Its intention is to enhance the measurement and management of results via exchanges and dialogue on methodologies, best practices and challenges in tracking impacts and effectiveness of climate finance. In FY23, the learning exchange included sessions delivered by external guests on GHG emissions tracking and the use of harmonized methodologies for robust GHG accounting, in addition to the sharing of best practices related to result management in various sectors. The sixth Annual Dialogue of Climate Funds was held on the sidelines of the Conference of the Parties (COP27) in Sharm El-Sheikh, Egypt.
113. In 2023, the collaboration will make efforts to develop a shared understanding and a common – to the extent possible - approach for methodologies that will work towards the harmonization of results across various sectoral streams (energy, AFOLU, adaptation).

114. **Social and Economic Development Impacts of Climate Investments (SEDICI):** CIF's flagship research program on mapping and quantifying the social and economic development impacts of climate investments (SEDICI) is now in its third phase of implementation. In Phases 1 and 2, the workstream conducted an intensive analysis of the CTF, SREP, FIP and PPCR portfolios to map and tag the programs' development impact pathways, using the Joint Impact Model, the Employment Factors Approach, and the i-JEDI model to quantify employment impacts and economic value-added. In Phase 3, SEDICI has contracted a mixed methods evaluation that is currently developing light and deep-dive case studies, with support of primary and secondary research and modeling tools, to provide a more nuanced and granular understanding of development impacts.
115. So as to quantify portfolio level impacts, CIF has tested and utilised a suite of economic modelling methods, among which the Joint Impact Model (JIM) which has proven effective in generating estimates of direct, induced, supply chain and forward effects in the areas of employment and economic value-added. The CIF is now a member of the JIM's Development Panel, and is currently leading the workstream to enhance the granularity and robustness of computations as it relates to energy sector investments, and including differentiation based on energy generation technology type/s; the strata of investment— generation, distribution, transmission; and locus of generation – grid connected, mini-grid, off-grid, etc. Execution is supported by a core working group, including AfDB, KFW, PIDG, and Stewart Redqueen, in consultation with the broader set of JIM partner organisations, including BII, BIO, FMO, FinDev Canada, JP Morgen, Proparco, OeEB, and others. Expansion of sector-specific work into the areas of forestry and resilience are aimed for in subsequent cycles of model development.
116. The JIM is currently being refreshed to incorporate the new, April 2023 issuance of the GTAP data base<sup>2</sup>, a key data set on which the model functions, alongside those of ILOSTAT, the World Bank Development Indicators Databank, IEA, and EIA, and others.
117. **Sustainable Development Goals (SDGs):** Analytic work continued on the CIF portfolio's performance vis-à-vis the SDGs. CIF contributions are being tracked against universal targets on poverty, hunger, gender equality, water and sanitation, energy, terrestrial and aquatic ecosystems, sustainable cities, industry and infrastructure development, and climate change.
118. **CIF Collaboration Hub (CCH):** As the CCH becomes ever more important in results reporting, additional enhancements are being made to improve the system. For example, the results

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<sup>2</sup> <https://www.gtap.agecon.purdue.edu/databases/default.asp>

section is being enhanced to include completed and closed projects and overall co-financing, both of which will significantly improve the results reporting process each year. As the new programs are approved and start implementation, CCH will require further enhancements to accommodate these programs. From an M&R perspective, this enhancement will allow for an independent section for these new programs where all the targets and results will be stored and remain accessible by various parties to ensure the highest level of accountability.

### 3.5 Communications and Outreach

119. **Products and events:** In FY23, CIF promoted and disseminated a large array of knowledge products through its website and other channels, and expanded in-person and virtual engagements, as well as led and participated in multiple events.
120. **CIF web and media statistics:** CIF's website is the repository for all CIF publications, event listings, news stories, and Trust Fund Committee meeting details and documentation. Between 2020 and 2022, the CIF Administrative Unit updated the website to industry standards to support CIF's growing needs. The revamped site, launched in October 2022, has a modern and fresh look, with enhanced navigation features, and is mobile-friendly. As of December 31, 2022, the CIF website garnered around 431,000 page views, 219,000 visits by 169,000 unique visitors, with more than 39,000 documents downloaded.
121. Social media channels also saw good growth and engagement throughout the year. By December 31, 2022, Twitter followers increased organically to over 23,000 with monthly engagement rate average of 3.2 percent. The CIF Facebook community grew stably by 7.3 percent to over 15,000 followers and CIF posts gained over 10,000 post engagements. The CIF LinkedIn account grew organically by 270 percent to 13,000 followers, with a monthly engagement rate average of 5.4 percent. CIF also garnered 2,000 followers in its maiden year on Instagram.
122. **MDB communications:** MDB communication activities included social media outreach within their organizations' social media and other online channels. MDB focal points continued to promote publications, events, and other CIF activities. As part of outreach activities, MDB focal points participated as expert panelists in various CIF events.
123. **COP27:** The November 2022 UN Climate Change Conference (COP27) in Egypt was a strategic opportunity for CIF, which participated in 30 events and over 30 bilateral meetings, launched the new Industries program, and announced the first recipient countries for the NPC program.

124. **CIF Communication Strategy for 2023–26:** The CIF Administrative Unit, in collaboration with the MDBs, is finalizing the CIF communications strategy for the period 2023–26. The strategy is designed to help CIF communicate effectively to meet its organizational objectives through 2026. It outlines core communications objectives and roles and responsibilities for delivery, defines the CIF audiences and communication channels, , and identifies metrics to measure results.
125. **Focus for FY24:** The communications and outreach focus for FY24 will be on the following goals:
- a. Continuing to build the CIF brand
  - b. Supporting the launch of the NPC, Cities, and Industries programs
  - c. Further collaborating with the MDB’s and partners to showcase CIF’s work
  - d. Growing engagement across the CIF social media channels

### 3.6 Engaging CIF Stakeholders

126. CIF's business model is centered around inclusivity, transparency, and accountability. Accordingly, CIF planned, and ongoing stakeholder engagement activities are designed to do the following:
- a. Enhance the capabilities of CIF observers and foster collaboration and partnerships with a wider range of non-state actors. This collaboration enables their contribution to CIF's operations, including monitoring national climate strategies and local projects, thereby strengthening CIF's goals of transparency and accountability.
  - b. Expand CIF's engagement with and support for youth leaders and organizations globally to harness their commitment, energy, and entrepreneurial spirit for climate action.
  - c. Provide support to the Stakeholder Advisory Network (SAN) as a platform to facilitate collaboration and cooperation among observers and promote effective climate finance governance.
  - d. Increase the utilization of CIF's website, knowledge products, and social media tools to enhance visibility and garner support for CIF's work among civil society and the private sector worldwide.
127. **Mainstreaming and collaboration:** CIF's stakeholder engagement activities in FY23 continued to focus on enhancing the capacity of the cohort of CIF observers through routine updates with CIF program coordinators. Additionally, CIF developed new knowledge

products to further promote stakeholder engagement across its new programs. CIF collaborated with other climate funds to explore and plan targeted regional stakeholder policy dialogues in the Middle East and North America. Efforts also continued to disseminate global studies on youth engagement (YES) and gender/traditional knowledge transfer (TKT), as well as piloting the Local Stakeholder Engagement Results Framework.

