

# CLIMATE INVESTMENT FUNDS

May 16, 2016

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## **NOTE ON ROLES AND RESPONSIBILITIES OF CLIMATE INVESTMENT FUNDS CO-CHAIRS, MEMBERS AND OBSERVERS**

## **I. TRUST FUND COMMITTEE AND SUB-COMMITTEE MEMBERS:**

### **a. CTF Trust Fund Committee**

#### **Purpose and Objectives:**

1. The CTF aims to provide scaled-up financing to contribute to demonstration, deployment, and transfer of low-carbon technologies with significant potential for long-term greenhouse gas emissions savings. CTF concessional financing focuses on large-scale, country-led projects in renewable energy (wind, solar, geothermal), transport (bus rapid transit, public transportation, high efficiency vehicles, modal shifts), and energy efficiency (industry, building, district heating, municipal, and household). Recognizing that a combination of public sector policies and private sector action can achieve major results in climate-resilient development, the CTF places an emphasis on private sector engagement.

#### **Role of the CTF Trust Fund Committee**

2. The CTF Trust Fund Committee is the decision-making body responsible for determining and overseeing the operations and activities of the CTF. It is responsible for:

- a) approving programming and pipeline priorities, operational criteria and financing modalities;
- b) ensuring that the strategic orientation of the CTF is guided by the principles of the UNFCCC;
- c) endorsing further development of activities in investment plans for CTF financing;
- d) approving allocation of CTF resources for programs and projects;
- e) approving allocation of CTF resources for administrative budgets;
- f) providing guidance on the convening of the Partnership Forum;
- g) ensuring monitoring and periodic independent evaluation of performance and financial accountability of the MDBs;
- h) approving annual reports of the CTF;
- i) ensuring that annual reports and evaluations, including lessons learned, are transmitted to the UNFCCC;
- j) reviewing reports from the Trustee on the financial status of the CTF; and
- k) exercising such other functions as the CTF Trust Fund Committee may deem appropriate to fulfill the purposes of the CTF.

### **b. SCF Trust Fund Committee**

#### **Purpose and Objectives:**

3. The SCF provides financing to pilot new development approaches to specific climate change challenges through three targeted programs: the FIP, PPCR, and SREP.

## **Role of the SCF Trust Fund Committee**

4. The SCF Trust Fund Committee is the decision-making body responsible for determining and overseeing the operations and activities of the SCF. It is responsible for:

- a) approving establishment of SCF Programs and the scope, objectives and eligibility criteria governing the use of the funds under the SCF Programs based on a consultative process and an analysis to determine the utility of new SCF Programs;
- b) ensuring that the strategic orientation of the SCF is guided by the principles of the UNFCCC;
- c) establishing a SCF Sub-Committee for each SCF Program and designating who may participate in the SCF Sub-Committee;
- d) approving allocation of SCF resources for administrative budgets;
- e) providing guidance on the convening of the CIF Partnership Forum;
- f) ensuring monitoring and periodic independent evaluation of performance and financial accountability of MDBs;
- g) approving annual reports of the SCF;
- h) ensuring that lessons learned are transmitted to the UNFCCC and other relevant bodies;
- i) reviewing reports from the Trustee on the financial status of the SCF; and
- j) exercising such other functions as they may deem appropriate to fulfill the purposes of the SCF.

## **c. FIP Sub-Committee**

### **Purpose and Objectives**

5. The FIP supports developing countries' efforts to reduce emissions from deforestation and forest degradation and promote sustainable forest management and enhancement of forest carbon stocks (REDD+). The FIP provides up-front financing for readiness reforms and public and private investments identified through national REDD+ strategies. Simultaneously, the FIP helps countries to adapt to the impacts of climate change on forests while supporting the rights of indigenous peoples and local communities, reducing poverty, and enhancing rural livelihoods. By design, FIP resources complement other REDD+ financing mechanisms such as the Forest Carbon Partnership Facility (FCPF), the Global Environment Facility (GEF), and the UN-REDD Program.

