

CLIMATE INVESTMENT FUNDS

July 4, 2014

Summary of the Co-Chairs
Joint Meeting of the CTF and SCF Trust Fund Committees

June 25, 2014

Co-Chairs

Mr. David Kaluba, Zambia
Ms. Kate Hughes, United Kingdom

AGENDA ITEM 1. OPENING

1. The meeting was opened by the elected co-chairs, Mr. David Kaluba, the SCF Trust Fund Committee member from Zambia, and Ms. Kate Hughes, the CTF Trust Fund Committee member from the United Kingdom.

AGENDA ITEM 2. ADOPTION OF AGENDA

2. The joint meeting agreed to amend the provisional agenda presented in document CTF-SCF/TFC.12/1 and adopted the revised agenda.

3. The meeting was briefed by Ms. Hela Cheikhrouhou, Executive Director of the Green Climate Fund, on the progress in operationalizing the Green Climate Fund.

4. Ms. Rachel Kyte, Vice President and Special Envoy for Climate Change, World Bank Group, informed the meeting of the ongoing reorganization of the World Bank Group and confirmed that the changes will not affect the work of the CIF Administrative Unit.

AGENDA ITEM 3. INDEPENDENT EVALUATION OF THE CIF

5. The joint meeting welcomes the presentations of the following:

- a) CTF-SCF/TFC.12/3, *Independent Evaluation of the CIF*,
- b) CTF-SCF/TFC.12/Inf.4, *Statement of the Independent Reference Group on the Independent Evaluation of the Climate Investment Funds*,
- c) CTF-SCF/TFC.12/8, *Draft Response to the Independent Evaluation of the Climate Investment Funds*, and
- d) CTF-SCF/TFC.12/9, *Action Plan in Response to Recommendations from the Independent Evaluation of the CIF*.

6. The joint meeting reviewed the *Action Plan in Response to the Independent Evaluation of the CIF* (document CTF-SCF/TFC.12/9) and invites the CIF Administrative Unit and the MDBs to collaborate to implement the actions identified below:

- a) working with the Trustee, to prepare a technical paper for consideration by the CTF and SCF Trust Fund Committees at their joint meeting in November 2014, exploring issues, options and possible models for the future operations of the CIF, including in-depth considerations of the operational, financial and legal issues which may be associated with the CIF sunset clause. The joint meeting anticipates that the document will serve as a basis for a constructive discussion in November 2014 with a view to a decision on the future of the CIF, taking into account the continued evolution of the Green Climate Fund.

In preparing the paper, consideration should be given to principles that could serve as a guiding framework for discussion of different approaches and modalities for the CIF, recognizing the goal of maintaining an upward

trajectory in the availability and delivery of climate finance and the positive momentum in delivering on-the-ground investment financing that the CIF has achieved.

Committee members and pilot countries are invited to submit to the CIF Administrative Unit their views and comments to guide the preparation of the paper by August 1, 2014. The CIF Administrative Unit is requested to post any comments received, including comments that may be received from CIF observers, on the CIF website.

- b) to revise the paper CTF-SCF/TFC.11/7/Rev.1, *Measures to Improve the Efficiency of CIF Committees*, for consideration at the joint meeting in November 2014, recommending additional options to improve the efficiency of CIF committee meetings and decision making while ensuring effectiveness;
- c) to update the documents *Clean Technology Fund Investment Criteria for Public Sector Operations* (dated February 9, 2009) and *CTF Private Sector Operations Guidelines* (revised October 24, 2012), taking into account the recommendations of the evaluation to reduce ambiguity and improve the consistency of application of investment criteria, for approval by the CTF Trust Fund Committee by the end of the calendar year;
- d) to retire requirements for independent technical reviews of CTF projects. The joint meeting invites each SCF Sub-Committee to consider and decide on appropriate action with respect to investment plans under its targeted program in light of the independent evaluation's conclusions regarding the technical reviews of the SCF investment plans;
- e) to implement the approved CIF gender action plan;
- f) to continue to provide accurate and clear reporting on co-financing mobilized by CIF projects and to undertake work related to CIF's catalytic effect on investments;
- g) working with the Trustee, to promptly pursue proposals to better operationalize the CTF financing principles as they relate to different contribution types and to enable the deployment of higher-risk financing instruments using CTF funds;
- h) to continue pursuing innovative mechanisms for private sector engagement, including through the CTF Dedicated Private Sector Programs (DPSP) and an assessment of the SCF private sector set asides;
- i) to prepare, in consultation with CIF pilot countries, a paper for consideration at the joint meeting in November 2014, presenting options on how to enhance national-level stakeholder engagement in the planning and implementation of CIF investment plans and projects;

- j) to prepare a paper for consideration at the joint meeting outlining options for the commissioning of future national, thematic or program-level evaluations and/or a summative evaluation of the CIF; and
- k) to continue work on evidence-based approaches to learning in selected CIF projects as agreed by the joint meeting.