128. **Major activities delivered in FY23:** The integration process continued for the cohort of 86 (43 primary and 43 alternative) non-state observers representing civil society, private sector and Indigenous Peoples. The process included holding several technical webinars with observers, holding pre-meeting briefings ahead of the CTF/SCF bi-annual meetings, and publishing a monthly newsletter to keep observers informed of CIF policies and activities. The CIF Administrative Unit carried out an assessment survey in FY22 with the observers to ascertain ways to strengthen their policy advocacy, program monitoring, networking, and constituent representation role. The result of this survey is being used to program capacity-building webinars with the observers. With the world moving on from the COVID-19 pandemic, observers have started actively participating in CIF meetings as well as collaborating with several of CIF's thematic teams (e.g., Just Transitions, E&L Initiative, and Natural Resources Management).
129. **Youth engagement:** CIF made significant progress in FY23 in engaging youth groups worldwide, recognizing their role as active agents in scaling up climate action. To provide young climate leaders in their respective countries with the opportunity to collaborate on projects co-financed by CIF, CIF has established the CIF Youth Fellowship in partnership with six MDBs. The CIF Youth Fellowship is a one-year program designed to select candidates who will work with CIF's pioneering climate finance initiatives and collaborate with CIFspartner MDBs on climate action programs. These programs focus on various areas such as nature-based solutions, clean energy, adaptation and climate resilience, energy access, gender equality, and social inclusion. Through the CIF Youth Fellowship, young climate leaders will have the opportunity to learn from and work with different MDBs, facilitating cross-learning experiences.
130. Selected fellows will work in beneficiary countries alongside MDB partners, who will provide mentoring and day-to-day supervision. This fellowship will provide professional experience, foster networking opportunities, and facilitate the establishment of meaningful partnerships. The program aims to enhance the professional development and networking capabilities of youth climate leaders by leveraging the expertise of our MDB partners. In return, fellows will contribute valuable insights to help CIF and MDBs better understand how climate finance programs can effectively support youth, incorporate their needs and

voices into projects, and expand the network of young climate experts engaged in climate action.

131. **Stakeholder Engagement Results Framework:** CIF finalized its Stakeholder Engagement Results Framework in FY22, designed to help track ongoing efforts to strengthen the engagement of non-state stakeholders in CIF governance at the global level and CIF-financed programs and projects at the national and local levels. In FY23, CIF initiated the implementation of the framework through the development of monitoring and evaluation instruments, and publishing results of these efforts.
132. **Support to the SAN:** In FY23, CIF continued to provide strategic support to strengthen the Stakeholder Advisory Network (SAN), a multi-stakeholder network composed of past and current observers from CIF, GEF, GCF, AF, the FCPF. CIF continued supporting capacity building for the Steering Group Coordinating Committee comprising representatives from civil society, Indigenous Peoples, and the private sector.
133. **Collaboration with other multilateral funds:** CIF collaborated with other climate funds (GCF, GEF, AF, FCPF), MDBs (World Bank, EBRD), governments, and think tanks to exchange information, produce knowledge products, and host joint events, including at COP27.
134. **Activities proposed for FY24:** In FY24, CIF aims to keep observers and non-state actors regularly updated on high-level policy discussions, events, and knowledge products generated by CIF. This will be achieved through routine communication and the provision of capacity-building opportunities via technical workshops. Furthermore, the CIF Administrative Unit will actively work towards expanding CIF's stakeholder base by providing updates on CIF's work and decisions made by the Trust Fund Committee. Stakeholders will also be consulted on CIF's policies and proposed actions, ensuring their meaningful participation in CIF's climate action initiatives worldwide.
135. To foster collaboration and dialogue, policy meetings are being planned for various countries and regions, including Europe, and the Middle East and North Africa (MENA), leading up to COP28. CIF will continue to establish partnerships and maintain close coordination with other climate finance mechanisms and MDBs to align outreach approaches, activities, and share lessons learned. Joint knowledge products will be actively promoted to enhance knowledge dissemination and exchange.
136. Regarding SAN, CIF will continue to provide technical support, collaborate on observer training activities, and offer strategic funding. These efforts aim to strengthen the SAN's institutional capacity and facilitate its transition into an autonomous and self-funded institution.

### 3.7 Gender Mainstreaming

137. Aligned with the goals of the CIF Gender Action Plan Phase 3 (GAP3), the CIF Administrative Unit focused on engaging with countries and MDBs in FY23. This included collaborating with the MDB CIF focal points to organized capacity-building and knowledge exchange sessions on gender integration in monitoring and reporting (M&R). These sessions involved stakeholders from the Forest Investment Program (FIP) and the Pilot Program for Climate Resilience (PPCR) in Congo Republic, Ghana, and the Philippines.
138. Furthermore, the CIF Administrative Unit ensured the comprehensive integration of gender into the rollout of three new programs: Accelerating Coal Transition (ACT), Renewable Energy Integration (REI), and Nature, People & Climate (NPC) programs.
139. To foster collaborative learning, the CIF Administrative Unit prioritized South-South exchanges focusing on advancing women's leadership in nature-based solutions and climate resilience interventions. This effort was carried out in close collaboration with the MDB CIF focal points. A dedicated session on transformative climate leadership took place on March 8, 2022, in Abidjan, Côte d'Ivoire, aimed at sharing country-based knowledge and identifying opportunities to enhance the role of women as change agents and leaders. Ongoing collaboration has been maintained with the MDBs' gender focal points, including a series of joint and bilateral meetings to explore opportunities for joint analytical work and knowledge exchange.
140. Additionally, the CIF Administrative Unit continued to emphasize the intersectionality of gender with other social factors that contribute to exclusion, particularly prioritizing disability inclusion at both the CIF Administrative Unit and program levels. A background paper for the forthcoming Disability Inclusion Framework for CIF was developed to enhance inclusion in CIF's processes and procedures. The objectives involve collaborating with MDBs to create tailored technical guidance for specific programs during project design, as well as engaging with organizations focused on disability inclusion and other stakeholders.
141. A concept note for Women-Led Coal Transitions (WOLCOT), a grant mechanism under ACT supported by a CAD15 million Canadian grant contribution, was finalized and approved by the CTF Trust Fund Committees in September 2022. To operationalize the grant mechanism, a call for proposals for preparatory grants for analytical activities was issued in December 2022. By May 2023, six proposals will be submitted to the CTF Trust Fund Committee for approval.
142. An advisory group was established to provide strategic advice on activities related to WOLCOT, including support for knowledge exchange, learning, and collaboration among



stakeholders involved in coal transitions. The group will review grant proposals from MDBs and provide technical feedback and recommendations to the Trust Fund Committee. To deepen the understanding of gender in just transitions and assist the MDBs in finalizing WOLCOT proposals while ensuring coordination with other development partners, the CIF AU conducted stakeholder engagement missions to Indonesia and South Africa and developed background papers.

143. The CIF AU continued to prioritize its work on women's climate leadership in collaboration with EnGen and the International Institute for Environment and Development (IIED). Through participatory engagements with various stakeholders, including civil society organizations, MDBs, gender focal points, and program stakeholders, a conceptual framework on women's climate leadership was developed, along with a diagnostic tool for country-level analysis. The framework and tool were tested during several country consultations.
144. **Focus for FY24:** The gender focus for FY24 will be on the following goals:
  - a. Deepening gender upstream support to MDBs and countries
  - b. Strengthening collaborative learning
  - c. Strengthening women's climate leadership
  - d. Expanding gender analytics
145. More information on CIF gender activities and work program is presented in FY23 Progress Report on the Implementation of GAP3 and the FY24 Work Plan.

### **3.8 Managing Resources and Risk**

146. During FY23, the CIF Administrative Unit continued supporting CIF programs and the Trust Fund Committees by collating and reporting on information from the MDBs, Trustee, and a variety of sources. This information was used to formulate comprehensive risk assessments, monitor risks, and report through each program's risk dashboard. Furthermore, the CIF Administrative Unit presented semi-annual risk reports for CTF and an annual risk report for SCF. These reports covered material strategic, operational, financial, legal and compliance, and reputational risks associated with each program. MDBs actively monitored their CIF portfolios, including projects facing underperformance, in order to mitigate risks. In some cases, this monitoring was done in coordination with the CIF Administrative Unit, as part of its oversight responsibilities.

147. In FY24, particular attention will be given to implementation risk, resource availability risk, currency risk, fraud prevention, sexual exploitation, and abuse. Additionally, the impacts of COVID-19 and the conflict in Ukraine continues to be assessed and monitored. Efforts to identify and evaluate new risks will continue to be an ongoing priority.
148. CIF is committed to improving the accuracy and reliability of disbursement forecasts and reports. This involves analyzing factors, such as the weighted average age of projects and discrepancies across different programs. Additionally, CIF continues to focus on strategic initiatives, particularly CCMM, through financial modeling, liquidity management assessments, risk adjusted capital, and cash flow and loss forecasts.
149. The Trustee plays a vital role in providing a range of services within this domain. These services encompass financial management of contributions and other resources, executing transactions related to decisions made by the CTF and SCF Trust Fund Committees, investment management of trust fund balances, accounting, financial reporting on CIF activities, and legal support. These activities are integral to the smooth functioning of CIF and ensuring the responsible management of funds. Details of Trustee services and activities in FY23 and proposals for FY24 are included in Annex 5.

