



## **Joint Meeting of the CTF and SCF Trust Fund Committees**

*Washington D.C. (Hybrid)*

**Tuesday, June 21, 2022 – Wednesday June 22, 2022**

**FY23 CIF BUSINESS PLAN AND BUDGET**

## PROPOSED DECISION

The Joint Meeting of the Clean Technology Fund (CTF) and Strategic Climate Fund (SCF) Trust Fund Committees has reviewed the Joint CTF-SCF/TFC.26/4, *FY23 CIF Business Plan and Budget*, welcomes the business plan, and notes that the proposed FY23 CIF budget provides administrative resources for the expected work program of CIF's operating structure: the CIF Administrative Unit as the central coordinating unit of the CIF partnership, the Trustee as administrator of the financial assets of the CIF trust funds, and the six MDBs as the implementing partners.

The Joint Meeting of the CTF and SCF Trust Fund Committees approves the business plan and administrative budget contained in the document Joint CTF-SCF/TFC.26/4, *FY23 CIF Business Plan and Budget*, as detailed in this FY23 Budget Commitment Table and supported by Table 1 and Annex 1 in the document.

**Summary table: FY23 Budget Commitment (USD '000)**

	CTF - I	ACT	SCF - I	SCF - II	Total
<b>Total</b>	<b>11,743.3</b>	<b>5,966.9</b>	<b>11,517.3</b>	<b>7,671.1</b>	<b>36,898.6</b>
Administrative Services	<b>9,843.3</b>	<b>4,676.9</b>	<b>9,472.3</b>	<b>5,362.3</b>	<b>29,354.8</b>
Multi-Year Activities:	<b>1,900.0</b>	<b>1,290.0</b>	<b>2,045.0</b>	<b>2,308.8</b>	<b>7,543.8</b>
<i>Country Engagement</i>	<i>200.0</i>	<i>600.0</i>	<i>200.0</i>	<i>1,693.8</i>	<i>2,693.8</i>
<i>Special Initiatives</i>	<i>1,700.0</i>	<i>690.0</i>	<i>1,845.0</i>	<i>615.0</i>	<i>4,850.0</i>

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## 1 Strategic Overview

1. Established in 2008 at the request of the G8 and G20, the USD 10.5 billion Climate Investment Funds (CIF) are among the world's largest and most ambitious multilateral climate finance mechanisms for low and middle-income developing countries seeking a pathway to low carbon and climate resilient development.
2. Over the last 14 years, CIF has pioneered large-scale, low-cost, and long-term financing to accelerate global investment in next generation climate-smart technologies and transformational climate action. CIF has continued to deliver unparalleled levels of climate finance in more than 72 developing countries by lowering the overall cost and risk of climate financing, as evidenced through its robust portfolio of over 400 innovative climate-smart investment projects. By June 30, 2022, total CIF programming commitments will exceed USD 7.7 billion, with over USD 62 billion in co-financing optimally leveraged through public and private sources, including multilateral development banks (MDBs).
3. Over the last few years, CIF has been successfully broadening its outreach to increase global awareness on climate action, incentivize and nurture a strong global climate advocacy network, promote evidence-based learning to help catalyze climate investments, and inspire the next generation of climate advocates. With a focus on sustainability in all its transformational interventions through gender-mainstreaming and just transitions, CIF is one of the few global-scale multilateral partnerships that works closely and directly with communities most vulnerable to climate change and most dependent on natural resources, such that no one need be left behind by transformational change.
4. Moving forward, the challenges are bigger than ever. The latest UN Intergovernmental Panel on Climate Change (IPCC) report confirms CO<sub>2</sub> levels are at their highest in 2 million years, causing changes in global weather patterns and ocean levels, some irreversible. The World Economic Forum's 2022 Global Risk Report reveals that extreme climate action failure is the top concern of leaders and experts around the world, with major climate change impacts to be experienced in extreme weather, biodiversity loss, human environmental damage, and natural resource crises. CIF real-world expertise and innovative concessional financing experience positions it well as a key mechanism to pilot and scale approaches that can make a material impact in the fight against climate change in developing countries in the coming years.
5. Two new CIF programs, focused on some of the most pressing climate mitigation challenges, were launched during fiscal year 2022 (FY22) at COP26: the Accelerating Coal Transition (ACT) Investment Program and the Renewable Energy Integration (REI) Program.

These new CIF investment programs<sup>1</sup> are already helping drive greater climate ambition within CIF partner MDBs and countries, while leveraging multi-stakeholder experience in promoting alignment of resources, knowledge, and expertise across institutions for greater impact.

6. CIF has also continued to advance the work of the CIF Capital Markets Mechanism (CCMM, formally CTF 2.0), a potentially ground-breaking effort to mobilize more than \$500 million in new concessional finance annually for Clean Technology Fund (CTF). CIF has also been exploring potentially catalytic ways to engage with the private sector at scale—including mechanisms for private sector capital, such as institutional investors—to contribute to CIF at the fund level and maximize impact from CIF contributors, while generating significant private sector financing opportunities at the project level. CIF is also looking into how to drive support for venture-focused investments focused on high-risk but high-impact technologies, models, and approaches. Work on these initiatives will continue in FY23.
7. FY22 was also a big year for partnerships, both developing new ones and nurturing existing ones. This includes a number of partnerships to support the energy transition, including a new memorandum of understanding between CIF and the International Renewable Energy Agency (IRENA) to foster collaboration in pursuit of a just and inclusive energy transition. CIF also became the first non-sovereign member of the Powering Past Coal Alliance (PPCA), and CIF is supporting the seminal \$8.5 billion Just Energy Transition Partnership to help South Africa equitably transition from coal to clean power. Other partnerships to support youth, adaptation, and other key climate priorities were also developed and strengthened throughout the year, and these engagements and outreach activities will continue in FY23 in the lead-up to COP27 and thereafter.
8. Building on its growing portfolio and on-the-ground lessons learned, CIF continued to cement its role as a leading learning laboratory. CIF continues to generate and disseminate knowledge and evidence on the most pressing issues in climate finance, sharing its wealth of knowledge on a range of topics, including adaptation and resilience, energy, gender, innovation, just transitions, mobilizing finance, nature-based solutions, transformational change, and youth. CIF also continues to implement its strategic learning partnerships, such as the Transformational Change Learning Partnership (TCLP), Just Transitions Initiative (JTI), the Global Energy Storage Program (GESP) Learning Platform, and the Climate Delivery Initiative (CDI).

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<sup>1</sup> Additional CIF investment programs have been endorsed and could be launched soon. The CIF Nature, People and Climate Investment Program is expected to launch in late FY22/early FY23, with two other CIF investment programs (Climate-Smart Urbanization and Climate-Resilient Transition in Industry) possible to launch in FY23.

9. To ensure that CIF stays at the forefront of climate finance and is able to meet challenges coming over the horizon, it is necessary for the structure and design of CIF to be fit for purpose. In FY22, CIF began an evaluation of whether its fund structure, governance, and organizational arrangements maximize CIF’s potential to fulfill its mandate, given the evolution of the financial industry and CIF itself since the original arrangements were put in place. The next steps stemming from this review will likely be a priority for CIF stakeholders throughout FY23.
10. FY22 was a monumental year for CIF. The CIF community accomplished much, and set the stage for CIF to be a mechanism of choice to drive rapid, transformational change in some of the most high-impact sectors and markets. While there are no shortage of challenges to this work, we look forward to leveraging the collective expertise and experience of CIF’s range of stakeholders to continue driving innovative climate action at scale in developing countries throughout FY23.

## 2 FY23 Budget Proposal

11. The CIF Business Plan and Budget is approved annually by the Clean Technology Fund (CTF) and Strategic Climate Fund (SCF) Trust Fund Committees (TFCs). This document presents the Business Plan and Budget proposal for the fiscal year 2023 (FY23) to support activities of the CIF partnership<sup>2</sup> and administrative services provided by the CIF Administrative Unit, the CIF Trustee, and multilateral development banks (MDBs) through the period from July 1, 2022, to June 30, 2023. The following table summarizes the proposed FY23 budget commitment for the CTF and SCF Trust Funds. In this table, and elsewhere in this document, the following definitions apply:
  - a. CTF – I refers to the proposed budget allocation from the CTF Trust Fund for all programming and implementation activities other than that for the Accelerating Coal Transitions (ACT) Investment Program. ACT refers to proposed allocations for programming activities related to the ACT Program. Budget commitments for CTF – I and ACT together form the FY23 commitment for the CTF Trust Fund.
  - b. SCF – I refers to proposed budget allocations for programming and implementation activities related to the Pilot Program for Climate Resilience (PPCR), Forest Investment Program (FIP) and Scaling Up Renewable Energy Program (SREP). SCF – II refers to

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<sup>2</sup> Composed of the CIF Administrative Unit, IBRD as CIF Trustee, and the following multilateral development banks (MDBs) as CIF implementing entities: African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank Group (IDB Group), the World Bank Group’s International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC)

proposed allocations for programming and implementation activities related to the new SCF Programs, namely, the Renewable Energy Integration Program (REI), the Nature, People and Climate Investment Program (NPC), Climate-Smart Urbanization Program (Cities) and Climate-Resilient Transition in Industry (Industries). Budget commitments for SCF – I and SCF – II together form the commitment for the SCF Trust Fund.

**Summary table: FY23 budget commitment (USD '000)**

	CTF - I	ACT	SCF - I	SCF - II	Total
<b>Total</b>	<b>11,743.3</b>	<b>5,966.9</b>	<b>11,517.3</b>	<b>7,671.1</b>	<b>36,898.6</b>
Administrative Services	9,843.3	4,676.9	9,472.3	5,362.3	29,354.8
Multi-Year Activities:	1,900.0	1,290.0	2,045.0	2,308.8	7,543.8
<i>Country Engagement</i>	200.0	600.0	200.0	1,693.8	2,693.8
<i>Special Initiatives</i>	1,700.0	690.0	1,845.0	615.0	4,850.0

12. The FY23 budget proposal requests an annual budget to cover costs of administrative services, which are a significant portion of the annual CIF work plan, and includes core administrative services provided by the CIF Administrative Unit, the MDB focal point teams, and the Trustee to deliver on the CIF mandate. CIF administrative services focus on seven priority (target) areas: 1) Policy development, working with the Trust Fund Committees, Sub-Committees, and managing relations; 2) Investment plan development, update, and revision; 3) Development and approval of CIF funding of programs and projects; 4) Knowledge management and communications; 5) Monitoring and evaluation and stakeholder engagement; 6) Gender mainstreaming; and 7) Managing resources and risk. The budget proposal also covers multi-year activities, which are typically designed for specific initiatives or purposes beyond core administrative services and may extend over multiple fiscal years.
13. Project-related costs incurred by the MDBs are managed outside the CIF administrative budget. The MDBs recover their costs of preparing, supporting implementation, and supervising CTF-funded programs and projects through a fee applied to CTF loans and guarantees paid by the borrower as well as program implementation service fees approved by the Trust Fund Committee. Under SCF's targeted programs, recovery occurs through fees approved case-by-case by the Trust Fund Committee based on requests for payment for project implementation support and supervision services.
14. For FY23, a budget of USD 36.89 million is proposed to deliver on strategic focus areas of the CIF partnership, including USD 29.35 million for administration services and USD 7.54 million for multi-year country engagement and special initiative activities. Table 1 provides

an overview of the FY22 approved budget and expected utilization, and the proposed FY23 budget. Additional financial tables are presented in Annex 1.

**Table 1: FY23 Projected budget outcome and FY23 proposed budget (USD '000)**

Summary of Budget Request			
	FY22 Approved Budget	FY22 Projected Utilization	FY23 Proposed Budget
<b>Total</b>	<b>27,425.7</b>	<b>26,691.8</b>	<b>36,898.6</b>
Administrative Services	22,102.7	21,368.8	29,354.8
Multi-year Activities	5,323.0	5,323.0	7,543.8

	FY22 Approved Budget	FY22 Projected Utilization	FY23 Proposed Budget
<b>Administrative Services</b>			
<b>Total</b>	<b>22,102.7</b>	<b>21,368.8</b>	<b>29,354.8</b>
<b>Administrative Unit</b>	<b>10,424.7</b>	<b>10,157.5</b>	<b>14,993.4</b>
<b>MDBs</b>	<b>7,722.1</b>	<b>7,262.2</b>	<b>9,911.4</b>
<i>ADB</i>	<i>1,132.9</i>	<i>1,000.4</i>	<i>1,598.7</i>
<i>AfDB</i>	<i>1,138.9</i>	<i>1,069.0</i>	<i>1,613.9</i>
<i>EBRD</i>	<i>734.4</i>	<i>659.3</i>	<i>1,076.3</i>
<i>IDB Group</i>	<i>1,119.2</i>	<i>992.3</i>	<i>1,268.0</i>
<i>IBRD</i>	<i>2,593.9</i>	<i>2,583.3</i>	<i>3,245.0</i>
<i>IFC</i>	<i>1,002.8</i>	<i>957.9</i>	<i>1,109.5</i>
<b>Trustee</b>	<b>3,156.0</b>	<b>3,149.1</b>	<b>3,555.0</b>
<b>External Audit Fee</b>	<b>800.0</b>	<b>800.0</b>	<b>895.0</b>

Multi-Year Activities (Funds to be utilized in multi years)	Approved Budget for Activities Beginning in FY22	Expected Utilization at Activity Completion	Proposed Budget for Activities Beginning in FY23
<b>Total</b>	<b>5,323.0</b>	<b>5,323.0</b>	<b>7,543.8</b>
Country Engagement	1,831.2	1,831.2	2,693.8
Special Initiatives	3,491.8	3,491.8	4,850.0
<i>CIF Collaboration Hub (CCH) Phase III</i>	<i>775.0</i>	<i>775.0</i>	<i>-</i>
<i>CIF Capital Markets Mechanism</i>	<i>666.8</i>	<i>666.8</i>	<i>-</i>
<i>South Africa JET-CAP Work Program</i>	<i>550.0</i>	<i>550.0</i>	<i>-</i>
<i>E&amp;L Initiative Extension: Year 3</i>	<i>1,500.0</i>	<i>1,500.0</i>	<i>-</i>
<i>CIF Website Enhancements</i>	<i>-</i>	<i>-</i>	<i>250.0</i>
<i>CIF Governance Review</i>	<i>-</i>	<i>-</i>	<i>600.0</i>
<i>E&amp;L Initiative Phase III - Year 1</i>	<i>-</i>	<i>-</i>	<i>4,000.0</i>



## 2.1 Core Administrative Services

15. Table 2 provides a breakdown of approved FY22 costs by the seven CIF administrative services target areas, expected utilization by end FY22, and the proposed budget for FY23.

