Climate Investment Funds

Milestones and Targets to Monitor Delivery of CTF Projects

June 25, 2012
I. **INTRODUCTION**

1. At its meeting in May 2012, the Trust Fund Committee agreed to establish a set of milestones and targets to monitor delivery of CTF projects.

2. In approving the targets, the Trust Fund Committee underscored that the targets are indications of the maximum time that should be allowed for achieving each milestone, and it encouraged countries, MDBs, and other stakeholders to strive to reach each milestone in significantly less time than the agreed target so as to ensure an effective and efficient delivery of CIF funds and early achievement of results.

II. **MILESTONES AND TARGETS**

3. In order to enhance CTF operations and strengthen pipeline management, the Trust Fund Committee agrees that four milestones for program and project delivery should be monitored:1

   a) a milestone on funding approval by the Trust Fund Committee from the date of endorsement of an investment plan;

   b) a milestone on MDB approval from the date of CTF funding approval;

   c) a milestone on project effectiveness from the date of MDB approval; and

   d) a milestone on project disbursement.

4. The milestones will be monitored and reported to the Trust Fund Committee in the semi-annual reports on CTF operations. In light of the current CTF pipeline, pipeline management criteria, the traffic lights system, and experience under the CIF, the Trust Fund Committee approves the following targets and actions to further encourage expeditious delivery of CTF projects.

   a) **CTF funding approval.** Once an investment plan is endorsed, all projects/programs therein should be submitted to the Trust Fund Committee for funding approval within 24 months from the date of endorsement of the investment plan.2

      If delay is expected for the submission of any project or program for CTF funding approval exceeding 24 months from the date of endorsement of an investment plan, the MDBs should work with the country to review the progress of implementation of the plan and submit an update to the Trust Fund Committee with a detailed explanation on the reasons for delay, corrective measures, and new delivery targets.3

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1 The targets and actions are not intended to supersede MDBs’ policies and procedures or the Financial Procedures Agreement between the Trustee and each MDB.

2 With respect to the endorsed investment plans for Nigeria, India, and Chile, the 24 months period will begin following the decision by the Trust Fund Committee on the allocation of the first tranche of funding.

3 Recognizing that a number of investment plans have already exceeded that target, the Trust Fund Committee requests the CIF Administrative Unit and the MDB Committee to provide to the Trust Fund Committee a schedule for providing updates on such plans by May 2013.
At the time of the first update for the investment plan, the Trust Fund Committee and the country should agree on the time frame for either submitting a revised investment plan or providing the next update on the investment plan, as appropriate.

If circumstances have evolved that require major changes of an endorsed investment plan, a revised investment plan should be prepared by the country with the support of the MDBs for review and endorsement by the Trust Fund Committee.

If the Trust Fund Committee endorses the update or the revised investment plan, the pipeline will be adjusted accordingly. If the Trust Fund Committee does not endorse the update or the revised investment plan, the Committee may decide to take appropriate actions, including releasing the resources from the plan and reallocating them to fund projects and programs in other endorsed investment plans.

b) **MDB approval.** Submission of appraised projects for MDB approval should be no later than 9 months after CTF funding approval.\(^5\)

If a project fails to meet this delivery target, the country in consultation with the MDBs involved (the MDBs in the case of private sector programs) should provide a detailed explanation to the Trust Fund Committee on the reasons for delay, corrective measures to be taken, and a reasonable new target for delivery.

If a project fails to meet the new delivery target, the Trust Fund Committee may review the situation and decide to take appropriate actions. Such actions may involve canceling project funding approval and releasing the funds for other projects and activities.

c) **Project effectiveness.** Project effectiveness should take place no later than 9 months after MDB approval.

If a project fails to meet this delivery target, the country, in consultation with the MDB or MDBs involved, should provide a detailed explanation to the Trust Fund Committee on the reasons for delay, corrective measures to be taken, and a reasonable new target for delivery.

The Trust Fund Committee may also communicate to the senior management of the MDB and request appropriate actions to be taken to expedite project effectiveness.

d) **Project disbursement.** The MDBs will monitor project disbursement closely and report to the Trust Fund Committee. If significant delay occurs, the Trust Fund

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\(^4\) For definition of “major changes”, see *CTF Guidelines to the Management of Pipeline and Revisions to Investment Plans*, December 15, 2011.

\(^5\) For private sector programs, the provisions under the CTF pipeline management guidelines apply. See *CTF Guidelines to the Management of Pipeline and Revisions to Investment Plans*, December 15, 2011.
Committee may communicate to the senior management of the MDB and request appropriate actions to be taken to expedite project disbursement.