### **Role of the FIP Sub-Committee**

6. The FIP Sub-Committee is the decision-making body responsible for overseeing the operations and activities of the FIP. It is responsible for:

- a) agreeing upon the number of country or regional pilot programs;
- b) approving the terms of reference for, and the composition of, the expert group;
- c) appointing the members of the expert group;

- d) approving elaborated criteria for selection of country or regional pilots based on section V “Criteria of Selection of Country or Regional Pilots” and guidance to be followed by the expert group;
- e) selecting pilot countries taking into consideration the recommendations of the expert group;
- f) approving elaborated programming priorities and operational criteria based on section VI, “Criteria for FIP Investment Strategies, Programs and Projects”;
- g) approving financing terms and modalities for the FIP, including those for private sector activities;
- h) endorsing further development of activities in investment strategies for FIP financing;
- i) approving FIP financing for programs and projects;
- j) ensuring complementarity between activities foreseen for the FIP and activities of developing countries, relevant regional organizations and initiatives and other development partners active in the field of climate change and forests, including the FCPF and other MDB efforts, UN-REDD Programme and other UN efforts, and GEF;
- k) ensuring that the FIP program builds in provisions for evaluating the performance and effectiveness of FIP investments and for developing full reporting criteria and a performance measurement framework, taking into account Annex II of this document;
- l) periodically reviewing and publishing the effectiveness and impact of FIP programs and activities, and ensuring that “lessons learned” are applied to future FIP investments and transmitted through the SCF Trust Fund Committee to the UNFCCC and other stakeholders; and
- m) exercising such other functions as they may deem appropriate to fulfill the purposes of the FIP.

#### **d. PPCR Sub-Committee**

##### **Purpose and Objectives**

7. The PPCR provides incentives for integrating climate resilience at scale into national development planning. It offers funding for both public and private sector investments. PPCR pilot programs are designed to be country-led, to build on National Adaptation Programs of Action (NAPAs), to complement existing adaptation funding, and to support actions consistent with national poverty reduction and development goals.

##### **Role of the PPCR-Sub-Committee**

8. The PPCR Sub-Committee is the decision-making body responsible for overseeing and approving the operations and activities of the PPCR. It is responsible for:

- a) approving programming priorities, operational criteria and financing modalities for the PPCR;
- b) selecting countries to be funded under the PPCR and approving PPCR financing for programs;

- c) approving periodic reports to the SCF Trust Fund Committee on the operations of the PPCR, so as to ensure that lessons learned are transmitted through the SCF Trust Fund Committee to the AFB, the United Nations Framework Convention on Climate Change (UNFCCC) and other stakeholders;
- d) ensuring complementarity between activities foreseen for the PPCR and activities of other development partners active in the field of climate change adaptation, including the Global Environment Facility (GEF) and the United Nations (UN) organizations, and ensuring effective cooperation between the PPCR and the GEF and UN country activities to maximize synergies and avoid overlap;
- e) approving members of the Expert Group and providing guidance and information necessary for the Expert Group to perform its functions; and
- f) exercising such other functions as they may deem appropriate to fulfill the purposes of the PPCR.

#### **e. SREP Sub-Committee**

##### **Purpose and Objectives**

9. The SREP aims to demonstrate the economic, social, and environmental viability of low-carbon development pathways in low-income countries. It aims to help countries increase energy access and stimulate economic growth through scaled up use of renewable energy. It acts as a catalyst for the transformation of the renewable market by obtaining government support for market creation, private sector implementation, and productive energy use. The SREP finances solar, wind, bio-energy, geothermal, and small hydro power technologies.

##### **Role of the SREP-Sub-Committee:**

10. The SREP Sub-Committee is the decision-making body responsible for overseeing and approving the operations and activities of the SREP. It is responsible for:
- a) appointing the expert group and approving criteria and guidance to be followed by the group;
  - b) selecting country and regional programs;
  - c) approving financing modalities for the SREP;
  - d) endorsing further development of activities in country plans for trust fund financing;
  - e) approving SREP financing for programs and projects;
  - f) approving a results measurement framework for SREP and periodically reviewing the effectiveness and impact of SREP programs and activities and ensuring that lessons learned are applied to future SREP investments and transmitted through the SCF Trust Fund Committee to the UNFCCC, the Partnership Forum and interested stakeholders;
  - g) approving periodic reports to the SCF Trust Fund Committee on the operations of SREP;
  - h) ensuring complementarity between activities foreseen for SREP and activities of other development partners active in the field of climate change, including the GEF, UNDP and UNEP, and ensuring effective cooperation between the SCF Program

- and GEF, UNDP and UNEP country activities to maximize synergies and avoid overlap; and
- i) exercising such other functions as they may deem appropriate to fulfill the purposes of SREP.