## 4 Annex 1: Additional Information Supporting the FY24 Budget Proposal

**Table 1: FY23 projected budget outcome and FY24 proposed budget (USD '000)**

Target Area	FY23 Approved Budget					FY23 Projected Utilization					FY24 Proposed Budget				
	Admin Unit	MDBs	Trustee	External Audit Fee	FY23 Approved Budget	Admin Unit	MDBs	Trustee	External Audit Fee	FY23 Projected Utilization	Admin Unit	MDBs	Trustee	External Audit Fee	FY24 Proposed Budget
<b>Total</b>	<b>14,210.8</b>	<b>10,376.4</b>	<b>5,489.0</b>	<b>895.0</b>	<b>30,971.2</b>	<b>13,500.2</b>	<b>9,185.1</b>	<b>5,066.0</b>	<b>895.0</b>	<b>28,646.3</b>	<b>14,592.4</b>	<b>11,405.8</b>	<b>8,912.2</b>	<b>1,050.0</b>	<b>35,960.5</b>
1. Policy development, etc.	6,353.3	3,223.0	3,020.0	-	12,596.3	6,035.6	2,964.9	1,920.2	-	10,920.7	5,766.1	2,940.3	3,244.7	-	11,951.1
2. Inv. plan development, etc.	443.2	937.9	-	-	1,381.1	421.0	805.2	-	-	1,226.2	490.3	1,825.5	-	-	2,315.8
3. Dev./approval of CIF funding	-	963.3	-	-	963.3	-	828.9	-	-	828.9	-	1,333.6	-	-	1,333.6
4. Knowledge and Comms.	2,963.8	1,703.3	-	-	4,667.1	2,815.6	1,560.0	-	-	4,375.6	3,315.5	1,669.1	-	-	4,984.6
5. M&E; SE in IP implementation	3,109.7	1,381.1	-	-	4,490.8	2,954.2	1,150.6	-	-	4,104.8	3,476.5	1,258.0	-	-	4,734.6
6. Gender mainstreaming	685.9	714.4	-	-	1,400.4	651.6	582.5	-	-	1,234.1	782.3	747.2	-	-	1,529.5
7. Managing resources and risk	654.9	1,453.3	2,469.0	895.0	5,472.2	622.1	1,293.0	3,145.8	895.0	5,956.0	761.7	1,632.1	5,667.5	1,050.0	9,111.3

**Table 2: Administrative services: FY23 projected budget outcome by fund program (USD '000)**

	CTF - I		ACT		SCF - I		SCF - II	
	FY23 Approved Budget	FY23 Projected Utilization	FY23 Approved Budget	FY23 Projected Utilization	FY23 Approved Budget	FY23 Projected Utilization	FY23 Approved Budget	FY23 Projected Utilization
<b>Total</b>	<b>12,614.6</b>	<b>11,767.1</b>	<b>4,322.9</b>	<b>3,987.1</b>	<b>9,013.8</b>	<b>8,564.5</b>	<b>5,019.9</b>	<b>4,327.7</b>
Admin Unit	5,906.2	5,610.9	2,526.8	2,400.4	3,406.2	3,235.9	2,371.5	2,253.0
MDBs	2,409.4	2,310.2	1,169.2	959.6	4,149.5	3,840.6	2,648.3	2,074.7
Trustee	3,899.0	3,446.0	532.0	532.0	1,058.0	1,088.0	-	-
External Audit of MDBs and Trust Funds	400.0	400.0	95.0	95.0	400.0	400.0	-	-

**Table 3: Administrative services: FY23 approved budget and projected utilization for Trustee by fund program and target area (USD '000)**

Trustee Services	CTF - I		ACT		SCF - I		SCF - II	
	FY23 Approved Budget	FY23 Projected Utilization	FY23 Approved Budget	FY23 Projected Utilization	FY23 Approved Budget	FY23 Projected Utilization	FY23 Approved Budget	FY23 Projected Utilization
<b>Total Trustee Costs</b>	<b>3,899.0</b>	<b>3,446.0</b>	<b>532.0</b>	<b>532.0</b>	<b>1,058.0</b>	<b>1,088.0</b>	-	-
1. Policy development, etc.	2,479.0	1,379.2	196.0	196.0	345.0	345.0	-	-
7. Managing resources and risk	1,420.0	2,066.8	336.0	336.0	713.0	743.0	-	-
Additionally, External Audit of MDBs and Trust Funds	<b>400.0</b>	<b>400.0</b>	<b>95.0</b>	<b>95.0</b>	<b>400.0</b>	<b>400.0</b>	-	-

**Table 4: Administrative services: FY23 approved budget and projected utilization for CIF Administrative Unit by fund program and target area (USD '000)**

	CTF - I		ACT		SCF - I		SCF - II	
	FY23 Approved Budget	FY23 Projected Utilization	FY23 Approved Budget	FY23 Projected Utilization	FY23 Approved Budget	FY23 Projected Utilization	FY23 Approved Budget	FY23 Projected Utilization
<b>Total Administrative Services</b>	<b>5,906.2</b>	<b>5,610.9</b>	<b>2,526.8</b>	<b>2,400.4</b>	<b>3,406.2</b>	<b>3,235.9</b>	<b>2,371.5</b>	<b>2,253.0</b>
1. Policy development, etc.	2,940.4	2,793.4	1,142.1	1,084.9	1,212.7	1,152.0	1,058.2	1,005.2
2. Inv. plan development, etc.	-	-	243.3	231.2	-	-	199.8	189.8
3. Dev./approval of CIF funding	-	-	-	-	-	-	-	-
4. Knowledge and Comms.	1,080.4	1,026.4	480.1	456.1	835.9	794.1	567.4	539.1
5. M&E; SE in IP implementation	1,330.8	1,264.2	418.7	397.8	973.9	925.2	386.3	367.0
6. Gender mainstreaming	242.6	230.5	101.2	96.1	240.9	228.9	101.2	96.1
7. Managing resources and risk	312.0	296.4	141.4	134.3	142.8	135.7	58.6	55.7

**Table 5: Administrative services: FY23 approved budget and projected utilization for MDB by target Area (USD '000)**

	ADB		AFDB		EBRD	
	FY23 Approved Budget	FY23 Projected Utilization	FY23 Approved Budget	FY23 Projected Utilization	FY23 Approved Budget	FY23 Projected Utilization
<b>TOTAL MDB Administrative Services</b>	<b>1,698.7</b>	<b>1,541.2</b>	<b>1,713.9</b>	<b>1,667.6</b>	<b>1,151.3</b>	<b>963.5</b>
1. Policy development, etc.	343.5	319.9	526.5	481.3	348.6	338.3
2. Inv. plan development, etc.	243.4	219.1	234.2	234.2	68.5	48.1
3. Dev./approval of CIF funding	191.6	172.5	72.6	72.2	159.5	151.4
4. Knowledge and Comms.	386.3	347.7	221.5	221.5	144.4	108.0
5. M&E; SE in IP implementation	248.0	223.2	269.1	268.6	147.8	119.8
6. Gender mainstreaming	131.8	118.6	168.5	168.5	124.0	87.5
7. Managing resources and risk	154.2	140.3	221.5	221.3	158.5	110.5

	IDB Group		IBRD		IFC	
	FY23 Approved Budget	FY23 Projected Utilization	FY23 Approved Budget	FY23 Projected Utilization	FY23 Approved Budget	FY23 Projected Utilization
<b>TOTAL MDB Administrative Services</b>	<b>1,368.0</b>	<b>1,271.1</b>	<b>3,245.0</b>	<b>2,542.1</b>	<b>1,199.5</b>	<b>1,199.5</b>
1. Policy development, etc.	544.7	461.8	1,042.6	946.4	417.1	417.1
2. Inv. plan development, etc.	95.2	81.8	163.8	89.3	132.8	132.8
3. Dev./approval of CIF funding	144.5	153.4	317.0	201.5	78.0	78.0
4. Knowledge and Comms.	179.1	186.4	583.3	507.8	188.7	188.7
5. M&E; SE in IP implementation	159.3	116.4	415.6	281.4	141.4	141.4
6. Gender mainstreaming	102.0	121.2	143.9	42.3	44.3	44.3
7. Managing resources and risk	143.2	150.2	578.7	473.4	197.3	197.3

