

CLIMATE INVESTMENT FUNDS

Joint CTF-SCF/TFC.20/3
January 23, 2019

Joint Meeting of the CTF and SCF Trust Fund Committees
Ouarzazate, Morocco
Thursday, January 31, 2019

Agenda Item 3

STRATEGIC DIRECTIONS FOR THE CIF (SUMMARY)

Executive Summary

1. In 2008, global leaders recognized the enormity of the climate challenge and responded by establishing the Climate Investment Funds (CIF) to provide scaled-up financing to contribute to the demonstration, deployment, and transfer of low-carbon and resilient climate solutions with a significant potential for long-term transformational change across key markets and sectors.
2. Ten years on, the CIF has delivered on its founding ambitions and has been a key player in channeling unparalleled levels of climate finance to developing countries. Globally, CIF investments are supporting 26.5 gigawatts in new clean power capacity, improved energy access for 8.5 million people and over 300,000 businesses, greater climate resilience for 45 million people and 44,000 businesses, and 36 million hectares of more sustainable forests.
3. Despite these significant results, many hard-fought successes and lessons learned, the climate financing gap remains enormous with current estimates indicating that global annual investment of around USD 6.9 trillion over the period 2016 to 2030 may be necessary to put emissions on a pathway in line with a 2°C scenario.
4. The reality is that financing is yet to catch up with political commitment.
5. As the climate finance community looks to respond to growing global climate needs and ambition, this paper seeks to synthesize what we have learned from CIF's 10 years of supporting transformational change in climate change. It also presents ways through which the international community can continue to maximize the advantages of CIF's proven business model to support future climate action.
6. In line with CIF's founding mandate to serve as a learning laboratory for scaled-up climate finance, an Evaluation and Learning (E&L) Initiative was commissioned in 2016. The initiative is producing 30 studies and activities to enable learning that is relevant, timely, and informative for multilateral climate finance strategy development and decision making.
7. The initial findings of these independent studies reveal that the CIF business model is both unique among climate funds and is systematically contributing to transformational change outcomes across several country contexts and change dimensions. The evaluations have found the following:
 - The CIF's **programmatic approach** makes a substantial contribution to ensuring that country programs support national priorities and transformational change and significantly enhances knowledge and learning.
 - **Delivering finance through multilateral development banks (MDBs)**, in a coordinated manner, contributes to design of large-scale, coherent intervention packages that help move markets.
 - The **scale, concessionality, and certainty** of CIF resources help effectively engage MDBs, government, and private sector actors in the investment planning process and positively influences the types of projects CIF supports: innovative and first-of-a-kind projects, alongside programs that address multiple barriers in pursuing climate-smart development.

- CIF's business model **supports social inclusion**, including improved gender mainstreaming; advancing women's voice, skills, and livelihoods; and giving voice to indigenous peoples and local communities in decision making.
8. Over the last 10 years, the CIF has fine-tuned a highly effective and efficient business model that has delivered transformational change through the MDBs that continue to play a key role in helping developing countries accelerate towards a low-carbon and climate-resilient future.
 9. There is now an important window of opportunity to build on the success of the CIF business model and harness its assets to deliver on emerging priorities and push technological frontiers further and faster.