



**Joint Meeting of the CTF and SCF Trust Fund Committees
Washington D.C. (Virtual)
Tuesday, January 25, 2022 – Wednesday January 26, 2022**

**SUPPLEMENTAL BUDGET REQUEST FOR CIF
SUMMARY**

PROPOSED DECISION

The joint meeting of the CTF and SCF Trust Fund Committees has reviewed the Joint CTF-SCF/TFC.25/5, *Supplemental Budget Request for CIF* and it welcomes the budget request. The joint meeting of the CTF and SCF TFCs further notes that the proposed FY22 (Fiscal Year 2022) Climate Investment Funds (CIF) Supplemental Budget provides administrative resources to operationalize the newly launched CIF programs. These resources will support (1) the selected countries under the new programs in their investment plan preparations and (2) other special initiatives for CIF's operating structure: (a) the CIF Administrative Unit as the central coordinating unit of the CIF partnership; (b) the Trustee as the administrator of the financial assets of CIF's trust funds; and (c) the six MDBs as the implementing partners.

The Joint Meeting of the CTF and SCF TFCs approves the administrative budget contained in the document Joint CTF-SCF/TFC.25/5, *Supplemental Budget Request for CIF*, as detailed in the FY22 Supplemental Budget Commitment Table below and supported by Tables 2 and 3 in the document.

FY22 Supplemental Budget Commitment Details (USD '000)

	CTF	SCF	Total
Total	2,500.5	1,895.5	4,396.0
Administrative Services	721.2	926.8	1,648.0
Special Initiatives:	1,779.3	968.7	2,748.0
<i>Country Engagement</i>	<i>400.0</i>	<i>806.2</i>	<i>1,206.2</i>
<i>Systems Development</i>	<i>162.5</i>	<i>162.5</i>	<i>325.0</i>
<i>CTF 2.0</i>	<i>666.8</i>	-	<i>666.8</i>
<i>South Africa JET-CAP Work Program</i>	<i>550.0</i>	-	<i>550.0</i>

1. The joint meeting of the CTF and SCF Trust Fund Committees approved the FY22 (Fiscal Year 2022) Business Plan and Budget in June 2021. Since then, two new CIF programs—the Accelerating Coal Transition Investment Program and the Renewable Energy Integration Program—have entered the operationalization phase. Moreover, pursuant to the decisions of the CTF TFC in meetings held in June and October 2021, the work on the CTF 2.0 proposal has picked up pace. The CIF Administrative Unit has also been requested to provide technical coordination support services for the South Africa Just Energy Transition Work Program.
2. Accordingly, in addition to the approved FY22 Budget, the CIF Administrative Unit, the Trustee, and the multilateral development banks (MDBs) expect to incur costs through FY22 in order to (a) operationalize the two new programs; (b) support the approved countries in their investment plan preparations; (c) develop systems to meet the new program requirements; (d) finalize the CTF 2.0 proposal and other related activities; as well as (e) provide support for the South Africa Just Energy Transition Country Action Plan (South Africa JET-CAP). The FY22 budget proposal has not included budgets for the above additional activities; however, it has indicated that a supplemental budget to cover the cost of programming and pipeline preparation for the new programs will be requested upon the receipt of sufficient contributions to such programs.
3. The document Joint CTF-SCF/TFC.25/5, Supplemental Budget Request for CIF presents a proposal for the FY22 Supplemental Budget and requests the Joint Meeting of the CTF and SCF TFCs to approve it. The Supplemental Budget Proposal does not include budget requests for services covered by the FY22 approved budget. As required, the FY23 Business Plan and Budget Proposal, along with subsequent annual business plan and budget proposals, will present the budget proposals for these services for those respective fiscal years.
4. The FY22 Supplemental Budget Proposal is presented under two categories: a) the Administrative Services Budget for around USD1.65 million and b) the Special Initiatives Budget for around USD2.75 million. The Special Initiatives Budget includes requests by (a) the MDBs for the Country Engagement Budget activities to support investment plan preparation; (b) the CIF Administrative Unit for systems development and the support to the South Africa JET-CAP; and (c) the CIF Administrative Unit and the Trustee for CTF 2.0. A summary of the FY22 Supplemental Budget Proposal is given in Table 1 below more details presented thereafter:

Table 1: FY22 Supplemental Budget Commitment Details (USD '000)

	CTF	SCF	Total
Total	2,500.5	1,895.5	4,396.0
Administrative Services	721.2	926.8	1,648.0
Special Initiatives:	1,779.3	968.7	2,748.0
<i>Country Engagement</i>	400.0	806.2	1,206.2
<i>Systems Development</i>	162.5	162.5	325.0
<i>CTF 2.0</i>	666.8	-	666.8
<i>South Africa JET-CAP Work Program</i>	550.0	-	550.0

5. **Administrative Services Budget:** The CIF Administrative Unit, the MDBs, and the Trustee have made significant efforts since the beginning of FY22 to develop and pursue the operationalization of the approved new CIF programs. The country selection process for both the programs, started in July 2021, was conducted in record time. The CIF Administrative Unit and the partner MDBs worked hard to assist the supported countries with their EoI submissions. Furthermore, the two IEGs completed their review and recommendations under significant pressure to deliver the program launches in time for COP26. The FY22 expenses incurred or committed by the CIF Administrative Unit for the administration of ACT-IEG and REI-IEG are included in this supplemental budget request. Over the course of FY22, the CIF Partnership will continue with work on operationalizing the new programs, including the tasks outlined in the FY22 Supplemental Budget Request. For the above purposes, an Administrative Services Budget, as outlined in Table 2 below, is being requested.