**Table 6: FY24 proposed budget by fund program and budget category (USD '000)**

	CTF - I	ACT	SCF - I	SCF - II	Total
<b>Total Proposed Budget</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>
<b>Administrative Services</b>					
<b>Sub-total</b>	<b>15,866.5</b>	<b>4,635.1</b>	<b>9,067.8</b>	<b>6,391.1</b>	<b>35,960.5</b>
Trustee	7,192.2	640.0	1,080.0	-	<b>8,912.2</b>
External Audit of MDBs and Trust Funds	550.0	100.0	400.0	-	<b>1,050.0</b>
Admin Unit	5,481.4	2,654.0	3,789.0	2,668.0	<b>14,592.4</b>
MDBs	2,642.9	1,241.1	3,798.8	3,723.1	<b>11,405.9</b>
<b>Multi-Year Activities:</b>					
<b>Sub-total</b>	<b>1,200.0</b>	<b>1,234.0</b>	<b>1,500.0</b>	<b>766.0</b>	<b>4,700.0</b>
Country Engagement	-	300.0	-	-	<b>300.0</b>
Special Initiatives	<b>1,200.0</b>	<b>934.0</b>	<b>1,500.0</b>	<b>766.0</b>	<b>4,400.0</b>
<i>CIF Collaboration Hub Enhancements</i>	-	134.0	-	266.0	<b>400.0</b>
<i>E&amp;L Initiative Phase III: Proposed Budget - Year 1 (FY24)</i>	1,200.0	800.0	1,500.0	500.0	<b>4,000.0</b>

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

**Table 7: Administrative services: FY24 proposed budget for Trustee and audit fee by fund program and target area (USD '000)**

Trustee Services	CTF - I		ACT		SCF - I		SCF - II		TOTAL	
	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget
<b>Total Trustee Costs</b>	<b>3,446.0</b>	<b>7,192.2</b>	<b>532.0</b>	<b>640.0</b>	<b>1,088.0</b>	<b>1,080.0</b>	-	-	<b>5,066.0</b>	<b>8,912.2</b>
1. Policy development, etc.	1,379.2	2,714.7	196.0	185.0	345.0	345.0	-	-	<b>1,920.2</b>	<b>3,244.7</b>
7. Managing resources and risk	2,066.8	4,477.5	336.0	455.0	743.0	735.0	-	-	<b>3,145.8</b>	<b>5,667.5</b>

Trustee Service Components	CTF - I		ACT		SCF - I		SCF - II		TOTAL	
	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget
<b>Total Trustee Costs</b>	<b>3,446.0</b>	<b>7,192.2</b>	<b>532.0</b>	<b>640.0</b>	<b>1,088.0</b>	<b>1,080.0</b>	-	-	<b>5,066.0</b>	<b>8,912.2</b>
Financial and Program Management	1,026.8	3,407.5	256.0	250.0	453.0	453.0	-	-	<b>1,735.8</b>	<b>4,110.5</b>
Investment Management	1,140.0	1,170.0	180.0	305.0	390.0	382.0	-	-	<b>1,710.0</b>	<b>1,857.0</b>
Accounting and Reporting	877.0	1,581.0	45.0	45.0	192.0	192.0	-	-	<b>1,114.0</b>	<b>1,818.0</b>
Legal Services	402.2	1,033.7	51.0	40.0	53.0	53.0	-	-	<b>506.2</b>	<b>1,126.7</b>
<b>Additionally, External Audit of MDBs and Trust Funds</b>	<b>400.0</b>	<b>550.0</b>	<b>95.0</b>	<b>100.0</b>	<b>400.0</b>	<b>400.0</b>	-	-	<b>895.0</b>	<b>1,050.0</b>

**Table 8: Administrative services: FY24 proposed budget for CIF Administrative Unit by fund program and target area (USD '000)**

	CTF - I		ACT		SCF - I		SCF - II	
	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget
<b>Total Admin Unit for Administrative Services</b>	<b>5,610.9</b>	<b>5,481.4</b>	<b>2,400.4</b>	<b>2,654.0</b>	<b>3,235.9</b>	<b>3,789.0</b>	<b>2,253.0</b>	<b>2,668.0</b>
1. Policy development, etc.	2,793.4	2,153.5	1,084.9	1,130.4	1,152.0	1,322.1	1,005.2	1,160.1
2. Inv. plan development, etc.	-	-	231.2	219.0	-	-	189.8	271.3
3. Dev./approval of CIF funding	-	-	-	-	-	-	-	-
4. Knowledge and Comms.	1,026.4	1,213.3	456.1	557.6	794.1	927.6	539.1	617.0
5. M&E; SE in IP implementation	1,264.2	1,474.0	397.8	467.4	925.2	1,098.4	367.0	436.7
6. Gender mainstreaming	230.5	276.9	96.1	115.3	228.9	274.9	96.1	115.3
7. Managing resources and risk	296.4	363.8	134.3	164.4	135.7	166.0	55.7	67.6



**Table 9: Administrative services: FY24 proposed budget for MDB by fund program (USD '000)**

	CTF - I			ACT			PPCR			FIP		
	FY23 Approved Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Approved Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Approved Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Approved Budget	FY23 Projected Utilization	FY24 Proposed Budget
<b>Total</b>	<b>2,409.4</b>	<b>2,310.2</b>	<b>2,642.9</b>	<b>1,169.2</b>	<b>959.6</b>	<b>1,241.1</b>	<b>1,651.5</b>	<b>1,628.2</b>	<b>1,640.2</b>	<b>1,416.1</b>	<b>1,181.8</b>	<b>1,115.4</b>
<b>ADB</b>	455.2	420.5	570.0	246.0	221.6	280.0	205.0	184.7	172.0	101.5	91.5	85.1
<b>AfDB</b>	229.3	184.1	338.2	219.0	218.9	184.1	432.3	432.0	482.5	270.9	270.7	241.4
<b>EBRD</b>	357.0	356.5	432.8	230.0	136.3	235.0	70.0	72.1	75.0	-	-	-
<b>IDB Group</b>	351.9	342.8	377.3	74.4	71.7	117.1	215.0	210.0	197.5	215.0	218.3	197.5
<b>IBRD</b>	580.3	570.6	580.2	305.4	216.9	306.1	564.4	564.4	536.2	687.7	460.3	481.4
<b>IFC</b>	435.6	435.6	344.4	94.4	94.4	118.8	164.9	164.9	177.1	141.1	141.1	110.1

	SREP			REI			NPC			Cities/Industries		
	FY23 Approved Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Approved Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Approved Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Approved Budget	FY23 Projected Utilization	FY24 Proposed Budget
<b>Total</b>	<b>1,081.9</b>	<b>1,030.5</b>	<b>1,043.1</b>	<b>1,320.9</b>	<b>976.2</b>	<b>1,321.8</b>	<b>671.6</b>	<b>653.4</b>	<b>1,203.1</b>	<b>655.8</b>	<b>445.0</b>	<b>1,198.2</b>
<b>ADB</b>	211.0	190.5	182.9	220.0	198.1	220.0	130.0	117.2	130.0	130.0	117.2	320.0
<b>AfDB</b>	109.4	109.3	144.6	219.0	218.9	184.1	117.0	116.9	184.1	117.0	116.9	284.6
<b>EBRD</b>	29.8	27.0	27.3	295.0	129.9	290.0	84.8	79.8	89.8	84.8	162.0	162.0
<b>IDB Group</b>	215.0	193.1	189.2	194.8	184.4	177.8	51.0	50.8	185.9	51.0	-	103.0
<b>IBRD</b>	350.8	344.7	334.1	305.1	158.0	305.7	227.2	227.2	503.3	224.1	-	224.1
<b>IFC</b>	165.9	165.9	165.0	87.0	87.0	144.1	61.7	61.7	110.1	49.0	49.0	104.6