**Table 2: Administrative services: FY22 projected budget outcome and FY23 proposed budget by target area (USD '000)**

Target Area	FY22 Approved Budget	FY22 Projected Utilization	FY23 Proposed Budget
<b>Total</b>	<b>22,102.7</b>	<b>21,368.8</b>	<b>29,354.8</b>
Policy development, working with the Trust Fund Committees, Sub-Committees, and managing relations	7,723.7	7,509.0	9,731.1
Investment plan development, update, and revision	423.6	396.4	1,443.1
Development and approval of CIF funding of programs and projects	753.3	662.8	963.3
Knowledge management and communications	3,741.1	3,567.8	5,121.3
Monitoring and evaluation; stakeholder engagement in review of investment plan implementation	3,563.1	3,425.3	4,924.1
Gender mainstreaming	1,105.1	1,071.2	1,480.5
Managing resources and risk	4,792.8	4,736.3	5,691.4
<i>of which External Audit Fee</i>	<i>800.0</i>	<i>800.0</i>	<i>895.0</i>

16. For FY22, the Trust Fund Committees approved the CIF budget in two tranches for a total amount of USD 22.1 million, of which USD 20.45 million was approved in the Joint Meeting of the CTF and SCF Trust Fund Committees held in [June 2021](#) to cover the costs of FY22 administrative services of the CIF partnership, and USD 1.65 million in the subsequent joint meeting held in [January 2022](#) to cover the costs of administrative services provided specifically to the newly launched ACT and REI programs. FY22 budget utilization remains within the overall approved budget envelope at around 98 percent of the approved budget, with no major variances to report.
17. The CIF partnership also undertook significant efforts in FY22 toward launching the additional approved programs (NPC, Cities and Industries), building strategic partnerships, and working with contributors to establish the CTF Parallel Fund to facilitate acceptance of loan contributions into CTF.
18. The proposed FY23 budget represents an overall increase of around 32 percent from the approved FY22 budget, with the following highlights:

19. FY23 budget requests for CTF – I and SCF – I programs are, respectively, around 2% and 9% less than those approved for FY22. The proposed FY23 budget for SCF – I programs is aligned with [projections provided for SCF administrative costs until FY28](#) and the [decision](#) of the SCF Trust Fund Committee on cost reductions.
20. The ACT and SCF – II programs account for a substantive portion of the increase in the FY23 budget when compared to FY22, representing around 32 percent and 36 percent of commitments proposed under the CTF and SCF Trust Funds, respectively. It is important to highlight that the FY23 ACT and SCF – II budget requests reflect the economies of scale and overall cost reductions achieved by the CIF partnership over the last few years in administering and implementing the CTF – I and SCF – I programs.
21. In case of SCF – II, it is expected that the NPC, the Cities and the Industries programs will be launched and become operational in FY23; hence, budget requests for launch of the NPC and the other two new programs have also been included in the FY23 budget proposal. Experience with the ACT and REI programs has shown that launching and operationalizing new programs is very resource intensive, both in the lead-up to the launch and during the subsequent operationalization phase. A conservative budget estimate for the NPC and Cities/Industries programs has been included in the FY23 budget request for approval to help with the seamless operationalization of the two new programs.
22. The FY23 Trustee budget shows an increase of around 13 percent over FY22, which is primarily due to the estimated cost of establishing and administrating the new CTF Parallel Fund. MDB budgets for CTF – I and SCF – I are together lower by around 7 percent; however, the ACT and SCF – II budget proposals drive the overall MDB budget request for CTF and SCF around 27 percent higher than FY22 levels.
23. The FY23 CIF Administrative Unit budget has increased over FY22 by USD 4.5m, of which USD 1.8m is on account of the new cost recovery indirect rate <sup>3</sup>applied by the World Bank. Hence the real budget request increase is for an amount of USD 2.7m, primarily attributable to the new programs, as well as increased knowledge and Monitoring and Reporting work program demands due to the maturing CTF – I and SCF – I portfolios. .

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<sup>3</sup> The World Bank applies a cost recovery or indirect rate to cover expenses (indirect costs) related to certain corporate (Institutional Governance and Administration Units or IG&A) services provided in support of the World Bank’s operational work, including indirect costs related to Financial Intermediary Fund services. As reported by the World Bank, costs under the following IG&A units are considered indirect costs: Budget, Performance & Strategy (BPS); Chief Risk Office (CRO); Development Finance (DFI) excluding IBRD Corporate Finance (DFICF) and IDA Resource Mobilization (DFIRM); External & Corporate Relations (ECR); Legal Services (LEG); Treasury (TRE) excluding Capital Markets (CMD); WBG Finance & Accounting (WFA); General Services and Facilities (GSD); Human Resources (HRD); and Information & Technology Solutions (ITS)

24. The FY23 CIF Administrative Unit budget request for CTF – I and SCF – I shows a decrease of around 7 percent from FY22. With a strategic redeployment of both staff and consultant resources to new program establishment, investment plan preparation support, and business development activities, the CIF Administrative Unit’s FY23 budget requests for ACT and SCF – II represent around 34 percent and 41 percent of the total CTF and SCF commitments, respectively.
25. The FY23 CIF Administrative Unit budget also factors a substantial increase in World Bank Financial Intermediary Fund (FIF) Trust Fund Cost Recovery Rate. This rate is determined and applied by the trust fund policy unit of the World Bank’s Budget, Performance Review & Strategic Planning (BPS) Vice-Presidency on certain FIF trustee and secretariat trust funds managed by the World Bank to recover administrative costs of the World Bank’s Institutional Governance and Administrative (IG&A) Units. Until FY21, a cost recovery rate at the rate of 17 percent on personnel (staff and consultant) costs incurred by the relevant FIF trust funds was charged and recovered upon disbursement. Effective FY22 (FY21 in case of FIF Trustees), the rate increased to 22 percent applied on the total administrative budget (all costs, including personnel costs) of the relevant FIFs. The new cost recovery rate thus works out to around 28.12 percent when calculated on direct administrative costs actually incurred by the relevant FIF trust funds administered by the World Bank. Moreover, the cost recovery is processed in advance, promptly on receipt of administrative budgets into the relevant FIF trust funds upon approval by their respective governing bodies.
26. Accordingly, with effect from FY22, the new cost recovery rate is being applied to the trust funds of the CIF Administrative Unit. The same was applied on Trustee Trust Funds with effect from FY21. While the Trustee was able to build the new rate into their FY22 budget request, the CIF Administrative Unit could not fully accommodate it due to cost reduction commitments already made to the SCF Trust Fund Committee.
27. The FY23 budget request factors the new cost recovery rate, which impacts the budget in the following ways:
  - a. Applying the new rate vis-à-vis the previous rate has led to an increase in the CIF Administrative Unit’s FY23 budget of around USD 1.82 million (out of a total increase of around USD 4.5 million) or around 13.8 percent, with an impact of around USD 1 million and USD 0.82 million on the CTF and SCF Trust Funds for FY23, respectively. Of the total increase in the CIF Administrative Unit’s FY23 budget, around 40% is on account of the increase in the cost recovery rate.

- b. Without taking into account the indirect rate increase, there is an actual reduction in budget for CTF – I and SCF – I programs in amounts of USD 0.8m and USD 1m respectively.
  - c. The overall increase in the FY23 CIF budget due to the new Cost Recovery Rate is around 7 percent of the proposed FY23 budget. Without this increase, the FY23 CIF budget request would have increased by 25 percent (rather than 32 percent) over FY22 to accommodate the resource demands of activating ACT and SCF – II programs.
28. MDB FY23 budget has increased by USD 2 million over FY22, primarily due to the new programs. CTF – I and SCF – I program budgets have reduced by USD 0.45m in total, and all MDBs have honored their 2018 commitments on SCF cost reductions. MDB budgets have almost uniformly increased across all target areas, but higher increases are in areas of new program launch and TFC & policy related activities (USD 1 million for all MDBs), and Investment Plan preparation, project and program development related activities (USD 0.8 million for all MDBs).
29. The FY23 CIF budget shows marginal increases in certain categories, primarily to provide for investment plan preparation work and other operationalization activities of the new programs, such as preparing design and implementation guidance documents and managing the expressions of interests' processes.
30. Costs associated with investment planning have increased substantially due to the expected increase in investment plan development activity under the ACT and SCF – II programs. A nominal budget under CTF – I and SCF – I intends to cover MDB costs associated with expected changes to endorsed investment plan envelopes through restructuring, funding reprioritization, and other changes.
31. Knowledge management and communications continue to be an area of priority in FY23. A marginal decrease in the knowledge management budget is envisaged, as additional support to knowledge activities is expected through the CIF Evaluation and Learning (E&L) Initiative. . CIF communications costs, however, are estimated to increase in FY23, with greater focus on dissemination of a large array of knowledge products, expanded virtual engagements, various activities leading to COP27, and increased CIF presence through strategic communication campaigns and other activities.
32. Monitoring and reporting (M&R) activities are projected to increase in FY23 due to expanded work in portfolio M&R analytics, given that a majority of the CTF – I and SCF – I portfolio is now approved and under implementation. There is also an increased impetus on

stakeholder engagement activities in FY23, with primary focus on observer capacity building and youth engagement.

33. In FY23, gender mainstreaming will continue to be an area of prime importance for the CIF partnership, with increased focus on gender activities in knowledge, capacity building, and upstream technical support to MDBs and countries.
34. Costs associated with managing resources and risk, which includes Trustee costs, external audit fees, and financial and risk management costs, are expected to increase by more than 13 percent over the approved FY22 budget primarily due to the budget request to cover the costs of establishing and administrating the CTF Parallel Fund. All expenses related to the CTF Parallel Fund are fully covered by contributions to the CTF Parallel Fund. As of May 31, 2022, contributions into the CTF Parallel Fund have been received only from Canada.

## 2.2 Multi-Year Budget and Special Initiatives

35. For FY23, the multi-year budget request is proposed under two categories: country engagement for USD 2.69 million, and special initiatives for USD 6.20 million (see Table 3). The bulk of the proposed country engagement budget (USD 2.29 million) is requested as a top-up to the country engagement resource pool that covers MDB costs for providing support services to countries invited to prepare investment plans under the ACT and REI programs (CE-IP). The remaining USD 0.4 million is envisaged as a top-up of the general reserve of the country engagement (CE-Gen), which is budgetary support provided to MDBs to undertake various approved general country engagement activities. Additional details of FY22 accomplishments and FY23 proposed activities in the multi-year categories are presented in Annex 2.

**Table 3: Proposed FY23 budget for multi-year activities (USD '000)**

	Total	CTF - I	ACT	SCF - I	SCF - II	SCF - I			SCF - II		
						Split by Program			Split by Program		
						PPCR	FIP	SREP	REI	NPC	Cit/Ind
<b>Multi-Year Proposed Total Budget</b>	7,543.8	1,900.0	1,290.0	2,045.0	2,308.8	615.0	815.0	615.0	2,308.8	-	-
<b>Country Engagement</b>	2,693.8	200.0	600.0	200.0	1,693.8	-	200.0	-	1,693.8	-	-
<i>Country Engagement Budget for Investment Plan Preparation (CE-IP)</i>	2,293.8	-	600.0	-	1,693.8	-	-	-	1,693.8	-	-

<i>MDB coordinated country engagement activities</i>	400.0	200.0	-	200.0	-	-	200.0	-	-	-	-
<b>Special Initiatives</b>	<b>4,850.0</b>	<b>1,700.0</b>	<b>690.0</b>	<b>1,845.0</b>	<b>615.0</b>	<b>615.0</b>	<b>615.0</b>	<b>615.0</b>	<b>615.0</b>	-	-
<i>CIF Website Enhancements</i>	250.0	50.0	40.0	120.0	40.0	40.0	40.0	40.0	40.0	-	-
<i>CIF Governance Review</i>	600.0	150.0	150.0	225.0	75.0	75.0	75.0	75.0	75.0	-	-
<i>E&amp;L Initiative Phase III: Proposed Budget - Year 1 (FY23)</i>	4,000.0	1,500.0	500.0	1,500.0	500.0	500.0	500.0	500.0	500.0	-	-

Note: Based on the proposed work program distribution under the FY23-FY28 E&L work plan, of the USD 4 million E&L Initiative Phase III: Proposed Budget - Year 1 (FY23) indicated above, USD 3.2 million is proposed to be allocated to CIF Administrative Unit managed activities, while USD 0.8 million is proposed to be allocated to MDB managed activities.

