

# CLIMATE INVESTMENT FUNDS

June 11, 2015

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Summary of the Co-Chairs  
Joint Meeting of the CTF and SCF Trust Fund Committees  
May 11, 2015

Co-Chairs

Mr. L.K. Atheeq, India  
Ms. Kate Hughes, United Kingdom

## **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, Mr. L.K. Atheeq, the CTF Trust Fund Committee member from India, as the Co-Chairs.

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

2. The representative from Brazil noted that the SCF agenda item on, “Proposal for Strategic Climate Fund Private Sector Facility” has strategic and policy implications for all CIF pilot countries, and proposed that this agenda item should be considered at this joint meeting.

3. The joint meeting of the CTF and SCF Trust Fund Committees adopted the provisional agenda set forth in document CTF-SCF/TFC.14/1, with an addition of the agenda item, agenda item number 8, “Proposal for Strategic Climate Fund Private Sector Facility”.

## **AGENDA ITEM 3. FY16 BUSINESS PLAN AND BUDGET**

4. The joint meeting of the CTF and SCF Trust Fund Committees reviewed the document *JOINT CTF-SCF/TFC.14/3, FY16 CIF Business Plan and Budget*, and approves the FY16 CIF Business Plan and Budget, subject to budgetary adjustments required as a result of subsequent decisions made by the respective Trust Fund Committees and Sub-Committees from May 11 to May 15, 2015.

5. The Committees welcome the business plan and notes that the proposed FY16 CIF budget provides administrative resources for the expected work program of the CIF’s corporate management structure: the Trustee as manager of the financial assets of the CIF trust funds, the Administrative Unit as the central coordinating unit of the CIF partnership, and the five MDBs as the implementing partners.

## **AGENDA ITEM 4. MEASURES TO FURTHER IMPROVE THE GOVERNANCE OF THE CLIMATE INVESTMENT FUND**

6. On June 25, 2014, the joint meeting of the CTF and SCF Trust Fund Committees reviewed the *Action Plan in Response to the Independent Evaluation of the CIF* (document CTF-SCF/TFC.12/9) and invited the CIF Administrative Unit and the MDBs to collaborate to implement the actions identified in the decision. One such action was to revise the paper *CTF-SCF/TFC.11/7/Rev.1, Measures to Improve the Efficiency of CIF Committees*, and to recommend additional options to improve the efficiency of Committee meetings and decision making while ensuring effectiveness.

7. The paper, *JOINT CTF-SCF/TFC.14/4, Measures to Improve the Governance of the Climate Investment Funds*, has been prepared by a consultant, drawing on inputs from Trust Fund Committee members, observers, MDBs, CIF Administrative Unit and comparative analyses from other relevant international institutions.

8. The joint meeting, having reviewed document *JOINT CTF-SCF/TFC.14/4, Measures to Improve the Governance of the Climate Investment Funds*, welcomes the analysis conducted by the consultant and agrees to the following measures:

9. Strategic paper: The joint meeting invites the CIF Administrative Unit, in consultation with the Trust Fund Committee members and MDBs, to prepare a paper on strategic issues relating to the CIF to be presented at the next joint meeting in November 2015, including:

- i. A reflection on the strategic objectives of the CIF and an assessment of their accomplishments;
- ii. Transformational impact of its investments and lessons learned; and
- iii. The additionality of the CIF in the climate financing architecture.

10. Boosting stakeholder integrity and accountability: The joint meeting requests the CIF Administrative Unit to develop for review and approval by the joint meeting: (i) consolidated documents on roles and responsibilities for Co-Chairs, Trust Fund Committee and Sub-Committee members and observers; and (ii) a code of conduct for Trust Fund Committee and Sub-Committee members, observers and technical experts to better address issues of integrity, accountability and conflict of interest. The joint meeting encourages the MDBs to maintain the programmatic and collaborative nature of CIF investments during project preparation and implementation and provide comprehensive updates on this as part of their regular reporting requirements to the Trust Fund Committees and Sub-Committees.

11. Establishing a Stakeholder Advisory Network (SAN) to provide an avenue for knowledge and experience sharing between current and past observers (CSO communities, indigenous peoples and private sector) that supports and enhances observers' contributions to directions, strategies, projects, and learning efforts of CIF: The joint meeting requests the CIF Administrative Unit to develop a proposal, with the participation of observers, for the initiation and support of a SAN.