**Table 10: Administrative services: FY24 proposed budget for MDB by target area (USD '000)**

	ADB		AFDB		EBRD	
	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget
<b>TOTAL MDB for Administrative Services</b>	<b>1,541.2</b>	<b>1,960.0</b>	<b>1,667.6</b>	<b>2,043.7</b>	<b>963.5</b>	<b>1,311.8</b>
1. Policy development, etc.	319.9	319.4	481.3	548.0	338.3	361.1
2. Inv. plan development, etc.	219.1	288.9	234.2	357.7	48.1	76.0
3. Dev./approval of CIF funding	172.5	258.6	72.2	106.7	151.4	238.3
4. Knowledge and Comms.	347.7	425.8	221.5	260.7	108.0	155.9
5. M&E; SE in IP implementation	223.2	276.9	268.6	290.2	119.8	155.8
6. Gender mainstreaming	118.6	168.9	168.5	227.0	87.5	129.0
7. Managing resources and risk	140.3	221.4	221.3	253.4	110.5	195.8

	IDB Group		IBRD		IFC	
	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget	FY23 Projected Utilization	FY24 Proposed Budget
<b>TOTAL MDB for Administrative Services</b>	<b>1,271.1</b>	<b>1,545.2</b>	<b>2,542.1</b>	<b>3,271.0</b>	<b>1,199.5</b>	<b>1,274.2</b>
1. Policy development, etc.	461.8	205.5	946.4	1,193.7	417.1	312.6
2. Inv. plan development, etc.	81.8	458.4	89.3	457.9	132.8	186.6
3. Dev./approval of CIF funding	153.4	288.2	201.5	232.5	78.0	209.4
4. Knowledge and Comms.	186.4	159.6	507.8	486.0	188.7	181.2
5. M&E; SE in IP implementation	116.4	120.8	281.4	286.9	141.4	127.5
6. Gender mainstreaming	121.2	102.6	42.3	69.9	44.3	49.7
7. Managing resources and risk	150.2	210.0	473.4	544.1	197.3	207.3

**Table 11: Details of FY24 costs by entity by fixed and variable costs (USD '000)**

	Fixed Cost				Variable Cost				Total
	CTF - I	ACT	SCF - I	SCF - II	CTF - I	ACT	SCF - I	SCF - II	
<b>Total</b>	<b>12,364.8</b>	<b>3,079.3</b>	<b>5,860.9</b>	<b>3,787.9</b>	<b>3,501.7</b>	<b>1,555.9</b>	<b>3,206.9</b>	<b>2,603.2</b>	<b>35,960.5</b>
<b>CIF Admin Unit</b>	<b>3,813.9</b>	<b>1,755.4</b>	<b>2,676.1</b>	<b>1,644.6</b>	<b>1,667.5</b>	<b>898.7</b>	<b>1,113.0</b>	<b>1,023.4</b>	<b>14,592.4</b>
<b>MDBs</b>	<b>1,358.7</b>	<b>683.9</b>	<b>2,104.8</b>	<b>2,143.3</b>	<b>1,284.2</b>	<b>557.2</b>	<b>1,693.9</b>	<b>1,579.8</b>	<b>11,405.8</b>
ADB	27.9	4.6	17.0	24.7	542.1	275.4	423.0	645.3	1,960.0
AfDB	29.0	46.2	138.2	163.8	309.2	137.9	730.3	489.1	2,043.7
EBRD	350.0	181.0	66.0	401.9	82.8	54.0	36.3	139.9	1,311.8
IDB Group	214.5	54.6	260.6	252.0	162.8	62.4	323.6	214.7	1,545.2
IBRD	413.8	286.1	1,208.6	948.5	166.4	20.0	143.0	84.5	3,271.0
IFC	323.5	111.4	414.4	352.5	20.9	7.4	37.8	6.3	1,274.2
<b>Trustee</b>	<b>7,192.2</b>	<b>640.0</b>	<b>1,080.0</b>	<b>-</b>	<b>-</b>			<b>-</b>	<b>8,912.2</b>
<b>External Audit Fee</b>	<b>-</b>				<b>550.0</b>	<b>100.0</b>	<b>400.0</b>	<b>-</b>	<b>1,050.0</b>

**Table 12: Breakdown of FY24 MDB costs by target area (USD '000)**

MDBs	1. Policy development, working with the TFCs/SCs, and managing relations		2. Investment plan development, update, and revision.		3. Development and approval of CIF funding of programs and projects		4. Knowledge management and Communications		5. Monitoring and evaluation, stakeholder engagement in review of IP implementation		6. Gender mainstreaming		7. Managing resources and risk	
	Fixed Cost	Variable Cost	Fixed Cost	Variable Cost	Fixed Cost	Variable Cost	Fixed Cost	Variable Cost	Fixed Cost	Variable Cost	Fixed Cost	Variable Cost	Fixed Cost	Variable Cost
<b>Total</b>	<b>1,738.8</b>	<b>1,201.6</b>	<b>999.6</b>	<b>825.9</b>	<b>801.0</b>	<b>532.6</b>	<b>783.9</b>	<b>885.3</b>	<b>642.2</b>	<b>615.8</b>	<b>263.1</b>	<b>484.1</b>	<b>1,062.2</b>	<b>569.9</b>
ADB	-	319.4	-	288.9	5.5	253.1	-	425.8	-	276.9	-	168.9	68.7	152.8
AfDB	103.1	444.8	73.5	284.2	18.9	87.8	43.9	216.7	50.6	239.6	43.2	183.8	43.9	209.5
EBRD	250.2	110.9	65.0	11.0	216.3	22.0	100.9	55.0	127.5	28.3	92.5	36.5	146.5	49.3
IDB Group	138.1	67.4	251.2	207.2	118.4	169.7	62.7	96.9	63.4	57.4	17.7	84.9	130.2	79.9
IBRD	958.7	235.0	423.3	34.5	232.5	-	440.0	46.0	276.9	10.0	59.9	10.0	465.6	78.4
IFC	288.6	24.0	186.6	-	209.4	-	136.4	44.8	123.8	3.7	49.7	-	207.3	-

## 5 Annex 2: Multi-Year Activities: Country Engagement

150. **General country engagement activities (CE-Gen):** Country engagement activities supported by the MDBs are proposed in response to country demand for support in the areas of country systems for results reporting and gender mainstreaming, among others. These MDB-proposed activities are reviewed by the CIF Administrative Unit and approved by the relevant MDB Committees. In FY23, USD 0.4 million was approved as a top-up for this multi-year sub-category of activities. Table 1 provides a list of activities approved in FY23, as of May 2023.

**Table 1: Approved FY23 MDB-proposed country engagement activities**

Activity Title	Country	MDB	Program	Category	Amount (USD)
Bridging the Gaps in Building Climate Resilience in Mozambique through Climate Smart Energy System Development: An evidence-based milestone for Climate Smart Actions in Moçambique Electricity System Infrastructure Development.	Mozambique	AfDB	PPCR	Knowledge Management	50,000
Documentary on the Strengthening Climate Resilience in the Barotse Sub - Basin (SCReBs) Project	Zambia	IBRD	PPCR	Knowledge Management	35,000
Enhancing a transformational gender mainstreaming capacity at country and regional level in LAC	Colombia – Latin America and the Caribbean Region (LAC)	IDB Group	CTF	Knowledge Management	50,000
Gender-responsive climate action in cities	Türkiye	EBRD	CTF	Knowledge Management	50,000
Implementation of African Development Bank Just Transition Framework to advance just transition operations in Kenya	Kenya	AfDB	SREP	Evaluation and Learning	50,000

Implementation of African Development Bank Just Transition Framework to advance just transition operations in Tunisia.	Tunisia	AfDB	SREP	Evaluation and Learning	50,000
Improving the Performance of Women-Led Forest based economic activities: A Focus on Skills and Capital	Nepal/South Asia	IBRD	FIP	Gender Mainstreaming	50,000
Portfolio review of CTF and workshop to showcase gender good practices.	Regional	IBRD	CTF	Gender Mainstreaming	50,000
Portfolio review of SREP and workshop to showcase gender good practices.	Regional	IBRD	SREP	Gender Mainstreaming	50,000
South to south learning on leveraging CIF supported nature-based solutions to inform future programming	Burkina Faso, Côte d'Ivoire, DRC, Ghana, Republic of Congo	AfDB	FIP	Evaluation and Learning	50,000
Third edition of Renewable Energy Week in Mali	Mali	AfDB	SREP	Knowledge Management	50,000