## 2.3 Proposed Multi-Year Activities

**36. Country engagement budget for investment plan support (CE-IP):** A total budget of USD 2.69 million is being requested to top-up the country engagement resource pool for investment plan preparation within the ACT and REI programs, of which USD 0.6 million is being requested under the ACT and USD 1.69 million under the REI. Once approved, these budget allocations will be combined with the CE-IP budgets approved as part of the FY22 supplemental budget request (USD 0.4 million under ACT and USD 0.81 million approved under REI). These are expected to be sufficient initial resources to cover MDB CE-IP budget requests for the pilot set of ACT and REI countries (four ACT countries and 10 REI countries) in accordance with the proposed initial CE-IP budget norm of USD 0.25 million per country. Additional details on the CE-IP budget process and norm are presented in Annex 2.

**37. Budget for MBD-coordinated country engagement activities (CE-Gen):** This budget of USD 0.4 million will supplement funding to MDB-coordinated activities that support CIF countries in gender mainstreaming activities, M&R at investment plan level, convening stakeholder reviews of investment plan implementation progress and completion, and promoting the application of learning from the E&L Initiative. Activities will be implemented and coordinated by the MDB focal point teams. See Annex 2 for more details.

## 2.4 Special Initiatives

**38. CIF website enhancements (USD 0.25 million):** This budget is being requested to deliver on a new CIF website with upgraded technology and navigation and updated content. Work on

the new website was put on hold part due to the pandemic and significant shift in the delivery of CIF communications work to digital platforms, which demanded significant resources. The planned upgraded website involves a major restructuring and redesign of the existing site as well as an upgrade of the content management systems from Drupal 7 to Drupal 9. The overall objective is to ease navigation, improve user experience, and optimize the functionality of the site.

39. In addition to the significant work required for the redesign and content management system upgrade, it is intended to catalog all of the current CIF site's historical content. This includes almost 9,000 documents and all CIF events and news items. This work will be complete in phases with most recent work and strategic, policy documents being cataloged first. CIF has over 300 projects reflected on the website. In migrating to the new site, all of the information and documentation in relation to these projects will be updated where necessary in a phased manner.
40. **CIF Governance Review** (USD 0.6 million): This budget is being requested to cover the ongoing costs of the CIF Administrative Unit and the TFC Ad-hoc committee in continuation of the CIF Governance Review. The requested budget will cover hiring consultants and additional resourced required to undertake the review, and subsequent follow-up analysis. A preliminary report is expected in June 2022, with additional analysis expected in FY23.
41. **E&L Initiative Phase 3** (USD 4 million): A budget of USD4 million is proposed for FY23 (year 1 of Phase 3) activities of the E&L Initiative. This is per the decision of the Joint Meeting of the Trust Fund Committees held in January 2022 in which the Trust Fund Committee requested the CIF Administrative Unit to prepare a business plan for FY23–27 consistent with Option B, or the “Increased Ambition” scenario, with a resource allocation of roughly USD 4 million per fiscal year.
42. Funding in FY23 will be dedicated to deepening work in priority learning themes, new publications and strategic learning engagements, focus on south-south learning, implementation of independent evaluations, and other initiatives. Table 4 provides a summary of funding allocation to the E&L Initiative over the proposed five-year period.
43. The [E&L FY22 Annual Report and FY23–27 Business Plan](#) has additional details. A more detailed FY23 work plan and budget will be circulated to the Trust Fund Committees pending approval of this FY23-27 Business Plan. The FY23 work plan will be based on the Trust Fund Committees' guidance and feedback, as well as additional consultations as needed. In addition, the launch of a complementary, CIF-hosted policy dialogue platform, which elevates selected analysis from the E&L and other related initiatives to high level, influential fora, may also be considered pending interest from the Trust Fund Committee.

**Table 4: Funding allocation to E&L Initiative Phase III by year (USD '000)**

	Total	CTF - I	ACT	SCF - I	SCF - II	SCF - I Split by Program			SCF - II Split by Program		
						PPCR	FIP	SREP	REI	NPC	Cit/Ind
E&L Initiative Phase III	20,000.0	5,700.0	4,300.0	5,700.0	4,300.0	1,900.0	1,900.0	1,900.0	1,950.0	1,450.0	900.0
Year 1 - FY23	4,000.0	1,500.0	500.0	1,500.0	500.0	500.0	500.0	500.0	500.0	-	-
Year 2 - FY24	4,000.0	1,200.0	800.0	1,500.0	500.0	500.0	500.0	500.0	250.0	250.0	-
Year 3 - FY25	4,000.0	1,000.0	1,000.0	900.0	1,100.0	300.0	300.0	300.0	400.0	400.0	300.0
Year 4 - FY26	4,000.0	1,000.0	1,000.0	900.0	1,100.0	300.0	300.0	300.0	400.0	400.0	300.0
Year 5 - FY27	4,000.0	1,000.0	1,000.0	900.0	1,100.0	300.0	300.0	300.0	400.0	400.0	300.0

### 3 Overview of CIF Activities

44. During the last 14 years, CIF has evolved as a global leader in climate finance, with a unique model of delivering flexible, secure, highly concessional climate finance and co-funding, in conjunction with robust on-the-ground technical expertise.
45. CIF has had an unparalleled track record of piloting and scaling cutting-edge climate solutions and innovations and catalyzing transformative impact through its existing and new programs focused on clean technology, energy access, climate resilience, sustainable forests, renewable energy integration, sustainable landscapes, climate-smart urbanization, and low-carbon and climate-resilient transition in industry.
46. Both CIF trust funds, CTF and SCF, continue to move forward with vigor following the launch of the new ACT and REI programs. CIF has also started the process to launch the Nature, People and Climate (NPC) program and is expecting to be able to launch the Climate-Smart Urbanization (Cities) program, and the Accelerating Low-Carbon, Climate-Resilient Transition in Industry (Industries) program in FY23.
47. As of December 31, 2021, contributors have pledged around USD 10.5 billion to CIF, of which around USD 8.31 billion have been received as contributions (USD 5.57 billion to CTF and USD 2.74 billion to SCF). Net cumulative funding commitments as of December 31, 2021, including administrative expenses, total USD 7.92 billion (USD 5.41 billion from CTF and USD 2.51 billion from SCF). Reported disbursements as of December 31, 2021, total USD 4.2 billion (USD 2.8 billion from CTF and USD 1.4 billion from SCF). More details on the status of the CIF Portfolio are given in Annex 3.



### 3.1 Policy Development, Working with the Governing Bodies, and Managing Relations

48. **Overview:** In FY22, the CIF Administrative Unit continued to provide support to the Trust Fund Committees, including convening virtually the First Meeting of the Global Climate Action Programs (GCAP) Sub-Committee and the Intersessional Meeting of the CTF Trust Fund Committee in October 2021, the Joint Meeting of the CTF and SCF Trust Fund Committees and the Meeting of the CTF Trust Fund Committee in January 2022, and the planned Joint Meeting of the CTF and SCF Trust Fund Committees and the Meeting of the CTF, SCF, and GCAP Committees in June 2022. The June 2022 Trust Fund Committee meetings are expected to be held in-person for the first time since the COVID-19 lockdown started in March 2020.

49. **Key decisions:** In FY22, the Committees took several key decisions with continuing impact on the CIF work program, including the following:

- a. The CTF Trust Fund Committee instructed the CIF partnership to pursue the further development of the CCMM (previously referred to as CTF 2.0) Proposal
- b. CTF Trust Fund Committee invited India, Indonesia, the Philippines, and South Africa to prepare ACT investment plans
- c. GCAP Sub-Committee invited Ukraine, Fiji, Colombia, Kenya, and Mali to prepare REI investment plans, with an additional five countries (Costa Rica, Indonesia, Turkey, India, and Brazil) to be invited based on availability of additional resources
- d. CTF Trust Fund Committee endorsed the establishment of a new parallel trust fund to receive new loan contributions to CTF
- e. CTF and SCF Trust Fund Committees endorsed E&L Initiative Phase III resource allocations of around USD 4 million per fiscal year for a total of USD 20 million over a five-year period starting in FY23 (Option B Increased Ambition presented in the [Evaluation and Learning \(E&L\) Initiative Options Paper FY23–27](#)).

50. **CIF Collaboration Hub:** The CCH underwent additional development and enhancements through FY22 to meet the increasing needs of the CIF portfolio, including system changes required to operationalize the new programs and develop sub-window structures under CTF and SCF for ACT and REI, respectively; system setup for the new GCAP Sub-Committee; addition of the necessary country co-financing, project milestones, project status, sector, and thematic records; updates on financial, operational, and results reporting templates; and updates on relevant portfolio management functions. Additionally, work is progressing

well to enhance gender monitoring and performance trend analysis across the CIF portfolio, including regular project gender results reporting by MDBs.

51. **Policy development:** Significant work was undertaken in FY22 on policy development and implementation, including the following:
- a. CIF's country selection policies, program design documents, results frameworks and guidance helped manage a robust process through which pilot countries were identified for new CIF programming. This process will continue for new CIF programs to be launched in FY23.
  - b. Complementary policies and programming documents, such as the M&R Frameworks, which were developed in FY21, will soon go into effect for ACT and REI. The frameworks encompass evaluation and learning, transformational change, gender and social inclusion, just transition, Sustainable Development Goals (SDGs), as well as development impacts.
  - c. The new CIF Theory of Change serves as a high-level theoretical framework for CIF and partner-driven change processes. The document is a comprehensive update of CIF's original logical model (2010).
  - d. The CIF Financial Terms and Conditions Policy, which forms the cornerstone of how CIF resources are deployed to projects, will conclude its annual update by late June 2022, with the revised policy going into effect in FY23.
52. **CIF Governance Review:** As CIF continues on its new and ambitious phase with new programming, a supportive and fit-for-purpose governance and policy framework was deemed critical. In FY22, CIF launched a comprehensive governance review, with an aim to evaluate whether CIF's fund structure, governance, and organizational arrangements maximize CIF's potential to fulfil its mandate, given the evolution of CIF and the entire financial industry since the original arrangements were put in place. A preliminary report is expected by the end of FY22, with additional work to be conducted in FY23.
53. **Contributions:** Since the G7 Leaders' Summit in June 2021, where [G7 endorsed the Climate Investment Funds' contributions to climate finance](#), CIF has raised over USD 2 billion in commitments from the following contributors: Canada, Denmark, Germany, the Netherlands, Sweden, Switzerland, and the United Kingdom. In addition, Italy joined as a new contributor to CIF right after COP26, completing full G7 representation in CIF's governing bodies. Contributing countries continue to identify and announce new contributions to CIF's new investment programs.

54. In FY23, strategic activities to support policy development, governance, and engagement with CIF stakeholders will continue and will include implementation of decisions taken through FY22, including the June 2022 Trust Fund Committees Meetings.

### 3.2 New Programs, Initiatives, and Partnerships

55. **Accelerating Coal Transition (ACT) Investment Program launched:** CIF launched the [ACT program](#) at COP26 in November 2021. In its first phase, the approximately USD 2 billion program will support a just coal transition in India, South Africa, Indonesia, and the Philippines, which represent over 15 percent of coal-related emissions globally. Canada announced a contribution of up to CAD 1 billion to ACT at COP26 and a contribution agreement was signed in May 2022 to this effect.
56. **Renewable Energy Integration (REI) Program launched:** CIF also rolled out the [REI program](#) at COP26. Ukraine, Fiji, Colombia, Kenya, and Mali are the first recipient country participants of REI, which has received nearly USD 250 million in contributions from the Netherlands, the United Kingdom, and Switzerland. REI is the world's first large-scale, multilateral initiative dedicated to bridging the renewables integration finance gap in developing countries.
57. **US, UK and Japan support for the CIF Capital Market Mechanism:** Ministers from the United States, the United Kingdom, and Japan [announced their support](#) for the CIF Capital Markets Mechanism (also known as CTF 2.0), an important effort to access capital markets and raise significant new finance for scaling clean energy and sustainable infrastructure through the MDBs in emerging economies.
58. **Membership in the Powering Past Coal Alliance:** Announced at COP26, CIF became the first non-sovereign member of the [Powering Past Coal Alliance](#) (PPCA). The partnership strengthens international cooperation in support of a just transition from coal to clean energy. Coal accounted for 39 percent of global carbon emissions in 2020. Drastic and accelerated coal phaseout is necessary for the world to avoid a climate catastrophe and reach net zero by 2050. CIF's vast experience will be utilized where it is needed most to foster strategic cooperation and help identify policy gaps in member countries and assist in developing policy frameworks that accelerate the clean transition.
59. **Partnership with IRENA:** CIF [partnered](#) with IRENA to foster collaboration in pursuit of a just and inclusive energy transition. The partnership cements the two organizations' commitment to raising climate ambition and realizing the Paris Agreement and the SDGs. CIF and IRENA will focus on development practices that include climate change mitigation and adaptation strategies for energy transition.