12. Rethinking the Partnership Forum: Given the volume of events leading up to the COP 21 in Paris, the joint meeting agrees that there will be no Partnership Forum in 2015. Taking into account the issues covered in the strategic paper and comments provided by the Trust Fund Committee members, the joint meeting requests the CIF Administrative Unit to present a proposal on the future of the Partnership Forum. For a targeted and timely dissemination of the results achieved and lessons learned by the CIF and in order to improve the visibility of the CIF, the joint meeting also requests the CIF Administrative Unit, on a pilot basis, to organize smaller and more targeted events, preferably alongside other regional or international events of the MDB and other partners, especially events hosted in recipient countries.

13. Establishing guidelines for the self-selection process for recipient countries to be conducted in advance of the next joint meeting: The joint meeting requests the CIF Administrative Unit, in consultation with all [pilot] recipient countries, to prepare an information paper on the self-selection process, including the upcoming seat selection process, in order to engage a plurality of countries and ensure inclusiveness and effectiveness of this process.

14. Improving meeting efficiency through the change in the timing of the Co-Chairs' selection process. The selection of the countries providing the Co-Chairs will take place at the close of the member seat selection process. The specific person to fill the Co-Chair role can be named during the time between the country selection and the next Committee meeting, but in time for participation in meeting preparation activities.

15. Improving the decision making process during and in-between meetings: The joint meeting invites the CIF Administrative Unit to continue to collaborate with the Trustee to develop a Web-based, secure collaboration platform for approving decisions, taking advantage of the expanded capabilities being provided by the Trustee through its Financial Intermediary Funds Collaboration Platform. The joint meeting requests that the Trust Fund Committees and Sub-Committees maintain the current arrangement of decisions-by-mail. The joint meeting also invites the CIF Administrative Unit to propose a standard process for assigning which decisions should be discussed during the Trust Fund Committee and Sub-Committee meetings, and which decisions should be processed through the "decision-by-mail" or "online decision" process.

16. Tracking Trust Fund Committee and Sub-Committee decisions: The joint meeting requests the CIF Administrative Unit to track and inform the Trust Fund Committee and Sub-Committee members of adopted decisions and their implementation.

**AGENDA ITEM 5. PROPOSED MEASURES TO STRENGTHEN NATIONAL-LEVEL STAKEHOLDER ENGAGEMENT IN THE CLIMATE INVESTMENT FUND**

17. The joint meeting of the CTF and SCF Trust Fund Committees, having reviewed document *JOINT CTF-SCF/TFC.14/5, Proposed Measures to Strengthen National-level Stakeholder Engagement in the Climate Investment Funds*, recognizing that recipient countries are responsible for carrying out the process of national stakeholder engagement, considering their national circumstances, and with the support of the CIF Administrative Unit and MDBs, agrees to the measures proposed in the document including proposals to:

- i. Foster the use of existing country systems for stakeholder engagement by considering in each country the existing regulations, policies, practices, and institutions for participation, particularly existing processes for consultations, and how these can be used, adapted, or strengthened for CIF purposes.
- ii. Plan and adhere to an effective process of stakeholder engagement, including assisting the CIF pilot countries to conduct regular stakeholder mapping to identify: a) priority stakeholders; b) relevant networks and fora; c) likely issues; and d) the necessary consultations for the investment plans.
- iii. Address capacity needs and foster stakeholder engagement by creating opportunities for substantive exchange between pilot countries to foster peer-to-peer learning and advice on stakeholder engagement and other issues.
- iv. Harmonize the principles for stakeholder engagement across CIF programs (CTF, SREP, PPCR and FIP), acknowledging the unique features of the four programs.

18. The joint meeting requests the CIF Administrative Unit to work with the pilot countries and observers to agree on a work program and budget for FY16 and FY17 to carry out the measures agreed above. The agreed work program and budget should be submitted to the CTF and SCF Trust Fund Committees for approval by mail.