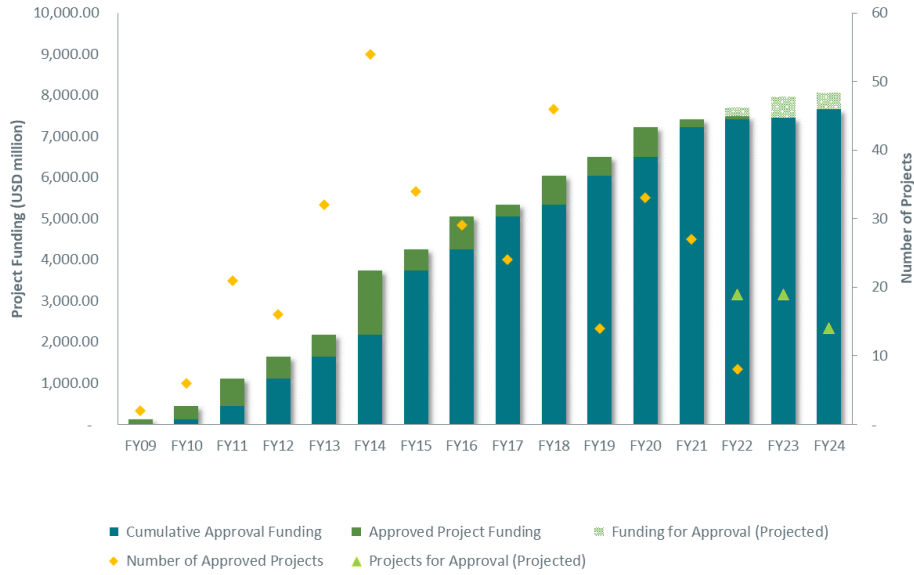
## 6 Annex 3: CIF Portfolio Review

151. In FY23, the CIF portfolio has continued to mature after experiencing substantial growth in size and geographic coverage over the last ten years. CIF plays a crucial role in delivering finance at a significant scale, demonstrated by the notable accomplishments CIF has achieved this year.
152. 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.
153. In FY24, the CIF Administrative Unit will continue to support MDBs in updating investment plans, restructuring projects, and addressing the impact of unforeseen challenges, global economic headwinds, and other periodic changes that are normal within a mature portfolio.
154. Portfolio monitoring and analysis remain a key focus, with an emphasis on managing the extensive portfolio of over 400 projects across 72 countries to achieve desired results and impact. CIF's Collaboration Hub (CCH) has made significant advancements, transitioning to the cloud, automating processes, and developing multiple reporting dashboards to enhance accessibility and provide valuable insights to a broader audience.
155. 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>3</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.

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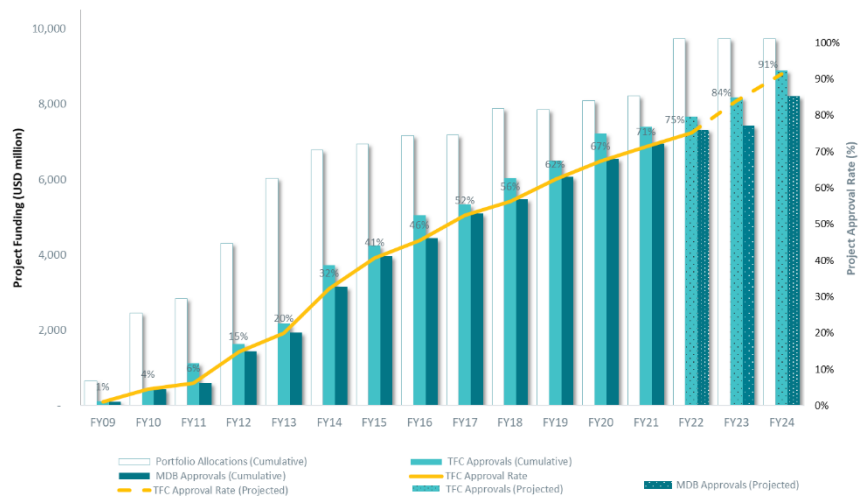
<sup>3</sup> Disbursement data as of December 31, 2022.

**Figure 1: Trends in project approvals (CIF inception to FY24)**



156. 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. Figure 2 presents the status and projection of the CIF portfolio from FY09–24.

**Figure 2: CIF portfolio overview (FY09–FY24)**



157. **CTF:** As of December 31, 2022, the Trust Fund Committee has approved USD 5.2 billion in funding for 161 projects and programs. Two new projects were approved in the first half of FY23: a GESP project in Indonesia and a CTF Futures Window in Egypt. In the second half of FY23, two DPSP Futures Window projects were approved (as of April 30, 2023): the Africa Go Green Fund and Green Shares—Eastern and the Southern African Trade and Development Bank.
158. **ACT investment plan support for new countries:** The CTF Trust Fund Committee endorsed indicative allocations up to USD 85 million each for the ACT investment plans of the Dominican Republic and North Macedonia, subject to assessments made at the time of investment plan preparation. These countries can receive up to USD 0.5 million as an investment plan preparation grant (IPPG) to enable them to take a leadership role in working with the MDBs to develop their investment plans. During their February 2023 meeting, the CTF Trust Fund Committee recognized the interest expressed by the remaining eight countries in using technical assistance and requested the CIF Administrative Unit and the MDBs to prepare and submit a proposal to provide technical assistance to these countries.
159. **PPCR:** As of December 31, 2022, PPCR has a total of 95 projects in its portfolio, including nine new projects from the PPCR's Business Development for Resilience Program (BDRP) window. Eighty-six of these projects have been approved by the PPCR Technical Committee, of which 85 have been approved by MDBs. Two projects under BDRP have been canceled: the Corn Farmer Support and Food Security Project in Myanmar and the Battery Storage Pilot to Improve Power Grid Climate Resilience in Mexico.
160. **FIP:** As of December 31, 2022, FIP has a total of 56 projects in its portfolio, including 15 projects under the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM). Of the 56 projects, 53 have been approved by the FIP Technical Committee and 52 by the MDB Boards. In May 2023, the FIP Technical Committee endorsed a pipeline of five projects for a total of USD 21.21 million submitted by the MDBs.
161. **SREP:** In FY23, three SREP projects were approved: the USD 11 million Cambodia Energy Transition Sector Development Program (SDP), the USD 28.5 million Ghana Mini Grid and Solar PV Net Metering, and the USD 5.5 million Caucasus Green Economy Financing Facility (GEFF) – SREP Armenia Renewable Energy Grant Support. The Cambodia Energy Transition was also approved by ADB.
162. **TAF:** TAF has shown considerable development with the approval of over USD 31 million for 53 projects in 28 countries. As of December 31, 2022, MDBs have reported 18 projects have started implementation with a cumulative funding of over USD 10 million.



163. **FY24 proposals and activities:** Program activities will concentrate on supporting countries in the development of investment plans. The CIF Administrative Unit, in collaboration with the MDBs, will continue conducting regular reviews of the project pipeline, including continued assessments of CCH as it transitions to cloud for better portfolio management.
164. To support knowledge and learning efforts and gender activities, and to focus on the development of the new programs, the CIF Administrative Unit will continue to strengthen systems and portfolio management practices, in addition to preparing the CCH for the programming of projects under the new investment plans.