Table 2: FY22 Supplemental Administrative Services Budget for ACT and REI (USD '000)

MBD	CTF	SCF	Total
Total	721.2	926.8	1,648.0
CIF Administrative Unit	155.0	190.5	345.5
MDBs	566.2	604.3	1,170.5
<i>Of which –</i>			
<i>ADB</i>	<i>103.6</i>	<i>91.0</i>	<i>194.6</i>
<i>AfDB</i>	<i>118.0</i>	<i>64.0</i>	<i>182.0</i>
<i>EBRD</i>	<i>132.0</i>	<i>193.9</i>	<i>325.9</i>
<i>IDB Group</i>	<i>52.8</i>	<i>122.5</i>	<i>175.3</i>
<i>IBRD</i>	<i>100.0</i>	<i>100.0</i>	<i>200.0</i>
<i>IFC</i>	<i>59.8</i>	<i>32.9</i>	<i>92.7</i>
Trustee	-	132.0	132.0

6. **Special Initiatives Budget for country engagement activities by MDBs in support of investment plan preparation for ACT and REI:** This budget will supplement the funding to MDB-coordinated activities in relation to the country's demand for investment plan preparation support for ACT and REI, including reviewing policies, regulatory and institutional frameworks, and roadmaps of the respective countries or the sub-national administrative divisions on coal transition and renewable energy integration, and identifying possible interventions and recommendations, identifying key stakeholders in relation to coal transition and renewable energy integration, implementing various ongoing and planned activities, as well as organizing consultation workshop(s) on barriers and possible measures for accelerating coal transitions in relevant countries, supporting development of project and program ideas/concepts, along with structuring and implementation arrangements, conducting national-level scoping studies on just transition issues related to coal phaseouts, as well as Running scoping, technical, and joint missions, as relevant, for the above purposes. Table 3 below gives a summary of the Country Engagement Budget requested for FY22 by the respective MDBs for the above purposes.

Table 3: FY22 Country Engagement Budget for ACT and REI (USD '000)

MBD	CTF	SCF	Total
Total	400.0	806.2	1,206.2
ADB	100.0	150.0	250.0
AfDB	80.0	100.0	180.0
EBRD	-	115.0	115.0
IDB	-	276.2	276.2
IBRD	220.0	165.0	385.0
IFC	-	-	-

7. **Systems Development:** A budget of USD0.325 million is being requested to support the upgrade of the CIF Collaboration Hub (CCH) to meet the coding, data capture, workflow and reporting requirements of ACT and REI, including for the development of sub-window structures under CTF and SCF for ACT and REI respectively; the system setup for the new GCAP Sub-committee; the addition of the necessary country co-financing, project milestones, project status, sector, and thematic records; the updating of the financial, operational, and results reporting templates; the updating of relevant portfolio management functions; and the updating of the system to factor in the unique requirements of the investment plan preparation phase.
8. **CTF 2.0:** The CIF Administrative Unit and the Trustee have estimated a budget of around USD1.167 million through FY22 to continue activities pursuant to the [decision](#) of the CTF TFC, made at its meeting that is held on October 12, 2021. However, of the USD1 million [approved](#) as part of the [FY17 Business Plan and Budget](#) Proposal for the CTF Financing Modalities Special Initiative, an amount of USD0.5 million was not utilized. Accordingly, it was proposed to use such approved, but unutilized, budget to continue the CTF 2.0 work, with the request for an approval for the difference of around USD0.667 million as part of the FY22 Supplemental Budget Proposal.
9. **CIF Administrative Unit's Services in support of the South Africa JET-CAP:** At COP26, the governments of RSA, France, Germany, UK, and the United States, along with the European Union, announced a new ambitious, long-term Just Energy Transition Partnership (JETP) to support the RSA's decarbonization effort. The CIF Administrative Unit was requested to provide technical coordination services to help facilitate support from the key stakeholders, including multilateral and bilateral development finance institutions, the private sector, and philanthropies among others, to help steer ambitious coal transition reforms on behalf of international partners, based on a multi-year framework in the RSA. In order to enable the CIF Administrative Unit to continue providing the technical coordination services as outlined above, the CIF Administrative Unit is required to hire the services of senior consultants. A budget of USD0.55 million is being requested to cover the FY22 costs of these consultants and mission travel as required.



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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.



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