60. **Just Energy Transition partnership:** CIF supported the seminal USD 8.5 billion [Just Energy Transition Partnership](#) to help South Africa equitably transition from coal to clean power. The partnership includes the United States, the United Kingdom, France, Germany, and the European Union.
61. **Youth Adapt Solutions Challenge and Incubation Program collaboration:** CIF partnered with the Global Center on Adaptation and African Development Bank (AfDB) to recognize young climate innovators in Africa as part of the [Youth Adapt Solutions Challenge and Incubation Program](#). The program awarded 10 young innovators and entrepreneurs with resources to help scale their climate adaptation innovations and boost green jobs across the continent.
62. **UNFCCC partnership:** CIF is teaming up with the UNFCCC Nairobi work program on impacts, vulnerability, and adaptation to climate change (NWP) to facilitate knowledge sharing and learning through PPCR's experience and lessons learned, particularly around adaptation finance and private sector engagement.
63. **Youth Engagement Strategy being developed:** CIF hosted a dialogue with some 80 youth leaders to inform development of the forthcoming [CIF Youth Engagement Strategy \(YES\)](#). CIF also joined EBRD at COP 26 to [highlight advocacy and entrepreneurialism of young climate leaders](#).
64. **Collaboration with other Multilateral Climate Funds:** At COP26, the Multilateral Climate Funds (AF, CIF, GEF, and GCF) [committed](#) to enhancing their collaboration, information sharing for joint programming, operational and knowledge partnerships, and joint communications. Their newly agreed approach and commitment is based on three pillars of partnership: exploring synergies in programming; monitoring, evaluation and learning; and communication and outreach.

### 3.3 Investment Plan Development, Update, and Revision; Project and Program Approval

65. **CIF financing:** As of December 31, 2021, total approved CIF financing has reached around USD 7.5 billion, leveraging co-financing of around USD 62 billion, including around USD 19.5 billion from the private sector.
66. **FY22 progress on project and program approvals:** In FY22, 20 projects were committee-approved, totaling USD 52.5 million in new investments. Additional activities includes the following:

- a. Five new projects from CIF's Global Energy Storage Program are expected to begin in Haiti, Colombia, Brazil, Bangladesh, and a regional project. Valued at USD 48 million, these investments are some of the first to increase energy storage capacity in these countries.
- b. The CIF Technical Assistance Facility (TAF) 2nd Call for Proposals received close to 60 proposals from MDB partners, covering over 55 countries. The Advisory Group approved 49 proposals worth about USD 29 million and forwarded them to the STF Trust Fund Committee for final approval.
- c. PPCR will invest USD 2 million to strengthen policy and finance coordination capacity in the Kyrgyz Republic, almost USD 1 million to promote new adaptation approaches and technologies in the Caribbean and Central America, and over USD 739,000 to help establish a disaster insurance facility in the Caribbean.

- 67. Progress on ACT and REI investment plan preparation processes:** In 2021, the CIF Administrative Unit invited countries to put forward expressions of interest (EoIs) for support under ACT and REI. A total of 14 countries responded to the ACT call with submissions laying out their strategies to support a transition from coal to clean energy. A total of 54 countries responded to the REI call with EoIs on scaling public and private investments in energy storage, smart grids, hybrid technologies, and transmission infrastructure for the rapid adoption of renewables. These EoIs were reviewed by separate Independent Expert Groups (IEGs) who presented a detailed assessment and a final ranking based on a host of considerations.
68. Based on the IEG assessment, available resources, demonstration, and transformational change potential, in October 2021, the CTF Trust Fund Committee (in case of ACT) and GCAP Sub-Committee (in case of REI) invited the following countries to prepare, in collaboration with the MDBs, an investment plan under the relevant program, and submit it to the relevant committee for review and endorsement:
- a. ACT: (India, Indonesia, Philippines and South Africa)
  - b. REI: Ukraine, Fiji, Colombia, Kenya, and Mali with potentially five more countries (Costa Rica, Indonesia, Turkey, India and Brazil) to be added based on availability of additional resources
69. Based on expected contributions, the indicative allocations for each of the investment plans would range from USD 200–500 million per country (in case of ACT), and up to USD 70 million per country (in case of REI) based on the assessments made at the time of investment plan preparation. The Trust Fund Committees also agreed that the selected

countries could receive up to USD 1.0 million (in case of ACT) and USD 0.5 million (in case of REI) as an Investment Plan Preparation Grant (IPPGs) to enable them to take a leadership role in working with the MDBs to develop their investment plans. The countries are at various stages of developing investment plans. The CIF AU will be convening regular meetings for the interested TFC members during the IP development processes which will offer an opportunity to hear directly from the MDBs on progress, and offer feedback based on individual contributor considerations.

70. The CTF Trust Fund Committee further acknowledged the recommendation of the expert group that all countries that submitted an EoI under the ACT could benefit from support. It requested the CIF Administrative Unit, in collaboration with the MDBs, to prepare a proposal for its review and consideration on appropriate modalities to provide such support. The CIF Administrative Unit is preparing an Options paper that will be submitted for the CTF Trust Fund Committee approval at the June 22 meeting. Based on consultations with MDBs, the [ACT Options Paper](#) proposes the following options for the Trust Fund Committee's consideration based on the principle of offering support to non-IP countries (i.e. ten countries who submitted an EoI but were not selected for IP support in October 2021). It includes a mix of technical assistance and investment funding to strengthen their enabling environment and support some of the early actions identified by those countries in support of their low carbon and coal transition strategies:
- a. **Technical assistance (TA):** This would seek to assist non-IP countries in developing clear coal phase-out plans, decarbonization & just transition strategies, planning tools & pathways, and identify the first set of specific actions in that direction. This would help countries currently not selected for IP support under the program in the first phase to strengthen their capacities and increase their level of preparedness for the next phase of programming.
  - b. **Private sector window (PSW):** This can drive transformational change by identifying priority thematic and technology-based private sector funding opportunities in non-IP countries. The activities supported through the PSW would also be guided strongly by the ability to mobilize further financing in line with the program expectations. Part of these resources could also support early-stage climate ventures with a focus on nascent low-carbon and clean energy technologies in developing countries under one or more pillars.
  - c. **Investment plan (IP) for select non-IP countries:** Countries are at different stages of readiness in their low carbon and coal transition pathway. Under this option, a select number (2-3) of additional countries could be offered IP support commensurate to

similar considerations like country ambition, readiness, potential for transformational change, among others.

71. As of the date of this report, scoping missions have been completed for three ACT countries (Indonesia, India, and South Africa), and a joint mission took place in May 2022 to South Africa. In case of REI, planning for scoping missions is underway for Brazil and Turkey, while a joint mission is expected to occur in June-July 2021 for Colombia.
72. **Nature, Climate and People (NPC) Investment Program:** On COP26 Nature Day, CIF revealed NPC, a new initiative to harness the potential of land resources and other ecosystems, including coastal systems in climate action. In a world where 75 percent of the total land-based environment and 66 percent of the marine environment have been severely altered by human activity and an estimated 23 percent of total anthropogenic greenhouse gas emissions (2007-2016) derives from agriculture, forestry, and other land use, there is a unique need for NPC. It will deploy concessional resources at scale to improve livelihoods and address climate change through the sustainable use of land and other natural resources. The program will help governments, industries and communities harness the potential of land resources and ecosystems in climate action, and reduce barriers to sustainability in key areas, such as agriculture and food systems, forests, and other land-based ecosystems. The program is expected to be launched and operationalized in FY23.
73. **Climate-Smart Urbanization (Cities) Program:** The Cities program will work with cities in developing countries to accelerate the transition to low-carbon, climate-resilient urbanization. It will support the development of climate-informed urban planning carried forward by strategic public and private investment. Robust data and tools for broad participation will guide decision-making to ensure choices align with green and sustainable development and are buoyed by public buy-in. The program is expected to be launched and operationalized in FY23.
74. **CIF Industry Decarbonization (Industries):** High-emitting and hard-to-abate industries include iron and steel, cement, petrochemicals, and maritime transport. The Industries program is being designed to catalyze deep behavioral change and sustained impact in high-emitting industries in middle-income countries where the industrial sector constitutes a major and growing share of their overall emissions. The program will work across multiple levels, from industrial facilities to national arenas, applying targeted use of concessional finance to reduce system-wide barriers to investment in low-carbon, climate-resilient business models and technologies. Work toward launch of the Industries program is expected to commence in FY23.

### 3.4 Knowledge Management and Evaluation and Learning

75. The CIF knowledge agenda continues to be guided by CIF's mandate to serve as a learning laboratory for climate finance. CIF's knowledge efforts in FY22 focused on generating knowledge and results from CIF's diverse portfolio of projects, and disseminating this knowledge to CIF's stakeholders and partners—all in a purely virtual setting due to the COVID-19 pandemic. A total of 20 virtual events (webinars, workshops, launch events, interest group meetings) reached an audience of over 4,000 participants. To maximize impact and participation in CIF's online events, the quarterly CIF Knowledge Review newsletter reached an audience of over 1,800 individuals. In addition, a [guidance note](#) was commissioned and released to support the CIF Administrative Unit and MDB colleagues in hosting engaging online events, including suggestions and training on a wide range of online engagement tools. CIF also continues to implement its strategic learning partnerships, such as the [Transformational Change Learning Partnership \(TCLP\)](#), [Just Transitions Initiative \(JTI\)](#), the [Global Energy Storage Program \(GESP\)](#) Learning Platform, and the [Climate Delivery Initiative \(CDI\)](#).
76. **Events at COP26:** Given climate finance was one of the main topics of COP26, CIF engaged in 25 events at COP to share its wealth of knowledge spanning topics, such as adaptation and resilience, energy, gender, innovation, just transitions, mobilizing finance, nature-based solutions, transformational change, and youth. Additionally, the AfDB, the African Union Commission (AUC), the United Nations Economic Commission for Africa (UNECA), and the NEPAD Planning and Coordinating Agency (NPCA) hosted the Africa Pavilion at COP26. The Pavilion provided the space for Africa to meet and defend common positions and interests at COP26. The AfDB organized several events in partnership with CIF, to showcase AfDB and CIF success stories and to launch new studies. Events included a [youth adapt challenge award ceremony](#) (in partnership with GCA); a session on [gender and climate adaptation on the African continent](#); and [introduction to the Adaptation Benefits Mechanism \(ABM\)](#). Studies included a [market study on demand for adaptation benefits in Africa](#) and [report on the potential for Green Bonds and National Climate Change Funds in Africa](#).
77. **GESP learning events:** As part of the GESP Learning Platform, a series of learning events were held in 2021 on the transformational potential of energy storage. In FY22, two such events were held, bringing together over 370 diverse participants, ranging from MDBs, policymakers, country officials, technologists, investors, project implementors, and development professionals. The [first workshop](#) explored a broad range of emerging storage technologies, while the [second workshop](#) explored the unique aspects of energy storage finance and the relationship between private capital and concessional financing.



78. **ACT learning events:** As part of the ACT investment program, a variety of country-specific approaches will be piloted to identify important lessons to further accelerate the rate and scale of the global energy transition. As part of this work, [two ACT thematic workshops](#) were held, exploring potential technology options and financing approaches currently being considered to support coal transition globally. Further, ACT investment plan clinics have been organized to support the understanding and inclusion of transformational change concepts, methods and metrics, just transition principles, gender, and M&R considerations in the development of ACT investment plans.

79. **TAF Knowledge Activities:** The CIF-TAF has a specific goal to share knowledge, enhance learning and inform delivery of impact on the ground, working closely with key partners and stakeholders such as MDBs, donor and recipient countries, civil society, private sector, thought leaders, among others. Since Covid-19 remained a central issue globally, most events and reports were centered around further understanding the latest best practices and solutions that could be implemented, adapted, and scaled across geographies to advance climate priorities. These initiatives brought together close to 500 interested actors from around the world, both as active contributors, as well as participants on these key topics. TAF conducted several knowledge events and discussions such as:

- a. the launch of the [Multiplying the Transition: Market Based Solutions for Catalyzing Clean Energy Investment in Emerging Economies report](#) in collaboration with BloombergNEF,
- b. the event Powering Past Coal: Accelerating a Transformative and Just Transition hosted at Innovate4Climate 2021, in partnership with the World Bank's Energy Sector Management Assistance Program (WB - ESMAP) and Powering Past Coal Alliance (PPCA),
- c. the TAF-initiated Global Dialogues on Green and Resilient Economic Recovery,
- d. the Launch of CIF COVID-19 Technical Assistance Response Initiative,
- e. the week-long multi-session Building Blocks: Transitioning in a Recovering World event, and
- f. the ***Coal-to-clean energy transition report*** currently under draft.

80. The TAF also continues to work with its Partner Network, and has engaged on multiple occasions with individual partners to invite them to collaborate and share knowledge on relevant topics across a range of formats. For example, with BloombergNEF, the CIF-TAF collaborated to produce the report, 'Multiplying the Transition', mentioned above; with OECD, the CIF-TAF is contributing to the new work stream on developing guidance for the

use of blended finance for clean energy; with International Solar Alliance, it is contributing to the next phase of work on operationalizing the Solar Investment Action Agenda Roadmap with the goal of reaching USD 1 trillion of solar investments by 2030. Also, at COP26, the CIF entered into a partnership arrangement with IRENA to explore more formally potential areas of collaboration on relevant topics such as clean energy, gender, just transition, among others.