## 7 Annex 4: Summary of Knowledge Products Completed by CIF Partners in FY23

PRODUCT	TITLE	ORGANIZATION
<b>Cross-Cutting</b>		
Independent evaluation	Evaluation of the Development Impacts from CIF's Investments <a href="#">Full evaluation</a> ; <a href="#">summary brief</a> ; <a href="#">case studies</a> ; <a href="#">modeling memo</a> ; <a href="#">feature story</a> ; <a href="#">web story</a>	CIF, Industrial Economics Incorporated
Working paper	<a href="#">Transformational climate finance</a>	CIF
Toolbox	<a href="#">Just Transition Planning Toolbox</a>	CIF
Annual report	<a href="#">CIF 2022 Year in Review</a>	CIF
Annual report	<a href="#">AfDB-CIF 2022 Annual Report</a>	CIF, AfDB
Mid-year review	<a href="#">Towards a Climate-Smart Africa: The AfDB and CIF partnership</a> (November 2022)	CIF, AfDB
Program brochure	<a href="#">Industry Decarbonization Program</a>	CIF
Program brochure	<a href="#">Smart Cities Program</a>	CIF
Animation	<a href="#">The Transformational Change Learning Partnership (TCLP)</a>	CIF
Podcast	<a href="#">Heat of the Moment (Season Three)</a>	CIF
<b>Energy and Clean Technology</b>		
Report	ReACT: A Simplified Guide to Repurpose Coal Assets <a href="#">Full report</a> ; <a href="#">annexes</a> ; <a href="#">web story</a>	CIF, Black & Veatch
Report	<a href="#">Enablers: The Role of Enabling Environment in Scaling Up Climate Finance</a>	CIF, KPMG
Report	<a href="#">Just Transition in a Renewable Energy Riche Environment - Potential Role of Green Hydrogen</a>	CIF, AfDB
Factsheet brochure	Accelerating Coal Transition (ACT) Investment Plans <a href="#">South Africa</a> ; <a href="#">Indonesia</a>	CIF

Primer brochure	<a href="#">CTF, ACT and JETP</a>	CIF
Animation	<a href="#">The Climate Investment Funds' Technical Assistance Facility (TAF)</a>	CIF
<b>Forests</b>		
Case study	Tree Tenure, Land Tenure, Timber, and Agriculture: Ghana's Human-Forest Nexus  <a href="#">Full case study</a> ; <a href="#">summary brief</a> ; <a href="#">web story</a>	CIF
Factsheet brochure	<a href="#">Nature, People &amp; Climate (NPC) Partner Countries Program Overviews</a>	CIF
<b>Resilience</b>		
Case study	Supporting Just Transitions to a Sustainable Water Sector in Bolivia (English)  <a href="#">Full case study</a> ; <a href="#">summary brief</a>	CIF, Stockholm Environment Institute
Case study	Apoyando Transiciones Justas Hacia Un Sector De Agua Sostenible En Bolivia  <a href="#">Full case study</a> ; <a href="#">summary brief</a>	CIF, Stockholm Environment Institute
Case study	Building Resilience to Climate Change and Disasters in a Small Island Developing State  <a href="#">Full case study</a> ; <a href="#">summary brief</a> ; <a href="#">web story</a>	CIF
Case study	Promoting Climate Adaptation in Coastal Bangladesh  <a href="#">Full case study</a> ; <a href="#">summary brief</a> ; <a href="#">web story</a>	CIF
Report	<a href="#">Loss and Damage: How Transformational?</a>	CIF, Wilton Park
<b>Gender and Stakeholder Engagement</b>		
Report	<a href="#">Using Behavioral Science to Increase Women's Participation in Natural Resource Management in Mexico</a> (English)	CIF, World Bank
Factsheet brochure	<a href="#">Women-led Coal Transitions (WOLCOT) Grant Mechanism under Accelerated Coal Transitions Program (ACT)</a>	CIF

**Studies that were completed in FY22, but were not reported in the FY23 Business Plan:**

PRODUCT	TITLE	ORGANIZATION
<b>Cross-Cutting</b>		
Annual Report (June 2022)	<a href="#">CIF Annual Report 2021: New Horizons, New Pathways, New Ambitions</a>	CIF
<b>XEnergy and Clean Technology</b>		
Independent evaluation (June 2022)	Evaluation of the Scaling up Renewable Energy Program in Low-income Countries (SREP)  <a href="#">Full evaluation</a> ; <a href="#">summary brief</a> ; web stories ( <a href="#">Jul 2022</a> , <a href="#">Aug 2022</a> , <a href="#">Sep 2022</a> , <a href="#">Nov 2022</a> )	CIF, ICF
Case study (June 2022)	Rwanda Renewable Energy Fund Project: Engaging the Private Sector in Off-Grid Solar Electrification  <a href="#">Full case study</a> ; <a href="#">summary brief</a> ; <a href="#">web story</a>	CIF
<b>Gender and Stakeholder Engagement</b>		
Guidance note (May 2022)	<a href="#">Gender Integration Guidance Note for Climate Investment Fund Projects</a>	CIF
Portfolio review (May 2022)	<a href="#">Portfolio Review of Gender Integration in the Climate Investment Funds</a>	CIF

## 8 Annex 5: Report on Trustee Activities in FY23 and Plan for FY24

165. The World Bank, in its capacity as Trustee, provides a range of services for CIF, including CTF and SCF. The Trustee's costs for its services are presented in four categories: Financial and Program Management, Investment Management, Accounting and Reporting, and Legal Services.
166. **Financial and Program Management** fee covers services related to management and execution of financial transactions, including receiving and processing of contributions, recording allocations and commitments, executing cash transfers to recipients using World Bank financial systems and procedures, and regular financial reporting for the CIF. It includes collaboration with the CIF Administrative Unit (AU), responding to day-to-day enquiries from the CIF AU, Contributors and other CIF constituencies and stakeholders.
167. **Investment Management** fees are calculated based on a flat fee of 4.5 basis points (i.e., 0.045%) of the estimated average annual balance of the undisbursed cash in the CTF and SCF Trust Funds.
168. **Accounting and Reporting** fee covers services including the management of the accounting model for the CTF and SCF Trust Funds, clearance of agreements, and maintenance of appropriate records, accounts and systems to support financial reporting.
169. **Legal Services** fee covers services including drafting, negotiation and preparing contribution agreements/arrangements and amendments, and other legal agreements, as needed. It also covers providing policy advice and legal review on issues raised by the CIF Committees and others as they may impact the CTF and SCF Trust Funds and the services of the Trustee.
170. This budget document presents the CTF, CTF Parallel Fund (CTFPF) and SCF FY23 estimated actuals and the FY24 budget proposal recognizing the ongoing Trustee services related to the administration of the CTF, CTFPF and SCF trust funds. For now, until the CCMM is established and fully integrated into the CTF activities, the budget associated with the design, set-up and ongoing management of the CCMM will be presented separately.
171. The budget document also presents the FY23 estimated actuals for activities related to the design and finalization of the CCMM structure, as outlined in the FY23 supplemental budget document approved by the CTF TFC in April 2023.
172. The FY24 CCMM budget is presented separately for the Trustee and Treasury Manager for clarity and visibility as these are two distinct roles that would be performed by the World Bank. The FY24 budget proposal includes one-time costs related to the set-up of the CCMM and its ongoing management after CCMM's establishment and operationalization

173. **CTF and SCF FY23 estimated actuals and FY24 budget proposal:** Table 1 includes FY23 estimated full-year costs<sup>4</sup> as compared to FY23 approved budget. It also includes the proposed budget for FY24. Following established practice, the FY23 end-of-year adjustments to Trustee costs are presented for the CIF Committees' consideration.

**Table 1. FY23 and FY24 budgets for CTF and SCF (USD '000)**

Trustee Service Components	CTF - I			SCF - I			TOTAL		
	FY23 Approved Budget	FY23 Estimated Actuals	FY24 Budget	FY23 Approved Budget	FY23 Estimated Actuals	FY24 Budget	FY23 Approved Budget	FY23 Estimated Actuals	FY24 Budget
<b>Total Trustee Costs</b>	<b>1,965.0</b>	<b>1,912.0</b>	<b>1,965.0</b>	<b>1,058.0</b>	<b>1,088.0</b>	<b>1,080.0</b>	<b>3,023.0</b>	<b>3,000.0</b>	<b>3,045.0</b>
Financial and Program Management	500.0	480.0	500.0	453.0	453.0	453.0	953.0	933.0	953.0
Investment Management	1,170.0	1,140.0	1,170.0	360.0	390.0	382.0	1,530.0	1,530.0	1,552.0
Accounting and Reporting	192.0	192.0	192.0	192.0	192.0	192.0	384.0	384.0	384.0
Legal Services	103.0	100.0	103.0	53.0	53.0	53.0	156.0	153.0	156.0

Note: Table 1 does not include FY24 budget request for CTF Parallel Fund. Also, this table excludes cost of external audits for CTF and SCF, which are presented separately.

