CLIMATE INVESTMENT FUNDS

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Joint Meeting of the CTF and SCF Trust Fund Committees
Cape Town, South Africa
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NOTE TO THE JOINT MEETING OF THE CTF AND SCF TRUST FUND COMMITTEES ON STRENGTHENING THE CIFS – LEARNING FROM EXPERIENCE

SUBMITTED BY: TRUST FUND COMMITTEE MEMBER FROM THE UNITED KINDGODM

Strengthening the CIFs – learning from experience

Reflecting on experience to date we would like to highlight five areas where we believe the CIFs can be strengthened, and suggest some tangible indicators of progress by December 2011.

The five areas are:

Development impact, including gender: Funding to the CIFs counts as ODA and the CIFs underlying purpose is to provide additional financial resources to developing countries in order to help them mitigate and manage the challenges of climate change. It is important that development impact is central to the results frameworks in investment plans and projects. One key aspect of this is paying much better attention to outcomes for women and girls.

We will:

a) look for better integration and quantification of development impact in the projects we receive for approval, and will have as a target that we need to raise this as an issue in fewer than 1 out of every 5 project proposals between now and December 2011;

b) assess progress in attention to women and girls through (i) the inclusion of at least one indicator disaggregated by gender in every project, (ii) the inclusion of a gender expertise in all CIF joint missions and expert groups, and (iii) the development of gender expertise within the Admin Unit.

Country ownership and transparency: While at the global level and in global level consultations the CIFs have been strong, partnership behaviour at country level has been mixed. Progress partly depends on a range of measures being taken across the MDBs more generally, such as greater decentralisation.

Within the CIFs we will particularly look for:

a) confirmation that MDB staff are effectively supporting country leadership, assessed through feedback from (i) lesson learning briefs, (ii) government representatives, (iii) feedback from donor staff in-country.

b) engagement with private sector associations and civil society in the development of all investment plans and, unless justified otherwise, projects. This engagement should be explicitly set out in each plan or project, along with clear plans for continuing stakeholder involvement in monitoring and evaluation;

c) improved transparency, with agreement by December to (i) eliminate closed executive sessions under the CTF, (ii) make (sub) committee comments on national plans and projects publicly accessible, (iii) make mission reporting publicly accessible, (iii) make the CIFs compliant with the International Aid Transparency Initiative.

Innovation, private sector and additionality: The CIFs have been designed to be innovative and transformational. A successful outcome relies on a strong understanding of this by the MDBs and country partners especially, with particular attention paid to effective working with the private sector.

We will look for:

a) all projects and programmes to clearly set out how they will contribute to long term transformation, with identification of indicators of how progress to transformational outcomes will be measured;

b) rapid disbursement to projects (with projects presented no more than [18] months after agreement on national plans, and disbursement following within [9] months of project approval), together with transparent reporting of the reasons for significant delays (baseline tbc);

c) by December 2011 a mechanism to stimulate innovative programmes/ projects is stimulated is proposed for each fund/ programme;

d) the use of greater variety of MDB instruments, including at least [one] example of each of the following identified for CIF support and under design by December 2011 – a development policy loan, country trust fund, results based finance programme;

e) a paper on how to use a wider variety of instruments (eg. guarantees, equity and debt finance) to stimulate private sector finance through the CIFs by December 2011;

f) the additionality of the CIFs to existing MDB portfolios (measured by the increased % of clean energy lending as a proportion of overall energy lending, for each MDB, with baseline and targets to be agreed by December 2011).

Results: Demonstrable results are fundamental to the success of the CIFs. The CIF results frameworks underpin the CIF's ability to demonstrate value-for-money. Although the CIFs were set up quickly, the results frameworks have taken much longer to agree.

Three areas we will particularly watch are:

a) completion of Results Sourcebook by September 2011,

b) review of methodologies for programme level indicators by December 2011;

c) identification of 3 to 5 core indicators from the relevant results framework for each programme by, to be explicitly identified in each project from September 2011 onwards.

Lesson learning, knowledge management and communications: CIFs need to provide and effectively communicate a strong evidence base of results and lessons on climate financing that is transformative, innovative and goes beyond business as usual. This is particularly important as we design the Green Climate Fund through the Transitional Committee.

We will look for:

a) a much more accessible website with communication products available by theme, and project data available by October 2011;

b) use of social networking platform for knowledge sharing by September 2011.

NB. Baselines for all the above to be confirmed where appropriate.