AGENDA ITEM 4. APPROACHES TO EVIDENCE-BASED LEARNING IN THE CIF PROJECT CYCLE

- 7. The joint meeting reviewed document CTF-SCF/TFC.12/4/Rev.1, *Approaches to Evidence Based Learning in the CIF Project Cycle*, and requests the CIF Administrative Unit to present a revised proposal for consideration by the joint meeting of the CTF and SCF Trust Fund Committees, taking into account comments made during the meeting and written comments submitted by Committee members by July 31, 2014.
- 8. For purposes of the revised paper, CIF pilot countries are invited to identify projects they believe could be suitable for the incorporation of evidence-based learning tools in addition to those presented in the document CTF-SCF/TFC.12/4/Rev.1.
- 9. It is understood that CIF funding additional to the allocations proposed in the investment plans will need to be made available to finance the implementation of these tools.
- 10. In preparing the revised paper, the CIF Administrative Unit should:
 - a) seek a written expression of interest from the pilot country in which any of the projects identified in the paper is to be implemented as a candidate for applying the evidence-based learning tools,
 - b) elaborate on the value added of the tool to the project proposed, and outline how these activities will contribute to improve capacity on the country level, particularly through the engagement of local institutions;
 - c) invite the MDBs and bilateral donors to identify resources that may be available from them to contribute to co-financing this work;
 - d) develop a strategic approach to disseminate lessons learned to stakeholders and beyond; and
 - e) maintain a disciplined approach on cost and cost effectiveness.

AGENDA ITEM 5. RISK REPORT OF THE CTF AND SCF TRUST FUNDS

- 11. The joint meeting of the CTF and SCF Trust Fund Committees reviewed document CTF-SCF/TFC.12/5, *Risk Report on CTF and SCF Trust Funds*, and

- a) takes note of the progress made in implementing the ERM Framework and the update on Tier 1 risks;
- b) invites the CTF Trust Fund Committee to consider relevant CTF risks and decide on appropriate action;
- c) invites the PPCR Sub-Committee to consider relevant PPCR risks and decide on appropriate action; and
- d) invites Committee members to submit comments on the format and structure of the risk report with a view to enhancing future reports.

AGENDA ITEM 6. GENDER ACTION PLAN

12. The joint meeting welcomes and approves the *CIF Gender Action Plan* (document CTF-SCF/TFC.12/7) and requests the CIF Administrative Unit to post a final action plan on its website which takes into account the comments made during the meeting.

13. The meeting recognizes that the goal of the gender action plan is to mainstream gender in CIF policy and programming in support of gender equality in climate-resilient, low-carbon development investments in CIF pilot countries.

14. The meeting invites the CIF Administrative Unit and MDBs to collaborate to implement the plan and to report back to the joint meeting annually on the progress being made.

AGENDA ITEM 7. FY15 BUSINESS PLAN AND BUDGET

15. The joint meeting of the CTF and SCF Trust Fund Committees reviewed and approves, taking into account comments made by the Committee, USD 27.4509 million for the administrative budget proposed in document CTF-SCF/TFC.12/6, *FY15 Business Plan and Budget*, recognizing that funds provided under the special initiative for learning will not be drawn upon until the appropriate decision is made by the joint meeting.

16. The Committees welcome the business plan and note that the proposed FY15 budget provides administrative resources for the expected work program of the CIF's corporate management structure: the Trustee as manager of the financial assets of the CIF trust funds, the Administrative Unit as the central coordinating unit of the CIF partnership, and the five MDBs as the implementing partners.

17. The Committees welcome the statement made by the World Bank Vice President for the Climate Change Group that the Bank will work closely with the CIF Administrative Unit Program Manager to expedite recruitment of staff to fill vacant positions approved by the joint meeting in the CIF business plan and to be financed from CIF's administrative budget.

AGENDA ITEM 8. OTHER BUSINESS

18. The joint meeting took note of document CTF-SCF/TFC.12/CRP.1, which presented the conclusions of the consultations for the selection of CIF Committee Members convened on June 23, 2014. It was noted that the elected CTF co-chair of the eligible recipient country members will facilitate a dialogue among eligible CTF countries with a view to finalizing the selection of members of the CTF Trust Fund Committee.

19. The joint meeting invites the CIF Administrative Unit to assist eligible CIF recipient countries in the development of guidelines to facilitate the self-selection process.

20. The joint meeting expressed its sincere appreciation and thanks to Ms. Patricia Bliss-Guest, outgoing CIF Program Manager, for her dedicated work and leadership related to the CIF. The joint meeting welcomed Ms. Mafalda Duarte, incoming CIF Program Manager, and wished her success in leading the future work of the CIF.

AGENDA ITEM 9. CLOSING

21. The meeting closed at 11:00 am on Thursday, June 26, 2014.