**f. Joint Meeting of the CTF and SCF Trust Fund Committees**

11. Issues and policies relating to the CIF as a whole are considered at joint meetings of the CTF and SCF Trust Fund Committees. For example, the CIF's annual administrative budget and business plan are approved in joint meetings.

12. Joint meetings of the CTF and the SCF Trust Fund Committees seek to maintain the principle of an equal number of seats for contributor countries and recipient countries, therefore sixteen seats are provided for each group of countries. This allows recipient and contributor countries represented on both of the CTF and SCF Trust Fund Committees to participate in the joint meeting's strategic discussions. If there are unfilled seats at the joint meeting for either the recipient or contributor countries, each group should agree among themselves on how to fill the additional seats.

**Membership Term:** Members serve for an 18-month term.

**II. OBSERVERS ROLES AND RESPONSIBILITIES**

13. The CIF governing structure represents a unique model for multi-stakeholder engagement. Stakeholders are invited to participate in meetings of the Trust Fund Committees and Sub-Committees as Observers in order to help promote sound and transparent decision making, efficient use of resources, and complementarily with other sources of financing. Observers are drawn from CSOs, the private sector, and indigenous peoples' groups.

14. Representatives from organizations as identified in Table 1 below, are invited to observe CIF meetings, as provided for in the Governance Frameworks. In addition, the Green Climate Fund (GCF) is also invited to observe CIF meetings.

15. Observers can request the floor during discussions, request the addition of agenda item, and recommend external experts to speak on specific items. Co-chairs may also invite Observers to address the CTF and SCF Trust Fund Committee and SCF Sub-Committee meetings in matters of strategic discussion or direct concern. Observers from CSOs, the private sector, and indigenous peoples' groups are identified through self-selection processes and serve for 24-month terms.

**Table 1: CIF Observers**

<b>Organization</b>	<b>Observer Participation</b>
Self-selected civil society organizations	All CTF and SCF Trust Fund Committee and SCF Sub-Committee meetings
Self-selected indigenous peoples' groups	All CTF and SCF Trust Fund Committee and SCF Sub-Committee meetings
Self-selected private sector entities	All CTF and SCF Trust Fund Committee and SCF Sub-Committee meetings
Community-based organization focused on adaption	PPCR Sub-Committee meetings
Energy for the Poor Initiative (EFPI)	SREP Sub-Committee meetings
Forest Carbon Partnership Facility (FCPF)	FIP Sub-Committee meetings
Global Environment Facility (GEF)	All CTF and SCF Trust Fund Committee and SCF Sub-Committee meetings
Green Climate Fund (GCF)	All CTF and SCF Trust Fund Committee and SCF Sub-Committee meetings
United Nations Environment Programme (UNEP)	All CTF and SCF Trust Fund Committee and SCF Sub-Committee meetings except FIP Sub-Committee meetings
United Nations Development Programme (UNDP)	All CTF and SCF Trust Fund Committee and SCF Sub-Committee meetings except FIP Sub-Committee meetings
United Nations Framework Convention on Climate Change (UNFCCC)	All CTF and SCF Trust Fund Committee and SCF Sub-Committee meetings
UN Permanent Forum on Indigenous Issues (UNPFII)	All CTF and SCF Trust Fund Committee and SCF Sub-Committee meetings
UN-REDD Technical Secretariat	FIP Sub-Committee meetings

**Roles and Responsibilities**

16. Self-Selected Observers participate in the CIF meetings primarily in their capacity as representatives of their entire constituencies. They represent the interests of a broader community, not just that of their own organization.

Observers should seek to:

- a) support coordination of their constituency's perspectives in order to provide value to decision-makers and other stakeholders in the CIF;
- b) provide input to the CIF to support stakeholder sector engagement in implementation of transformational strategies;
- c) gather input on their constituency agenda items from broader based respective communities;
- d) report back to their constituency on the outcomes of the CIF meetings;
- e) disseminate information broadly to their constituency through existing channels;

- f) provide a suitably qualified representative and alternate if necessary;
- g) represent their constituencies at the annual Partnership Forum.