81. **Knowledge for Resilience series:** The CIF Knowledge for Resilience (KfR) series continued sharing knowledge to advance climate resilience goals and guide decision-making among stakeholders. Two new case studies were released in FY22. The first, [Investing in Infrastructure for a Changing Climate](#), provides results and key lessons from CIF's USD 700 million portfolio of 11 infrastructure projects under PPCR and examines the scope of support provided and progress made to date. The second, [Lessons on Local Stakeholder Engagement from the PPCR](#), assessed local stakeholder engagement in project design and implementation within the PPCR portfolio to inform current and new CIF programs, as well as programs in other climate funds.
82. **DGM Annual Report:** The [Dedicated Grant Mechanism \(DGM\) 2021 Annual Report](#), covering the program's sixth year supporting Indigenous Peoples and local communities was released. The report indicates that Indigenous Peoples and local communities in DGM countries designed, selected, led, and implemented more than 600 subprojects benefitting over 250,000 community members across seven countries.
83. **Observer Stories: Anecdotes and Lessons in Stakeholder Engagement from Nonstate Actors in Climate Funds:** Released in conjunction with a COP26 event, the [Observer Stories](#) report provides recommendations to strengthen the role of observers in the governance of climate funds and highlights both positive and negative experiences in stakeholder engagement. It will help inform better stakeholder engagement within CIF programs, serve as an onboarding tool for CIF's new observers.
84. **Evaluation and Learning (E&L) Initiative:** The [E&L Initiative](#) made substantial progress on implementing activities related to its FY22 work plan, by capturing and sharing learning on critical and timely topics for CIF and the broader climate finance sector. It produced a range of studies, knowledge products, and interactive learning exchanges, including 15 new studies and knowledge briefs and over 15 online events that attracted more than 730 participants. Strategic new work was completed in relation to the E&L priority themes, such as transformational change, just transition, development impacts, and program and sector specific studies. It also partnered with the CIF M&R team to develop the CIF [Monitoring, Evaluation, and Learning \(MEL\) Policy](#). To follow are a few highlights from E&L Initiative

activities. For full details, please refer to the E&L FY22 Annual Report and FY23–27 Business Plan. This business plan was developed after comprehensive consultations with over 100 individuals, covering all CIF stakeholders.

- a. **Transformational Change Learning Partnership:** The [TCLP](#) has placed increasing emphasis on operationalizing transformational change concepts and frameworks, including a [learning brief on transformational change concepts](#) summarizing the latest understanding of these concepts. Three case studies were also launched, covering [Turkey's story of transformational change](#), [CIF's experience supporting concentrated solar power](#), and [Mexico's story of transformational change](#). The TCLP continues to organize and facilitate learning through its events, with over 600 participants attending 12 events in FY22. In addition, the E&L Initiative and GCF Independent Evaluation Unit (IEU) jointly published two evidence gap maps related to quantitative evidence of transformational change on the [energy](#) and [health](#) sectors.
- b. **Development impacts of climate finance and just transition:** A total of three studies were published as part of [Just Transition Initiative \(JTI\)](#), a partnership initiative of CIF, including two case studies focused on [sustainable land use in Ghana](#) and water governance in Bolivia. Another [study](#) explored just transitions in coal-dependent communities in South Africa and India, with four related podcasts and a [launch event](#) attended by over 100 participants. The [JTI website](#) continues to feature all of the original analysis produced by the JTI as well as a curated list of other relevant content on just transitions. Further, an independent mixed method evaluation of development impacts in CIF will be completed in FY23, focusing on CIF's four original programs (CTF, FIP, PPCR, and SREP) and building on the initial portfolio analysis of [CTF](#) and [SREP](#) (conducted in collaboration with the M&R team).
- c. **Program and sector-specific studies:** An independent program-level evaluation of SREP was completed in FY22, identifying relevant lessons and good practices for advancing low-carbon energy access in low-income countries. The study aims to strengthen existing SREP investments and inform the design of new CIF programs and projects, as well as other global efforts. It includes a retrospective analysis of how the program was designed and implemented, how it has evolved over time, what the challenges and achievements have been to date (and why), and what can be done going forward to maximize effectiveness and impact.
- d. In addition, a [learning review of CIF-supported hydromet and climate services projects](#) was completed, identifying good practices, priorities, and recommendations

for more effective and sustainable future investments. A number of workshops were held with relevant in-country partners and implementers of CIF-supported projects, including two final workshops in FY22 to present the final findings and recommendations. Another study was launched on this topic, looking closely at PPCR's experience in Jamaica, Mozambique, and Nepal – see the [web story](#) summarizing key findings across these studies.

**85. MDB knowledge work:** MDB partners and the CIF Administrative Unit have continued to collaborate closely on knowledge management activities. Some highlights include:

- a. **ADB:** ADB supported the ADB Ventures Climatic Series, ASEAN Energy Transition Dialogue in Cambodia, production of IND Just Transition knowledge product, and production of a knowledge product from the REG assessing transformative gender equality results in ADB-supported CIF projects.
- b. **AfDB:** In FY22, in collaboration with [Africa Climate Conversations](#), the CIF Administrative Unit launched an [eight-part podcast series on Financing Change in Africa](#). A number of knowledge events were also organized. This included a [webinar on women-led plastic recycling market](#), marking the launch of the CIF-funded gender technical assessment of opportunities to improve implementation of plastics and waste management in a Ugandan municipality. In addition, the [Second Malian Renewable Energy Week](#), hosted in Abidjan on the sidelines of the Regional Energy and Sustainable Development Fair, was organized with funding from CIF FY21 country engagement budget. Additional events included a just transition virtual round table discussions to develop a just transition framework for Africa, a workshop on gender integration in FIP, and two workshops (ABM and Green Banks) at Innovate4Climate.
- c. **EBRD:** Collaboration between CIF and EBRD teams throughout FY22 included the preparation of joint press releases, the organization of [events](#) at COP26, strong promotion of CIF's ChangeMakers Campaign, CIF participation in EBRD events, and a video with highlights of CIF and EBRD joint work.
- d. **IDB Group:** IDB Invest recently launched the blog [Making Women Welcome: the Next Challenge for Renewable Energy Construction Projects](#). It describes IDB Invest experience in using blended finance to support pathways to female participation in the energy transition, at all levels of education and skill. It signals solar projects in Brazil (New Juazeiro and Casablanca), including a tiered incentive structure with resources from CTF and the Canadian Climate Fund for the Private Sector in the Americas (C2F). The type of gender performance-based incentives mentioned in the

blog are included in several of IDB Invest investments financed by DPSP III: Innovative Instruments for Investment in Zero-Carbon Technologies (i3-0) Phase I and Phase II.

- e. **IBRD:** Country focused reports, webinars and blogs on ““Pathways for Transforming Weather, Water and Climate Services” were launched in FY22 for [Nepal](#), [Mozambique](#) and [Jamaica](#). A [synthesis report](#) on transforming weather, water and climate services was also released based on the lessons learned from modernizing the climate services value chain in Nepal, Mozambique and Jamaica.

86. Annex 5 provides a summary of CIF knowledge products completed in FY22.

### 3.5 Monitoring and Reporting

87. With a majority of the CIF portfolio approved and under implementation, activities related to results reporting, analytics, learning, and engagement of country recipient stakeholders has become increasingly important. In FY22, CIF conducted a wide variety of M&R work. Among the most important pieces of work was the development and approval of these key strategic documents:

- a. **MEL policy:** CIF Monitoring, Evaluation, and Learning (MEL) Policy and Guidance was developed and approved at the January 2022 Joint Trust Fund Committees meeting. It unifies the monitoring, evaluation, and learning approach of existing CTF and SCF programs with new CIF programming areas under a single policy. It sets out to define, guide, and strengthen the coherence of CIF's approach toward results management, accountability, and learning across all programs and activities. It outlines the overall structure and governance around MEL for all CIF stakeholders, . The policy directly builds on the experience of implementing MEL for CIF's four initial programs and provides cohesive guidance on the systems in place. At the same time, it provides a framework for designing and incorporating MEL into CIF's new programming and activities, enhancing common elements across programs, and strengthening the synergies and complementarities of MEL as functions.
- b. **CIF theory of change:** A new CIF theory of change was developed in 2022. It replaces the initial CIF logic model that was established in 2010 at the very early stages of CIF. After more than a decade of implementation experience and lessons generated through CIF's role as a climate finance learning laboratory, the theoretical basis for how CIF contributes to transformational change through climate action has evolved. The CIF of today, with a range of new programs, initiatives, and activities onboard, presented a strategic and operational need to reformulate how these components

work in concert to drive CIF's mandate forward in a coherent and consistent manner and to show the harmonization in and between these efforts.

- c. **Integrated results frameworks for ACT, REI, and NPC:** A new innovative form of results frameworks was developed and approved for three new CIF programs in FY22. These new frameworks integrate key functions of results over time and across areas via a more strategic, unified, and holistic approach. Their core function is to outline the new program's results chain—from program-level outputs, outcomes, and impacts to CIF-level impacts—based on the anticipated scope of investment activities eligible under the program's funding window, the overall program design, and the theory of change. Unlike previous approaches to results frameworks in climate finance, these all-inclusive integrated results framework presents a comprehensive view of the program's expected results by fully incorporating elements related to evaluation and learning, transformational change, gender and social inclusion, just transition, SDGs, and development impacts/co-benefits, in addition to the fundamental program results and corresponding indicators. The objective is to structure and consolidate the main results that ACT, REI, and NPC expect to achieve across CIF's action areas through a holistic, multi-level, multi-dimensional approach.

**88. Annual results reporting:** FY22 marks the second consecutive year that CIF has conducted results reporting in the second half of the fiscal year to report the previous calendar year's achieved results in time for the June Trust Fund Committee meetings. Reporting was undertaken in FY22 for FIP, CTF, SREP, and PPCR, including first-time results reporting for the GESP and Business Development for Resilience Program (BDRP) windows within CTF and PPCR, respectively. Ongoing enhancements to the CCH monitoring and reporting pages are helping to improve the efficiency of the process for MDBs to report and the CIF Administrative Unit to analyze the data reported. Due to the ongoing COVID-19 pandemic and limitations on in-person M&R workshops, it was again deemed optional in FY22 for FIP and PPCR countries to submit country results reports, although countries were strongly encouraged to report progress toward results in an alternative fashion, as feasible per country.

**89.** Three results reporting cycles have now passed without recourse to the FIP and PPCR M&R systems' signature country-driven reporting mechanism, so the M&R work program in FY23 will feature increased country engagement and capacity-building activities. All FIP and PPCR recipient countries will be re-engaged, four to six countries will receive more direct forms of capacity-building support. These include newer FIP countries that have never reported country-level results before, recipient countries with a change in focal point teams, and other recipient countries requesting a deeper "refresher" session. This work will make use

of the online training modules currently being revamped and will also involve significant collaboration with CIF program and MDB teams to tailor the approach to each country's circumstances.

90. **M&R for mature and closing investment plans:** As CIF programs mature, an increasing number of countries are approaching a stage where most, if not all, projects in their investment plans are reaching completion. This has led to a need to clarify and guide some CIF stakeholders on how to continue the country-led M&R approach (FIP and PPCR) after certain projects have been completed or when no new data points are available for the core indicators (all CIF programs). In FY23, CIF will prepare further guidance to countries with closing investment plans on the minimum requirements to close out the M&R process. For countries with sufficient interest and need, CIF plans to pilot "Investment Plan Close-Out Workshops," which will combine features from the existing M&R systems, E&L Initiative, gender, and policy priority areas for multi-stakeholder reflections, self-evaluation, and learning at the programmatic level. The objective is to pilot workshops with one to three countries in FY23 and to develop an overall approach that will be proposed to the CIF Trust Fund Committees for application across all CIF countries thereafter.
91. **The Climate Delivery Initiative (CDI):** The CDI represents the next generation of CIF's Delivery Challenge Case Study Series and related Climate Delivery Labs, previously executed as part of CIF's highly successful partnership with the Global Delivery Initiative (GDI). In its new iteration, the CDI has absorbed the successes and intellectual wealth of the GDI and has sharpened its focus to challenges and solutions endemic to climate finance and expanded in scope to serve as a research base and reference point for both recording and dissecting barriers to actualizing climate objectives.
92. The research base provides a coherent, structured, and differentiated taxonomical architecture and theoretical foundation within which to situate and analyze operational barriers. Case studies link this theory with real-time and granular detail regarding drivers, incentives, innovations, their intersections, and their trajectories of evolution. These, in turn, feed the Delivery Labs, learning fora, and thematic analyses, which convene responses from academics, governments, climate financiers, implementors and thought leaders. The resulting analyses return to augment the theoretical base and inform project operations. Five new case studies are currently in the pipeline and in different stages of development, focusing on Bangladesh (IFC, PPCR), Dominica (World Bank, PPCR/SIDS), Ghana (AfDB, FIP), Morocco (EBRD, CTF), and Rwanda (World Bank, SREP). The cases are slated for launch via Delivery Labs and a two-day learning forum at the end of FY23.

