**CIF receives new impetus toward working with private capital investors**

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The governing body of the $8.3 billion Climate Investment Funds (CIF) last week gave an important signal by asking the CIF to develop options for a financing vehicle to attract private capital investors for renewable energy and clean technology projects in developing economies.

The steering committee of the CIF's $5.6 billion Clean Technology Fund (CTF), consisting of donor and recipient countries, gathered in Mexico to discuss new financing modalities which could make CTF's assets attractive for institutional investors.

The CIF's Manager Mafalda Duarte welcomed the decision, which comes at a time when research from Brookings shows investments in sustainable infrastructure of $90 trillion USD are required over the next 15 years:

"This work breaks new ground for climate finance and such innovation is needed if we are to move from billions to trillions and deliver on the ambitious agenda of the Sustainable Development Goals.  Scaling-up investments can be particularly transformational in areas that have lacked funding or for technologies on the threshold of becoming economically viable.  These will be crucial to delivering a low-carbon future."

This potential avenue to tap into new and much needed private sector financing would support climate-smart investments in areas such as energy storage, distributed generation, sustainable transport and industrial and residential efficiency.

"We have seen time and time again that concessional or de-risking financing is essential to ramp up low carbon investments in emerging markets", Duarte added.  "Institutional investors can be risk averse but they do want to build up a greener portfolio.  The CTF offers a unique opportunity for them and will allow us to provide developing countries the financial support they need to pursue their low-carbon development plans."

The green-light came as recipient countries unanimously endorsed the CIF as a key vehicle to deliver on the ambition outlined in the Paris climate agreement.  Members emphasized the importance of tested and proven financing options to support climate actions in developing countries and that those lessons should be shared with all main players in the climate finance architecture. “The appreciation and wide-spread support for the CIF by developing country members need to be acknowledged”, said Zaheer Fakir, Committee member for the South African Department of Environmental Affairs. “Developing countries within the CIF value it as an important instrument for financing, innovating and coordinating with all important actors around national climate investment plans.”

In this context, trust fund sub-committees decided to support the [forest investment plans](http://www-cif.climateinvestmentfunds.org/fund/forest-investment-program) of Mozambique and Côte D’Ivoire with US$ 48 million in total which will allow the countries to address major drivers of deforestation as well as promoting rural development. Another decision supported the [renewable energy investment plan](http://www-cif.climateinvestmentfunds.org/fund/scaling-renewable-energy-program) of Cambodia with US$ 30 million enabling the country to develop a solar energy program, including rooftop solar systems and minigrids, as well as a biomass power project.

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About the Climate Investment Funds:

The US$ 8.3 billion Climate Investment Funds provides 72 emerging and developing economies with urgently needed resources to manage the challenges of climate change and reduce their greenhouse gas emissions. For more information: http://www-cif.climateinvestmentfunds.org/

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