Observer individuals who are selected to attend the CIF meetings are responsible for:

- a) preparing for meetings;
- b) coordinating input into meetings in consultation with other Observers;
- c) consulting with other stakeholders in their constituency;
- d) representing the interests of their constituency, not just of their own organization;
- e) complying with agreed consultation guidelines/standards developed by a representative group of their constituency.

In the CTF and SCF Trust Fund Committee and SCF Sub-Committee meetings, the scope of Observer participation may include:

- a) requesting the floor during discussions of the CTF and SCF Trust Fund Committees and SCF Sub-Committees to make verbal interventions. Selected Observers from each of the constituency groups are requested to work together to coordinate their interventions so as to maximize the efficiency of the CTF and SCF Trust Fund Committees and SCF Sub-Committees proceedings;
- b) requesting the Co-Chairs to add agenda items to the provisional agenda;
- c) recommending to the Committee or the Co-Chairs external experts to speak on a specific agenda item.

#### **Terms for Observers**

17. Positive working relationships are an important factor for success, and it can take time for parties to establish those constructive relationships. Continuity and consistency in representation are useful. Due to these considerations, CIF constituencies appoint representatives to serve as Observers for a fixed time period of 24 months.

### **III. CO-CHAIR ROLES AND RESPONSIBILITIES**

#### **Roles and Responsibilities**

18. The CTF and SCF Trust Fund Committees and each SCF Sub-Committee (FIP, PPCR, and SREP) elect two co-chairs each from among their Committee members (Members) to serve for an 18-month term. One co-chair is a representative of an eligible recipient country and the other co-chair is a representative of a contributor country.

19. The Co-Chairs shall serve in the CIF meetings in that capacity. The Member who is elected the Co-Chair shall appoint an Alternate to act for them in the relevant CIF meeting.

20. A quorum for any CIF meetings is two-thirds of decision-making Members. A quorum is verified at the beginning of the meeting and at the time of the adoption of the decision. Any CIF meeting at which a quorum shall not be present may be adjourned by the co-chairs.

#### **Specific Roles of the Co-Chairs**

- a) To review the preliminary draft agendas for each of the CTF Trust Fund Committee, SCF Trust Fund Committee and SCF Sub-Committee meetings and to agree jointly on the scheduling of meetings.
- b) With the support of the CIF Administrative Unit, to facilitate consultations with recipient/contributor Members on Committee documents prior to meetings.
- c) To provide advice, as needed, to CIF Administrative Unit Program Manager and Staff, on procedural or policy matters.
- d) To preside over the CIF meeting, declare the opening and closing of the meeting, submit to the CTF Trust Fund Committee, SCF Trust Fund Committee or the relevant SCF Sub-Committee for consideration all matters appearing on the adopted agenda of the meeting, and give the floor to the Members in the order in which they signify their desire to speak.
- e) To agree which Co-Chair shall facilitate which agenda discussion ahead of the meeting.
- f) To verify a quorum at the beginning of the CIF meeting.
- g) To call a speaker to order if his/her remarks are not relevant to the subject under discussion. Any Member may, at any time during the discussion of any matter, raise a point of order, which shall be decided immediately by the Co-Chairs.
- h) With the consent of the CTF or SCF Trust Fund Committee, or the relevant SCF Sub-Committee, the Co-Chairs may limit the time allowed to speakers and the number of times a speaker may speak on any questions.
- i) During the course of the proceedings, the Co-Chairs may announce the list of speakers and, with the consent of the CTF or SCF Trust Fund Committee or the relevant SCF Sub-Committee, declare the list closed. When there are no more speakers on the list, the Co-Chairs shall declare the debate closed.
- j) Recognizing their special areas of competence, the Co-Chairs may invite Observers to engage in an active dialogue during strategic discussions.
- k) To facilitate the deliberations of the meetings.
- l) Co-Chairs and the CIF Administrative Unit draft and agree on the final Co-Chairs summary, taking into account comments submitted by Members.
- m) For the approval-by-mail of policy proposals – Co-Chairs will be requested to provide clearance to circulate, to the full Committee, the decision and supporting documentation for approval by mail on a no-objection basis.
- n) Provide leadership to the CTF and SCF Trust Fund Committees and Sub-Committees;
- o) In collaboration with the CIF Administrative Unit, to advise the CTF and SCF Trust Fund Committees and SCF Sub-Committees of any known actions considered to be a conflict of interest, as it relates to the Code of Conduct of the CIF.