93. **Development Impact Evaluation (DIME):** The first iteration of the CIF-DIME partnership for impact evaluations was concluded in FY22, with the two evaluations: AfDB's Sustainable Land & Water Resources Management Project (SLWRMP) in Mozambique and Gazetted Forests Participatory Management Project for REDD+ in Burkina Faso. They offer important findings on increased and diversified crop yields (Mozambique) and reduced food-insecurity, increased household savings/investment, and increased tree-cover (Burkina Faso). The evaluations uncovered significant, previously untested linkages between climate actions and social protection, including effects on food security,
94. The second iteration of the partnership is currently under development. It will be conducted via a portfolio approach, where impact evaluations will seek to answer research questions across a cohort of projects, allowing for portfolio-level findings stemming from and relevant to multiple contexts.
95. **Climate funds collaboration platform on results, indicators, and methodologies for measuring impact:** This [partnership](#) between the leading global climate funds (GEF, GCF, AF, CIF, and the NAMA Facility) is currently in its second year of operation. Its intention is to enhance the measurement and management of results via exchanges and dialogue on methodologies, best practices and challenges in tracking impacts and effectiveness of climate finance. In FY22, the platform conducted five virtual workshops, co-presented by all funds, covering overall result management frameworks, mitigation, adaptation, co-benefits, and effectiveness. Findings were synthesized in a progress report and presented at the fifth Annual Dialogue of Climate Funds at COP26, taking stock of the progress made, and in line with the Joint Roadmap.
96. **Social and Economic Development Impacts of Climate Investments (SEDICI):** CIF's flagship research program on mapping and quantifying the social and economic development impacts of climate investments (SEDICI) is now in its third phase of implementation. In Phases 1 and 2, the workstream conducted an intensive analysis of the CTF, SREP, FIP and PPCR portfolios to map and tag the programs' development impact pathways, using the Joint Impact Model, the Employment Factors Approach, and the i-JEDI model to quantify employment impacts and economic value-added. In Phase 3, SEDICI has contracted a mixed methods evaluation that is currently developing light and deep-dive case studies, with support of primary and secondary research and modeling tools, to provide a more nuanced and granular understanding of development impacts.
97. **Joint Impact Model (JIM):** As part of the SEDICI workstream, CIF gained membership and joined the development committee of the Steward Redqueen impact model group in FY2022. CIF is now a full member of the Development Committee of the JIM, alongside



FMO, Stewart Redqueen, FinDev Canada, Proparco, AfDB, CDC, BIO, KfW, JP Morgen, OeEB, PIDG. In this role, CIF acts to inform the development of the model and the multiple workstreams to refine and increase accuracy of the model's outputs, including regarding employment and economic value added (EVA). CIF has currently developed a proposal to lead one of such workstreams, looking to enhance the model's treatment of energy investments. This includes enhanced granularity of economic activity tagging for energy investments and for estimating direct, indirect and induced employment and EVA effects; an enhanced evidence base for the estimation of forward effects of energy generation (or energy enabling impacts); and enhanced distributive impact calculations, including disaggregation by nature of the jobs created (formal/informal or skilled/unskilled), disaggregation of employment effects, and (as relevant) EVA by its distribution among demographics and economic strata.

98. **GESP M&R and real-time learning:** After the publication of the GESP M&R Toolkit in May 2021, the initial priority of GESP M&R in FY22 has been to implement the GESP M&R system. This has included close coordination with MDBs to ensure quality assurance of GESP M&R indicators and parameters upon projects' MDB approval and building out the GESP M&R platform on the CCH. Several GESP real-time learning activities are also currently underway, such as a portfolio review of existing CTF and SREP projects with energy storage components and identification of newly approved GESP projects with strong potential for applied learning.
99. For the remainder of FY22 and in FY23, the M&R Unit plans to directly engage with MDBs to identify two MDB-approved GESP projects that can serve as opportunities for ongoing data collection, monitoring, and learning surrounding key results-related research questions of interest. This area of work will follow the arc of the selected projects' implementation in real time, generating insights to inform other projects within GESP, its pipeline, and new energy storage investments within the REI program. In addition, a "GESP Real-Time Learning Call for Proposals" will be held in FY23 to enhance overall learning for the program and complement other real-time learning activities.
100. **Sustainable Development Goals (SDGs):** Analytic work continued on the CIF portfolio's performance vis-à-vis the SDGs. CIF contributions are being tracked against universal targets on poverty, hunger, gender equality, water and sanitation, energy, terrestrial and aquatic ecosystems, sustainable cities, industry and infrastructure development, and climate change.
101. **CIF Collaboration Hub (CCH):** As the CCH becomes ever more important in results reporting, additional enhancements are needed to improve the system. For example, the results section needs to include completed and closed projects and overall co-financing, both of which will

significantly improve the results reporting process each year. As the new programs are approved, CCH will require further enhancements to accommodate these programs. From an M&R perspective, this enhancement will allow for an independent section for these new programs where all the targets and results will be stored and remain accessible by various parties to ensure the highest level of accountability.

102. **New online training:** CIF expects to launch a new updated online training module for the country focal points in FIP and PPCR countries in FY23. The automation of FIP and PPCR country results in the CCH has rendered the previous online training modules obsolete. The new online training sessions will be held over the course of FY23 to support the newer focal country points who are less familiar with the system to ensure that the results reported are high quality.

### 3.6 Communications and Outreach

103. **Products and events:** In FY22, CIF promoted and disseminated a large array of knowledge products (29 reports and 31 briefs) and expanded virtual engagements. CIF led and participated in a total of 45 events. Enhanced collaboration with partners allowed CIF to produce a record breaking 110 web stories and updates that were shared across all CIF communication channels.

104. **CIF media statistics:** Throughout FY22, the CIF website saw stable growth. Page views increased by 7 percent and reached 464,010. Social media channels also saw good growth and engagement throughout the year. Twitter followers increased organically by almost 3,000 to over 21,000 followers with over 840,600 impressions. The CIF community grew stably with over 14,500 followers and CIF posts gained over 10,000 post engagements. The CIF LinkedIn account grew organically by 243 percent to 4,854 followers with 134,200 impressions. CIF videos were watched 23,700 times.

105. **MDB communications:** MDB communication activities included social media outreach within their organizations' social media and other online channels. MDB focal points continued to promote publications, events, and other CIF activities. As part of outreach activities, MDB focal points participated as expert panelists in various CIF events.

106. **COP26:** The 2021 United Nations Climate Change Conference (COP26) was quite strategic for the CIF. With two new programs launched, 25 COP26 events, and a myriad of program endorsements from around the world, the response to and recognition of CIF's work dominated the headlines, and helped spearhead the direction of climate finance, clean energy transition, just transitions, and climate action. At a time when the climate crisis is negatively impacting the environment, livelihoods, and people's health, there needs to be an

immediate, efficient, accelerated, and large-scale transition to low-carbon, net zero development.

107. **ChangeMakers Campaign:** CIF's ChangeMakers campaign was rolled out digitally in the run up to COP26. The campaign was featured across Milan in August. The stories and portraits of CIF ChangeMakers and ChangeMakers from Milan were projected onto thousands of displays across the city for a two-week period. The UN virtual exhibits gallery also featured the campaign in the run up to COP26, as it recognized the exemplary climate action dedication and innovative development work communicated by the campaign. During COP26, CIF, in partnership with the City Council of Glasgow, hosted a projection exhibit at St. Andrews Cathedral in Scotland, shining ChangeMakers from around the world on the cathedral facade. For FY23, the campaign will continue to share stories of ChangeMakers primarily across CIF social media platforms.

108. **CIF-BloombergNEF Report:** A CIF and BloombergNEF [joint report](#) identified the role that financial intermediaries can play in mobilizing clean energy investment in emerging markets, with a focus on clean power and transport. Looking back at the history of fund deployment and fundraising activities in emerging markets and analyzing four case studies, the report uses its research on five country-specific "clean energy finance roadmaps" to show idealized routes for achieving far greater scale by 2030.

109. **Focus for FY23:** The communications and outreach focus for FY23 will be on the following goals:

- a. Continuing to build the CIF brand
- b. Supporting the launch of the NPC, Cities, and Industries programs
- c. Delivering a new CIF website
- d. Further collaborating with the MDB's and partners to showcase CIF's work
- e. Growing engagement across the CIF social media channels

### 3.7 Engaging CIF Stakeholders

110. CIF's business model is hinged on inclusivity, transparency and accountability. As such, CIF's planned and ongoing stakeholder engagement activities are designed to do the following:

- a. Build the capacity of CIF observers and enable collaboration and partnerships with broader non-state actors so they can contribute to CIF business, including monitoring national climate strategies and local projects, thus strengthening CIF's transparency and accountability goals.

- b. Expand CIF engagement and support of youth leaders and organizations to harness their commitment, energy, and entrepreneurship for climate action worldwide.
- c. Support the Stakeholder Advisory Network (SAN) as a platform for convening and supporting cross-climate fund collaboration around observers and climate finance governance
- d. Increase use of CIF's website, knowledge products, and social media tools to raise the visibility and support for CIF's work among civil society and the private sector worldwide.

111. **Mainstreaming and collaboration:** CIF stakeholder engagement activities for FY22 included work on improving the capacity of the new cohort of CIF observers (having introduced routine updates with the CIF program coordinators) and developing new knowledge products to further mainstream stakeholder engagement across CIF's new programs. CIF has been working jointly with other climate funds to explore and plan targeted regional stakeholder policy dialogues in MENA and North America. Work also continued to disseminate the YES and gender/TKT studies globally and to pilot the Local Stakeholder Engagement Results Framework.

112. **Major activities delivered in FY22:** The integration process continued for the new cohort of 86 (43 primary and 43 alternative) non-state observers representing civil society, private sector and Indigenous Peoples. The process included holding several technical webinars with observers, holding pre-meeting briefings ahead of the CTF/SCF bi-annual meetings, and publishing a monthly newsletter to keep observers informed of CIF policies and activities. The CIF Administrative Unit carried out an assessment survey with the observers to ascertain ways to strengthen their policy advocacy, program monitoring, networking, and constituent representation role. The results of this survey will be used to program upcoming capacity-building webinars with the observers. While the integration of the observers has been somewhat hampered by the lack of in-person meetings due to the COVID-19 pandemic, some observers have actively participated in the CTF/SCF meetings as well as collaborated with several of CIF's thematic teams (e.g., Just Transitions, E&L Initiative, and Natural Resources Management).

113. **Youth engagement:** CIF made significant advances in FY22 in its efforts to engage youth groups worldwide, in light of the activist role youth leaders are playing in the effort to scale-up climate action worldwide. Activities included drafting a first-ever youth engagement strategy, YES, and holding several online consultation sessions on the strategy with over 120 youth activists worldwide. YES was launched during COP26 with a diverse panel of youth climate leaders and multilateral stakeholders. The event was co-sponsored with the EBRD. CIF

has completed the action plan to operationalize the recommendations that came out of these engagements.

114. The CIF Administrative Unit also hosted its second CIF youth intern, a climate activist and social media influencer from Russia, who helped draft the youth strategy, organized several CIF-sponsored youth outreach events, and made presentations about CIF at various global youth conferences, such as UNFCCC's Global Sustainable Technology and Innovation Community Conference in Dubai in January 2022. CIF continued to offer key support to two important youth climate entrepreneurship competitions: World Bank's Y2Y Global Youth Climate Network (GYCN), and the Global Center on Adaptation (GCA) and AfDB's YouthADAPT challenge program. CIF also supported a national Youth Climate Action Summit in Ghana with participants from over eight tertiary institutions and youth leaders from the subregion.
115. **Stakeholder Engagement Results Framework:** CIF finalized its Stakeholder Engagement Results Framework in FY22. It is designed to help track ongoing efforts to strengthen the engagement of non-state stakeholders in CIF governance at the global level and CIF-financed programs and projects at the national and local levels. The framework is a result of an extensive literature review and reflects the most current concepts and policies on stakeholder engagement being adopted by the World Bank and other MDBs. In FY23, CIF plans to initiate the implementation of the framework through the development of monitoring and evaluation instruments, and publishing results of these efforts. In FY22, CIF collaborated with several partners to publish and disseminate several knowledge products, including: [Enhancing Climate Action through Stakeholder Engagement at the Country Level](#), and [Lessons on Local Stakeholder Engagement from the Pilot Program for Climate Resilience](#).
116. **Support to the SAN:** In FY22, CIF continued to provide strategic support to strengthen the Stakeholder Advisory Network (SAN), a multi-stakeholder network composed of past and current observers from CIF, GEF, GCF, AF, the FCPF. CIF supported capacity building for the recently elected Steering Group Coordinating Committee comprising representatives from civil society, Indigenous Peoples, and the private sector. CIF also assisted the development of a business plan and funding proposals for the SAN. CIF teams collaborated on two knowledge products: [Observer Stories](#) and a forthcoming comparative study on the stakeholder engagement policies and efforts of five climate funds. CIF also created [Reflections from Outgoing CIF Observers](#), video recordings of past observers reflecting on their CIF experiences titled.
117. **Collaboration with other multilateral funds:** CIF collaborated with other climate funds (GCF, GEF, AF, FCPF), MDBs (World Bank, EBRD), governments, and think tanks to exchange

information, produce knowledge products, and host joint events, such as the youth event at COP26.

