

# CLIMATE INVESTMENT FUNDS

December 3, 2015

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Summary of the Co-Chairs  
Joint Meeting of the CTF and SCF Trust Fund Committees  
November 9, 2015

Co-Chairs

Ms. Kate Hughes, United Kingdom  
Mr. Saurabh Vijay, India

## **AGENDA ITEM 1. OPENING**

1. The joint meeting of the CTF and SCF Trust Fund Committees was opened by Ms. Kate Hughes, the CTF Trust Fund Committee member from the United Kingdom, and Mr. Saurabh Vijay, the CTF Trust Fund Committee member from India, as the Co-Chairs.

## **AGENDA ITEM 2. ADOPTION OF AGENDA**

2. The joint meeting of the CTF and SCF Trust Fund Committees adopted the provisional agenda (document CTF-SCF/TFC.15/1) and agreed to a re-ordering of the sequence of agenda items.

## **AGENDA ITEM 3. STRATEGIC PAPER ON THE CLIMATE INVESTMENT FUNDS: ACCOMPLISHMENTS, TRANSFORMATIONAL IMPACT, AND ADDITIONALITY IN THE CLIMATE FINANCE ARCHITECTURE**

3. The joint meeting of the CTF and SCF Trust Fund Committees, having discussed the document CTF-SCF/TFC.15/3, *Climate Investment Funds: an Assessment of Its Accomplishments, Transformational Impact, and Additionality in the Climate Finance Architecture*, recognizes the unique features of the CIF business model to pilot approaches and learn lessons for delivering climate finance at scale in developing countries through the MDBs, notably through programmatic approaches seeking to mainstream low carbon development or climate resilience at the planning, policy and strategic levels to achieve transformative results in developing countries.

4. The joint meeting reaffirms the principles agreed at its meeting in November 2014,
- a) supporting the continuity of climate finance flows and action on the ground and reducing funding gaps in CIF operations;
  - b) progressively taking measures to strengthen complementarity, coordination and cooperation within the climate finance architecture;
  - c) focusing on knowledge management and the sharing of lessons learned;
  - d) continuing to deliver strong value for money in terms of economy, efficiency and effectiveness of CIF operations and investments on the ground; and
  - e) enhancing the programmatic approach and leverage of funds;

which will serve as the guiding framework for the discussion of the future operations of the CIF.

5. In the context of “models for the future operations of the CIF”, the joint meeting requests the CIF Administrative Unit, in consultation with participating countries and observers, and in collaboration with the MDBs, to conduct a more detailed and focused gap analysis. This analysis should cover how the CIF fits within the climate finance architecture (including, inter alia, the Green Climate Fund), takes into account future opportunities, and also starts to explore roles each CIF program could play based on its comparative advantage and value added. This should draw on a rigorous assessment of how the CIF programs have and could continue to deliver wider transformational and systematic change, including in relation to institutions, policies, markets, technologies and behavior change, as well as how the CIF may need to evolve over time to fulfill that role.

6. While considering different developing country national circumstances, such as climate impacts, capacity, relative impact of funding compared to country size, this analysis should include:

- Exploration of new opportunities, in terms of financial instruments and delivery mechanisms, technologies, sectors, and sources of funding; and
- Exploration of institutional and governance reforms necessary for the CIF to realize its potential role in an efficient and effective manner.

7. The joint meeting would consider the gap analysis in conjunction with the discussion of the future of the CIF at its next meeting in May 2016.

#### **AGENDA ITEM 4. RISK REPORT OF THE CTF AND SCF**

8. The joint meeting, having reviewed document CTF-SCF/TFC.15/6, Risk Report of the CTF and SCF, dated October 30, 2015,

- i. Takes note of the progress made in implementing and refining the ERM Framework.
- ii. Agrees that the Sr. Risk Management Officer should continue to finalize non-disclosure agreements and other arrangements with the MDBs to facilitate access to critical risk-related information so that deeper more thorough risk assessments and reporting will become possible.
- iii. Agrees that the Sr. Risk Management Officer should proceed with same systematic approach for implementing the ERM Framework for the subprograms under the SCF, defining the top-level risk and objective for each subprogram, as well as the Risk Categories, Tier 1 and 2 Risks and Risk Tolerances, and assessing risks against these tolerances.
- iv. Agrees that the Sr. Risk Management Officer must be formally included as a mandatory recipient of information pertaining to the occurrence and details of non-payment events.
- v. Takes note of the progress made in operationalizing the ERM Dashboard, which is expected to be completed by December 15, 2015, and the categories currently marked “to be determined” will be filled by the next joint meeting (conditional upon execution of non-disclosure agreements with the MDBs). Best efforts will be made by the MDBs and the CIF Administrative Unit to conclude the non-disclosure agreements in time for this work to be concluded.

#### **AGENDA ITEM 5. CODE OF CONDUCT**

9. The joint meeting of the CTF and SCF Trust Fund Committees, having discussed the document CTF-SCF/TFC.15/5/Rev.1, *Code of Conduct*, invites members and observers to submit their comments on the document to the CIF Administrative Unit by November 30, 2015. A revised document on the code of conduct, along with the document on the roles and responsibilities of the co-chairs, committee members and observes, will be circulated by the CIF Administrative Unit to the Committee members for decision by mail.

**AGENDA ITEM 6. PROPOSAL ON THE FUTURE OF THE PARTNERSHIP FORUM**

10. The joint meeting reviewed the document CTF-SCF/TFC.15/4, *Proposal on the Future of the Partnership Forum*, and considered the two options proposed therein. The joint meeting requested the CIF Administrative Unit to prepare a revised paper to be circulated to the Committee members for decision by mail, or for consideration at its next meeting in May 2016 if a consensus decision by mail cannot be reached, taking into account the comments made by Committee members and including the following:

- Specifying the budget implications of the options presented and any other options proposed; and
- Identifying the amendments that would be required to the Governance Frameworks of the CTF and SCF to implement any of the proposed options.

**AGENDA ITEM 7. OTHER BUSINESS**

11. A Committee member welcomed the information provided by the CIF AU in the beginning of the meeting regarding the decisions taken in between meetings, follow-up to decisions made at the previous meeting and staffing efforts at the CIF AU and requested that this practice be continued. In addition, a Committee member also requested the CIF AU to provide a regular update on interaction between the CIF AU and the GCF Secretariat.

12. The joint meeting noted that the CIF Gender Action Plan was due to be completed by June 2016, and requested the CIF Administrative Unit to incorporate gender aspects within the context of the next annual business plan and budget.

**AGENDA ITEM 8. CLOSING**

13. The joint meeting was closed on Monday, November 9, 2015.