**AGENDA ITEM 6. KNOWLEDGE FROM EVALUATION FOR LEARNING IN THE CLIMATE INVESTMENT FUND**

19. The joint meeting, having reviewed document *JOINT CTF-SCF/TFC.14/6, Knowledge from Evaluation for Learning in the Climate Investment Funds*, endorses the proposal to enhance the generation of knowledge from evaluation for learning in the CIF. This work should complement the current annual monitoring and reporting on core indicators in the CTF, PPCR and SREP and the monitoring and reporting on common and co-benefit themes in the FIP. The joint meeting invites the CIF Administrative Unit:

- i. To create a “special initiatives budget” which would be funded through the SCF Administrative Budget for work on evidence based learning.
- ii. To create a CIF-wide Advisory Group on Knowledge from Evaluation for Learning, as set out in Annex I of the above document. The Advisory Group would consist of eight individuals with expertise in learning and significant knowledge of evaluation, some of which should have knowledge of climate finance; they should also have the stature to provide peer-level insights: one member from the CIF AU (the Senior Evaluation and Learning Specialist) as the chair of the group; one member from an MDB; one member from a donor country; one member from the CIF observers, two members from recipient countries; and two external experts in the fields of climate change, evaluation, and learning who are not affiliated with the CIF or the MDB independent evaluation offices.
- iii. To ensure that the activities for enhancing the generation of knowledge from evaluation for learning will be carried out by the CIF Administrative Unit and MDBs under the guidance and express approval by the CIF pilot country focal point in the countries where the projects under evaluation are implemented. The participation in such exercises is voluntary.

20. You will recall that the decision in June 2014 on the FY15 Business Plan and Budget indicated that funds provided under the special initiative for learning, a total of USD 3.213 million, would not be drawn upon until the appropriate decision was made by the joint meeting. The joint meeting acknowledges that at least three CIF projects have already received research support for impact evaluation from the Development Impact Evaluation Initiative (DIME).

21. These are:

- i. PPCR, Mozambique: Sustainable Land Water Resource Management Project (AfDB)
- ii. FIP, Brazil: Sustainable Production in Areas Previously Converted to Agricultural Use (IBRD)
- iii. FIP, Burkina Faso: Gazetted Forests Participatory Management Project (AfDB)

22. The joint meeting recommends that these projects, which still require additional funding of up to USD 600,000 each for data collection, receive this additional funding from the special initiative for learning, which was requested in the FY15 CIF Administrative Budget.

23. The joint meeting requests the CIF Administrative Unit to hire a Senior Evaluation and Learning Specialist to lead the implementation of the actions proposed in this decision for the generation of knowledge from evaluation for learning in the CIF and support the CIF Administrative Unit in the area of knowledge and learning. This position will be funded jointly by the special initiatives budget for work on evidence based learning and by the CIF Administrative Unit budget.

#### **AGENDA ITEM 7. PROPOSAL TO CHANGE THE INVESTMENT MANAGEMENT STRATEGY**

24. The joint meeting of the CTF and SCF Trust Fund Committees reviewed the document *JOINT CTF-SCF/TFC.14/7, Proposal to Change the Investment Management Strategy* and

- i. approves the participation of the CTF Trust Fund in Tranche 4 of the co-mingled investment portfolio for all trust funds administered by the World Bank, which would have a five year investment horizon and would include an allocation of up to 5% of the CTF Trust Fund's liquidity to equities;
- ii. acknowledges that the current investment strategy for the SCF Trust Fund will be retained.

#### **AGENDA ITEM 8. PROPOSAL FOR STRATEGIC CLIMATE FUND PRIVATE SECTOR FACILITY**

25. The joint meeting reviewed document *SCF/TFC.11/3, Proposal for Strategic Climate Fund Private Sector Facility* and notes with appreciation the work of the CIF Administrative Unit and the MDB Committee to develop the proposal.

26. Recognizing that engaging the private sector is critically important to scale-up climate finance to achieve carbon emissions reductions and greater climate resilience and adaptation in particular, the joint meeting requests that the issue of private sector engagement for mobilizing investments, the role of innovation and competition, and the availability of resources, taking into account the existing pipelines in each SCF program, are included into the strategic paper requested by the joint meeting under agenda item 4 on May 11, 2015. Any proposed Private Sector Facility should be open, transparent, and competitive and consider country ownership.

27. In the meantime, the joint meeting encourages the SCF Sub-Committees to consider the scope, objectives and eligibility criteria governing the use of the private sector set asides resources to improve the functioning of the set-aside procedures within each SCF program and the opportunities to finance private sector projects.

**AGENDA ITEM 9. OTHER BUSINESS**

28. No other decision items were raised by the Joint Committees.

**AGENDA ITEM 5. CLOSING**

29. The joint meeting was closed on Tuesday, May 12, 2015.