118. **Activities proposed for FY23:** During FY23, CIF will routinely apprise observers and non-state actors about high-level policy discussions, events, and knowledge products being generated by CIF, as well as provide capacity-building through technical workshops. More broadly, the CIF Administrative Unit will continue to expand CIF's stakeholder base, updating them on CIF's work and Trust Fund Committee decisions, consulting them on CIF's policies and proposed actions, and facilitating their participation in CIF's climate action work worldwide. Policy dialogue meetings are now being planned for several countries and regions, including Canada, Europe, and the Middle East and North Africa (MENA)., the latter in the lead to the COP27. CIF will continue to liaise and partner with other climate finance mechanisms and MDBs on outreach approaches, activities, and lessons, as well as to promote joint knowledge products. For the SAN, CIF will provide technical support, collaborate on observer training activities, and provide strategic funding in order to strengthen its institutional capacity and facilitate the process toward it becoming an autonomous and self-funded institution
119. In a continuing effort to advance and elevate CIF focus on youth engagement, CIF will recruit its third youth intern, this time from the MENA region, to help mobilize youth around COP27 being held in Egypt. CIF will also support youth climate innovation and entrepreneurship through training session, technical workshops, and partnerships with youth organizations on climate hackathons and youth mentoring programs. CIF will also facilitate participation of youth climate leaders in CIF's governance.

### 3.8 Gender Mainstreaming

120. In FY22, CIF prioritized integration of gender into the design of the new ACT, REI, and NPC programs -. Detailed annexes on gender integration and social inclusion were developed for operational manuals as well as background notes on sectoral analysis of barriers and opportunities for promoting gender equality. A guidance note for MDB teams on gender integration was finalized. Dedicated capacity building sessions with program stakeholders are planned in May-June 2021.
121. Also, in FY2022, the Women-Led Coal Transitions (WOLCOT) Grant Mechanism, to be funded by a Canadian grant contribution of 15 CDN million dollars, was established to enhance women's climate leadership and effective participation in the design, decision-making, and implementation of coal transition strategies and plans in ACT-eligible countries. Upstream feedback on draft project design was provided to all projects under BDRP/PPCR and CIF-TAF, as well as to some FIP and GESP projects. Close collaboration with the MDB Gender Focal

Point continued to develop WOLCOT, discuss M&R and capacity building needs and requirements, and support MDB-led work on activities supported by the country engagement budget.

122. Further in FY22, proposals for strengthened M&R procedures and creating a gender module in CCH were developed. Additional analysis of project results was carried out to strengthen and finalize the Portfolio Review. Work on the analysis of systemic and normative barriers to women's full participation in institutional processes on climate change policy-making and in the growth of green economy has commenced through the International Institute for Environment and Development (IIED) and EnGen Collaborative on a new Women's Climate Leadership Initiative. External outreach continued with an enhanced information campaign, presentations at key international events on the gender and climate nexus, and partnerships with [Gender Smart](#), [2X Collaborative's](#) 2X Green - Gender and Climate Community of Practice, and the Gender Experts Group under the Green Growth Knowledge Partnership.
123. In FY23, CIF will continue prioritizing proactive support to the MDB teams and national stakeholders on integrating gender into the new programs through dedicated capacity building events and on-demand advice and knowledge support. Launch of the WOLCOT mechanism has helped to create a knowledge platform on women in coal transition, as well as support ACT-eligible countries in developing proposals for WOLCOT grants. Strengthening reporting on gender will also be prioritized with the launch of CCH Gender Module. Several knowledge products exploring gender impacts and lessons of CIF-funded activities are planned. For example, under PPCR, a knowledge product on Women's Leadership in Climate Resilience Operations, is planned under the KfR series. Close collaboration with the MDBs on activities under the country engagement budget will also be supported.
124. More information on CIF gender activities and work program is presented in Annex 4.

### **3.9 Managing Resources and Risk**

125. Through FY22, the CIF Administrative Unit continued supporting CIF programs and Trust Fund Committees by obtaining information from the MDBs, Trustee, and a variety of sources; formulating risk assessments; and monitoring and reporting via each CIF program's risk dashboard. Additionally, the CIF Administrative Unit continued to generate and present semi-annual risk reports for CTF and annual risk reports for SCF, pertaining to each program's material strategic, operational, financial, legal and compliance, and reputational risks. MDBs continue to monitor their CIF portfolios, including underperforming projects, to minimize risk and, in some cases, in coordination with the CIF Administrative Unit, as part of its oversight role over this process. In FY23, emphasis will be directed to implementation risk, resource

availability risk, currency risk, fraud, sexual exploitation, and abuse, as well as assessing and monitoring the impacts of COVID-19 and the war in Ukraine. Efforts to identify and assess new risks remains ongoing.

126. CIF continues to enhance the validity and accuracy of disbursement forecasts and reports, attributing progress to weighted average age of projects, as well as the differences between different programs. Additionally, CIF continues to focus on strategic initiatives, particularly CCMM, through financial modeling, risk adjusted capital, and cash flow and loss forecasts.
127. The range of services provided by the Trustee is a significant portion of activities under this target area. This includes financial management of contributions and other resources, execution of transactions, such as commitment and transfer of resources following decisions of the Trust Fund Committees, investment management of trust fund balances, accounting and financial reporting on CIF activities, and legal services. Details of Trustee services and activities in FY22 and proposals for FY23 are included in Annex 6.



## Annex 1: Additional Information Supporting the FY23 Budget Proposal

**Table 1: FY22 projected budget outcome and FY23 proposed budget (USD '000)**

Target Area	FY22 Approved Budget					FY22 Projected Utilization					FY23 Proposed Budget				
	Admin Unit	MDBs	Trustee	External Audit Fee	FY22 Approved Budget	Admin Unit	MDBs	Trustee	External Audit Fee	FY22 Projected Utilization	Admin Unit	MDBs	Trustee	External Audit Fee	FY23 Proposed Budget
<b>Total</b>	<b>10,424.7</b>	<b>7,722.1</b>	<b>3,156.0</b>	<b>800.0</b>	<b>22,102.7</b>	<b>10,157.5</b>	<b>7,262.2</b>	<b>3,149.1</b>	<b>800.0</b>	<b>21,368.8</b>	<b>14,993.4</b>	<b>9,911.4</b>	<b>3,555.0</b>	<b>895.0</b>	<b>29,354.8</b>
1. Policy development, etc.	4,780.4	2,103.2	840.0	-	7,723.7	4,662.9	2,006.1	840.0	-	7,509.0	6,037.1	2,758.0	936.0	-	9,731.1
2. Inv. plan development, etc.	-	423.6	-	-	423.6	-	396.4	-	-	396.4	505.1	937.9	-	-	1,443.1
3. Dev./approval of CIF funding	-	753.3	-	-	753.3	-	662.8	-	-	662.8	-	963.3	-	-	963.3
4. Knowledge and Comms.	2,158.4	1,582.7	-	-	3,741.1	2,100.0	1,467.9	-	-	3,567.8	3,418.0	1,703.3	-	-	5,121.3
5. M&E; SE in IP implementation	2,334.4	1,228.7	-	-	3,563.1	2,273.0	1,152.3	-	-	3,425.3	3,543.0	1,381.1	-	-	4,924.1
6. Gender mainstreaming	634.1	471.0	-	-	1,105.1	617.5	453.8	-	-	1,071.2	766.0	714.4	-	-	1,480.5
7. Managing resources and risk	517.4	1,159.5	2,316.0	800.0	4,792.8	504.2	1,123.0	2,309.1	800.0	4,736.3	724.1	1,453.3	2,619.0	895.0	5,691.4

**Table 2: Administrative services: FY22 projected budget outcome by fund program (USD '000)**

	CTF - I		ACT		SCF - I		SCF - II	
	FY22 Approved Budget	FY22 Projected Utilization	FY22 Approved Budget	FY22 Projected Utilization	FY22 Approved Budget	FY22 Projected Utilization	FY22 Approved Budget	FY22 Projected Utilization
<b>Total</b>	<b>10,055.6</b>	<b>9,778.2</b>	<b>721.2</b>	<b>659.7</b>	<b>10,399.0</b>	<b>10,120.5</b>	<b>926.8</b>	<b>810.4</b>
Admin Unit	5,675.9	5,525.3	155.0	155.0	4,403.3	4,286.7	190.5	190.5
MDBs	1,988.8	1,915.4	566.3	504.7	4,562.7	4,354.2	604.3	487.9
Trustee	1,991.0	1,937.5	-	-	1,033.0	1,079.6	132.0	132.0
External Audit of MDBs and Trust Funds	400.0	400.0	-	-	400.0	400.0	-	-

**Table 3: Administrative services: FY22 approved budget and projected utilization for Trustee by fund program and target area (USD '000)**

Trustee Services	CTF - I		ACT		SCF - I		SCF - II	
	FY22 Approved Budget	FY22 Projected Utilization	FY22 Approved Budget	FY22 Projected Utilization	FY22 Approved Budget	FY22 Projected Utilization	FY22 Approved Budget	FY22 Projected Utilization
<b>Total Trustee Costs</b>	<b>1,991.0</b>	<b>1,937.5</b>	-	-	<b>1,033.0</b>	<b>1,079.6</b>	<b>132.0</b>	<b>132.0</b>
1. Policy development, etc.	395.0	395.0	-	-	345.0	345.0	100.0	100.0
7. Managing resources and risk	1,596.0	1,542.5	-	-	688.0	734.6	32.0	32.0
Additionally, External Audit of MDBs and Trust Funds	<b>400.0</b>	<b>400.0</b>	-	-	<b>400.0</b>	<b>400.0</b>	-	-

**Table 4: Administrative services: FY22 approved budget and projected utilization for CIF Administrative Unit by fund program and target area (USD '000)**

	CTF - I		ACT		SCF - I		SCF - II	
	FY22 Approved Budget	FY22 Projected Utilization	FY22 Approved Budget	FY22 Projected Utilization	FY22 Approved Budget	FY22 Projected Utilization	FY22 Approved Budget	FY22 Projected Utilization
<b>Total Administrative Services</b>	<b>5,675.9</b>	<b>5,525.3</b>	<b>155.0</b>	<b>155.0</b>	<b>4,403.3</b>	<b>4,286.7</b>	<b>190.5</b>	<b>190.5</b>
1. Policy development, etc.	2,450.2	2,385.5	155.0	155.0	1,984.8	1,932.0	190.5	190.5
2. Inv. plan development, etc.	-	-	-	-	-	-	-	-
3. Dev./approval of CIF funding	-	-	-	-	-	-	-	-
4. Knowledge and Comms.	1,246.4	1,212.6	-	-	912.0	887.3	-	-
5. M&E; SE in IP implementation	1,334.6	1,299.1	-	-	999.7	973.9	-	-
6. Gender mainstreaming	329.4	321.0	-	-	304.7	296.5	-	-
7. Managing resources and risk	315.2	307.2	-	-	202.1	197.0	-	-

**Table 5: Administrative services: FY22 approved budget and projected utilization for MDB by target Area (USD '000)**

	ADB		AFDB		EBRD	
	FY22 Approved Budget	FY22 Projected Utilization	FY22 Approved Budget	FY22 Projected Utilization	FY22 Approved Budget	FY22 Projected Utilization
<b>TOTAL MDB Administrative Services</b>	<b>1,132.9</b>	<b>1,000.4</b>	<b>1,138.9</b>	<b>1,069.0</b>	<b>734.4</b>	<b>659.3</b>
1. Policy development, etc.	203.2	163.6	280.1	276.3	210.8	191.8
2. Inv. plan development, etc.	132.6	119.4	63.0	63.0	61.4	33.1
3. Dev./approval of CIF funding	120.2	108.2	47.9	40.4	110.5	104.1
4. Knowledge and Comms.	311.2	280.1	203.0	187.0	85.5	81.0
5. M&E; SE in IP implementation	186.6	167.9	266.4	246.5	89.0	85.8
6. Gender mainstreaming	75.2	67.7	70.8	63.5	73.8	70.0
7. Managing resources and risk	103.8	93.4	207.7	192.3	103.5	93.5

	IDB Group		IBRD		IFC	
	FY22 Approved Budget	FY22 Projected Utilization	FY22 Approved Budget	FY22 Projected Utilization	FY22 Approved Budget	FY22 Projected Utilization
<b>TOTAL MDB Administrative Services</b>	<b>1,119.2</b>	<b>992.3</b>	<b>2,593.9</b>	<b>2,583.3</b>	<b>1,002.8</b>	<b>957.9</b>
1. Policy development, etc.	323.6	267.8	830.6	827.0	255.1	279.5
2. Inv. plan development, etc.	47.7	33.3	26.2	39.1	92.7	108.5
3. Dev./approval of CIF funding	171.5	168.4	228.3	210.0	74.9	31.7
4. Knowledge and Comms.	161.2	149.6	634.4	598.3	187.4	171.8
5. M&E; SE in IP implementation	139.2	123.1	388.9	386.1	158.6	142.9
6. Gender mainstreaming	112.9	102.2	101.5	109.5	36.8	40.9
7. Managing resources and risk	163.2	147.8	384.0	413.3	197.3	182.6