174. **FY24 Proposed Budget:** The SCF and CTF proposed budget assumes that the FY24 activities will be similar to FY23, recognizing new expected inflows (reflows, contributions) while assuming the same level of outflows (transfers). For preparing the FY24 budget estimate, an average annual cash balance of US\$ 2.6 billion for CTF and US\$ 0.85 billion for SCF are assumed. Actual investment management costs may vary depending on the actual average liquidity balance in the CTF and SCF Trust Funds during FY24.
175. **FY23 End of Year Adjustment:** As noted in Table 1, the Trustee's FY23 total estimated actual costs for its services to CTF and SCF are estimated to be US\$ 23,000 lower than the FY23 total approved budget. For CTF, the FY23 actual costs are estimated to be US\$ 53,000 lower on the account of the Financial and Program Management, Investment Management and Legal Services costs. The investment management costs are calculated based on an average annual cash balance of US\$ 2.55 billion in FY23 which is lower by US\$ 0.05 billion compared with the balances estimated during budget proposal preparation.
176. For SCF, the FY23 actual costs are estimated to be US\$ 30,000 higher on account of Investment Management. The investment management costs are calculated based on an

<sup>4</sup> Reflects the Trustee's best estimate of the information available at the time of report preparation.

average annual cash balance of US\$ 870 million in FY23 compared with the estimated cash balance of \$800 million during budget proposal preparation.

177. **External audit costs:** These amounts do not represent trustee staff time and expenses, but rather amounts transferred to MDBs and paid to MDB's external auditors. These flow-through costs are paid by the trustee from trust fund resources to i) the MDBs in their role as implementing entities to cover their costs for external audit of their CTF and SCF trust funds, and ii) the external auditors of the World Bank for the audits of the financial statements of the CTF and SCF trust funds, prepared by the trustee. Actual costs in FY23 are expected to amount to be around US\$ 800,000, subject to confirmation at the end of FY23 when all invoices have been received from MDBs (noting that some invoices are not received until well after the close of MDBs' respective fiscal years). The external audit costs for FY24 are estimated to remain consistent at FY23 level in the amount of US\$800,000.
178. **CIF Capital Markets Mechanism (CCMM): FY23 CCMM Supplemental Budget - End of Fiscal Year Adjustment:** The CCMM supplemental budget of US\$ 1.93 million was approved for designing and finalization of the CCMM proposal. It combined both the costs estimated to be incurred by the World Bank as Trustee and Treasury Manager. The estimated costs for the activities approved are US\$1.53 million which are lower by US\$ 0.4 million compared to the approved budget. This amount will be returned to the trust fund. The lower estimated costs are due to an underrun of US\$ 0.29 million in staff costs and US\$ 0.30 million in credit rating agency fees, which was offset by an overrun of US\$ 0.19 million reflecting higher than initially anticipated fees for the external advisory accounting services.
179. The US\$ 0.30 million in credit rating agency fees for credit risk assessment is expected to be incurred in FY24 as part of Treasury Manager Services, and as such presented in Table 5 of this document under Third Party Costs.
180. Table 2 below presents the CCMM FY23 estimated costs as compared to the FY23 approved supplemental budget.

**Table 2. FY23 Supplemental Budget (US\$) for CCMM – Estimated Actuals**

Component Service	FY23 Approved Budget	FY23 Estimated Actuals
<b>Total Costs</b>	<b>1,934,000</b>	<b>1,534,000</b>
Design final CCMM structure for TFC approval, including review of the capital adequacy model, financial, risk management and operational frameworks, and trust fund structure	372,000	281,800
Finalize financial reporting requirements and timelines, including loan loss provisioning/fair value methodologies and accounting policies	385,000	335,000
Finalize the legal non-bond and bond documentation	380,000	302,200
Engage internal and external stakeholders (contributors, MDBs, internal approvals)	337,000	265,000
External accounting and audit consultation fees and rating agencies fees	460,000	350,000

Note: The credit rating agency fees is not fully utilized in FY23. The balance \$400,000 will be utilized in FY24

181. **FY24 – CCMM Setup costs and Trustee Budget:** According to the indicative timeline, following the expected approval of the CCMM final structure by the TFC at the end of FY23 (June 2023), the Trustee will be involved in the set-up and ongoing implementation of CCMM arrangements, including finalization of all the necessary legal agreements, set-up of the necessary trust fund financial management, accounting and reporting functionalities as well as participation in the rating assessments.
182. Table 3 below presents the estimated Trustee costs of US\$1.51 million in FY24 related to CCMM, with a break-down by Trustee’s service categories. The FY24 budget includes the one-time financial management and accounting systems set up cost of \$450,000. The objective is to streamline the trustee’s additional costs following the CCMM’s establishment into the overall CTF budget. Table 3 also includes the additional external costs related to audit and advisory services in the total amount of US\$ 350,000

**Table 3. FY24 Budget (US\$) for CCMM**

Component Service	FY24 Budget
<b>Total Trustee Budget</b>	<b>1,163,000</b>
Financial and Program Management	250,000
Investment Management	-
Accounting and Reporting	360,000
Legal Services	103,000

Audit and Valuation Costs - External Services	FY24 Budget
<b>Total Estimated External Costs</b>	<b>350,000</b>
Additional Audit costs	150,000
Consultation and Valuation costs - Accounting Advisory	200,000



183. **FY23 expected actual and FY24 Proposed Budget for CTF Parallel Fund:** The CTF Parallel Fund was set up in March 2022 to receive new loan contributions to the CTF. The Trustee’s costs for its services for FY24 are presented in Table 4 below, in four categories (i.e., Financial and Program Management, Investment Management, Accounting and Reporting, and Legal Services)

**Table 4. FY23 and FY24 Budgets (US\$) – CTF Parallel Fund**

Component Service	FY23 Approved Budget	FY23 Estimated Actuals	FY24 Budget
<b>Total Trustee Budget</b>	<b>532,000</b>	<b>532,000</b>	<b>640,000</b>
Financial and Program Management	256,000	256,000	250,000
Investment Management	180,000	180,000	305,000
Accounting and Reporting	45,000	45,000	45,000
Legal Services	51,000	51,000	40,000

184. The proposed budget for FY24 of \$640,000 is \$108,000 higher than the estimated actual costs for FY23. This increase is due to an anticipated increase in investment management costs resulting from a higher average fund balance. The average fund balance of CTF Parallel Fund in FY23 was \$400 million and is expected to increase to \$680 million in FY24.
185. The external audit for the CTF Parallel Fund is only performed for the fund managed by the Trustee. The cost for FY24 is estimated to be US\$ 100,000.
186. As noted in Table 4, the FY23 estimated actual costs for trustee’s services to the CTF Parallel Fund are in line with FY23 approved budget. The actual external audit cost for FY23 is estimated to be US\$95,000 which is consistent with the FY23 approved budget.
187. **Treasury Manager - FY24 Proposed Budget for CCMM:** The CCMM Issuer is expected to be set up in FY24. IBRD as Treasury Manager of the CCMM will manage all financial and treasury functions related to the capital market borrowing program of the CCMM Issuer.
188. Table 5 below presents the costs estimated to be incurred in FY24 for the operationalization of the CCMM, establishment of the CCMM Issuer and ongoing performance of the Treasury Manager’s functions. The costs will cover the following Treasury Manager’s activities:
- a. Participation in the finalization of legal agreements needed for the establishment and administration of the CCMM Issuer
  - b. Indicative and official credit rating assessment of the CCMM Issuer and subsequent ongoing credit rating maintenance
  - c. Development and implementation of the CCMM financial and risk management strategies, including funding, liquidity and risk management strategies

- d. Design and execution of the bond issuance program, including initial systems set-up costs
- e. Update and maintenance of the capital adequacy model

**Table 5. FY24 Budgets (US\$) – Treasury Manager for CCMM**

Component Service	Setup costs (one time)	Ongoing Costs	Total Costs
<b>Total Budget</b>	<b>2,077,500</b>	<b>1,787,000</b>	<b>3,864,200</b>
Credit Ratings Assessment and Maintenance	375,000	126,000	501,000
Financial and Risk Management Strategies - development and implementation	192,500	117,000	309,500
Bond Issuance - design and execution	586,500	241,500	827,700
Capital Adequacy Model - Update and Maintenance	58,500	175,500	234,000
IT: systems set-up (one-time costs)	465,000	80,000	545,000
Third Party Costs (rating agencies, financial agents)	400,000	1,047,000	1,447,000



## 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

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