**Table 6: FY23 proposed budget by fund program and budget category (USD '000)**

	CTF - I	ACT	SCF - I	SCF - II	Total
<b>Total Proposed Budget</b>	<b>11,743.3</b>	<b>5,966.9</b>	<b>11,517.3</b>	<b>7,671.1</b>	<b>36,898.6</b>
<b>Administrative Services</b>					
<b>Sub-total</b>	<b>9,843.3</b>	<b>4,676.9</b>	<b>9,472.3</b>	<b>5,362.3</b>	<b>29,354.8</b>
Trustee	1,965.0	532.0	1,058.0	-	3,555.0
External Audit of MDBs and Trust Funds	400.0	95.0	400.0	-	895.0
Admin Unit	5,534.0	2,880.7	3,864.8	2,714.0	14,993.4
MDBs	1,944.4	1,169.2	4,149.5	2,648.3	9,911.4
<b>Multi-Year Activities:</b>					
<b>Sub-total</b>	<b>1,900.0</b>	<b>1,290.0</b>	<b>2,045.0</b>	<b>2,308.8</b>	<b>7,543.8</b>
Country Engagement	200.0	600.0	200.0	1,693.8	2,693.8
Special Initiatives	<b>1,700.0</b>	<b>690.0</b>	<b>1,845.0</b>	<b>615.0</b>	<b>4,850.0</b>
<i>CIF Website Enhancements</i>	<i>50.0</i>	<i>40.0</i>	<i>120.0</i>	<i>40.0</i>	<i>250.0</i>
<i>CIF Governance Review</i>	<i>150.0</i>	<i>150.0</i>	<i>225.0</i>	<i>75.0</i>	<i>600.0</i>
<i>E&amp;L Initiative Phase III: Proposed Budget - Year 1 (FY23)</i>	<i>1,500.0</i>	<i>500.0</i>	<i>1,500.0</i>	<i>500.0</i>	<i>4,000.0</i>

**Table 7: Administrative services: FY23 proposed budget for Trustee and audit fee by fund program and target area (USD '000)**

Trustee Services	CTF - I		ACT		SCF - I		SCF - II		TOTAL	
	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget
<b>Total Trustee Costs</b>	<b>1,937.5</b>	<b>1,965.0</b>	-	<b>532.0</b>	<b>1,079.6</b>	<b>1,058.0</b>	<b>132.0</b>	-	<b>3,149.1</b>	<b>3,555.0</b>
1. Policy development, etc.	395.0	395.0	-	196.0	345.0	345.0	100.0	-	840.0	936.0
7. Managing resources and risk	1,542.5	1,570.0	-	336.0	734.6	713.0	32.0	-	2,309.1	2,619.0

Trustee Service Components	CTF - I		ACT		SCF - I		SCF - II		TOTAL	
	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget
<b>Total Trustee Costs</b>	<b>1,937.5</b>	<b>1,965.0</b>	-	<b>532.0</b>	<b>1,079.6</b>	<b>1,058.0</b>	<b>132.0</b>	-	<b>3,149.1</b>	<b>3,555.0</b>
Financial and Program Management	500.0	500.0	-	256.0	453.0	453.0	132.0	-	<b>1,085.0</b>	<b>1,209.0</b>
Investment Management	1,142.5	1,170.0	-	180.0	381.6	360.0	-	-	<b>1,524.1</b>	<b>1,710.0</b>
Accounting and Reporting	192.0	192.0	-	45.0	192.0	192.0	-	-	<b>384.0</b>	<b>429.0</b>
Legal Services	103.0	103.0	-	51.0	53.0	53.0	-	-	<b>156.0</b>	<b>207.0</b>
<b>Additionally, External Audit of MDBs and Trust Funds</b>	<b>400.0</b>	<b>400.0</b>	-	<b>95.0</b>	<b>400.0</b>	<b>400.0</b>	-	-	<b>800.0</b>	<b>895.0</b>

**Table 8: Administrative services: FY23 proposed budget for CIF Administrative Unit by fund program and target area (USD '000)**

	CTF - I		ACT		SCF - I		SCF - II	
	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget
<b>Total Admin Unit for Administrative Services</b>	<b>5,525.3</b>	<b>5,534.0</b>	<b>155.0</b>	<b>2,880.7</b>	<b>4,286.7</b>	<b>3,864.8</b>	<b>190.5</b>	<b>2,714.0</b>
1. Policy development, etc.	2,385.5	2,157.8	155.0	1,302.0	1,932.0	1,370.6	190.5	1,206.8
2. Inv. plan development, etc.	-	-	-	281.8	-	-	-	223.3
3. Dev./approval of CIF funding	-	-	-	-	-	-	-	-
4. Knowledge and Comms.	1,212.6	1,233.5	-	549.5	887.3	966.0	-	669.0
5. M&E; SE in IP implementation	1,299.1	1,528.5	-	477.7	973.9	1,101.0	-	435.8
6. Gender mainstreaming	321.0	270.9	-	113.1	296.5	269.0	-	113.1
7. Managing resources and risk	307.2	343.3	-	156.6	197.0	158.2	-	66.0

**Table 9: Administrative services: FY23 proposed budget for MDB by fund program (USD '000)**

	CTF - I			ACT			PPCR			FIP		
	FY22 Approved Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Approved Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Approved Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Approved Budget	FY22 Projected Utilization	FY23 Proposed Budget
<b>Total</b>	<b>1,988.8</b>	<b>1,915.4</b>	<b>1,944.4</b>	<b>566.3</b>	<b>504.7</b>	<b>1,169.2</b>	<b>1,821.2</b>	<b>1,704.7</b>	<b>1,651.5</b>	<b>1,387.9</b>	<b>1,385.6</b>	<b>1,416.1</b>
<b>ADB</b>	358.3	308.9	355.2	103.6	93.2	246.0	224.0	202.4	205.0	120.7	101.4	101.5
<b>AfDB</b>	135.6	117.8	129.3	118.0	118.0	219.0	344.9	325.1	432.3	258.8	241.7	270.9
<b>EBRD</b>	285.5	276.5	282.0	132.0	131.3	230.0	92.0	69.6	70.0	-	-	-
<b>IDB Group</b>	259.4	230.7	251.9	52.8	24.2	74.4	225.3	220.2	215.0	230.8	228.6	215.0
<b>IBRD</b>	539.8	539.4	580.3	100.0	100.0	305.4	735.1	725.1	564.4	677.7	677.4	687.7
<b>IFC</b>	410.2	442.2	345.6	59.8	38.0	94.4	199.9	162.3	164.9	100.1	136.6	141.1

	SREP			REI			NPC			Cities/Industries		
	FY22 Approved Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Approved Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Approved Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Approved Budget	FY22 Projected Utilization	FY23 Proposed Budget
<b>Total</b>	<b>1,353.6</b>	<b>1,263.9</b>	<b>1,081.9</b>	<b>604.3</b>	<b>487.9</b>	<b>1,320.9</b>	-	-	<b>671.6</b>	-	-	<b>655.8</b>
<b>ADB</b>	235.3	212.6	211.0	91.0	81.9	220.0	-	-	130.0	-	-	130.0
<b>AfDB</b>	217.7	202.4	109.4	64.0	64.0	219.0	-	-	117.0	-	-	117.0
<b>EBRD</b>	31.0	29.5	29.8	193.9	152.4	295.0	-	-	84.8	-	-	84.8
<b>IDB Group</b>	228.4	215.5	215.0	122.5	73.1	194.8	-	-	51.0	-	-	51.0
<b>IBRD</b>	441.3	441.5	350.8	100.0	100.0	305.1	-	-	227.2	-	-	224.1
<b>IFC</b>	199.9	162.3	165.9	32.9	16.5	87.0	-	-	61.7	-	-	49.0

**Table 10: Administrative services: FY23 proposed budget for MDB by target area (USD '000)**

	ADB		AFDB		EBRD	
	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget
<b>TOTAL MDB for Administrative Services</b>	<b>1,000.4</b>	<b>1,598.7</b>	<b>1,069.0</b>	<b>1,613.9</b>	<b>659.3</b>	<b>1,076.3</b>
1. Policy development, etc.	163.6	243.5	276.3	426.5	191.8	273.6
2. Inv. plan development, etc.	119.4	243.4	63.0	234.2	33.1	68.5
3. Dev./approval of CIF funding	108.2	191.6	40.4	72.6	104.1	159.5
4. Knowledge and Comms.	280.1	386.3	187.0	221.5	81.0	144.4
5. M&E; SE in IP implementation	167.9	248.0	246.5	269.1	85.8	147.8
6. Gender mainstreaming	67.7	131.8	63.5	168.5	70.0	124.0
7. Managing resources and risk	93.4	154.2	192.3	221.5	93.5	158.5

	IDB Group		IBRD		IFC	
	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget	FY22 Projected Utilization	FY23 Proposed Budget
<b>TOTAL MDB for Administrative Services</b>	<b>992.3</b>	<b>1,268.0</b>	<b>2,583.3</b>	<b>3,245.0</b>	<b>957.9</b>	<b>1,109.5</b>
1. Policy development, etc.	267.8	444.7	827.0	1,042.6	279.5	327.1
2. Inv. plan development, etc.	33.3	95.2	39.1	163.8	108.5	132.8
3. Dev./approval of CIF funding	168.4	144.5	210.0	317.0	31.7	78.0
4. Knowledge and Comms.	149.6	179.1	598.3	583.3	171.8	188.7
5. M&E; SE in IP implementation	123.1	159.3	386.1	415.6	142.9	141.4
6. Gender mainstreaming	102.2	102.0	109.5	143.9	40.9	44.3
7. Managing resources and risk	147.8	143.2	413.3	578.7	182.6	197.3



**Table 11: Details of FY23 costs by entity by fixed and variable costs (USD '000)**

	Fixed Cost				Variable Cost				Total
	CTF - I	ACT	SCF - I	SCF - II	CTF - I	ACT	SCF - I	SCF - II	
<b>Total</b>	<b>6,638.6</b>	<b>2,803.3</b>	<b>5,830.2</b>	<b>2,883.7</b>	<b>3,204.7</b>	<b>1,873.6</b>	<b>3,642.2</b>	<b>2,478.6</b>	<b>29,354.8</b>
<b>CIF Admin Unit</b>	3,476.5	1,736.7	2,505.0	1,539.4	2,057.5	1,143.9	1,359.8	1,174.5	<b>14,993.4</b>
<b>MDBs</b>	1,197.1	534.5	2,267.2	1,344.2	747.2	634.6	1,882.3	1,304.1	<b>9,911.4</b>
ADB	14.2	4.4	16.2	17.9	341.0	241.6	501.3	462.0	<b>1,598.7</b>
AfDB	29.0	42.0	138.2	126.0	100.3	177.0	674.3	327.0	<b>1,613.9</b>
EBRD	217.5	176.0	63.5	344.1	64.5	54.0	36.3	120.4	<b>1,076.3</b>
IDB Group	104.0	22.6	254.4	94.2	148.0	51.8	390.6	202.6	<b>1,268.0</b>
IBRD	510.5	205.6	1,372.4	571.9	69.8	99.8	230.6	184.4	<b>3,245.0</b>
IFC	322.0	84.0	422.6	190.1	23.6	10.4	49.3	7.6	<b>1,109.5</b>
<b>Trustee</b>	<b>1,965.0</b>	<b>532.0</b>	<b>1,058.0</b>	-	-	-	-	-	<b>3,555.0</b>
<b>External Audit Fee</b>	-	-	-	-	<b>400.0</b>	<b>95.0</b>	<b>400.0</b>	-	<b>895.0</b>

**Table 12: Breakdown of FY23 MDB costs by target area (USD '000)**

MDBs	1. Policy development, working with the TFCs/SCs, and managing relations		2. Investment plan development, update, and revision.		3. Development and approval of CIF funding of programs and projects		4. Knowledge management and Communications		5. Monitoring and evaluation, stakeholder engagement in review of IP implementation		6. Gender mainstreaming		7. Managing resources and risk	
	Fixed Cost	Variable Cost	Fixed Cost	Variable Cost	Fixed Cost	Variable Cost	Fixed Cost	Variable Cost	Fixed Cost	Variable Cost	Fixed Cost	Variable Cost	Fixed Cost	Variable Cost
<b>Total</b>	<b>1,494.0</b>	<b>1,264.0</b>	<b>417.4</b>	<b>520.5</b>	<b>589.6</b>	<b>373.7</b>	<b>821.0</b>	<b>882.3</b>	<b>761.6</b>	<b>619.5</b>	<b>311.3</b>	<b>403.2</b>	<b>948.2</b>	<b>505.1</b>
ADB	-	243.5	-	243.4	-	191.6	-	386.3	-	248.0	-	131.8	52.6	101.5
AfDB	90.5	336.0	58.8	175.4	15.1	57.5	41.8	179.6	50.2	218.9	36.9	131.6	41.8	179.6
EBRD	179.7	93.9	57.5	11.0	145.0	14.5	92.9	51.5	121.5	26.3	89.0	35.0	115.5	43.0
IDB Group	143.2	301.5	36.3	58.9	52.7	91.9	65.7	113.4	63.9	95.4	17.2	84.8	96.1	47.1
IBRD	777.4	265.2	132.0	31.8	298.9	18.2	487.8	95.6	395.6	20.0	123.9	20.0	444.9	133.8
IFC	303.1	24.0	132.8	-	78.0	-	132.8	55.9	130.4	11.0	44.3	-	197.3	-

## Annex 2: Multi-Year Activities: Country Engagement and Special Initiatives

### Summary report on multi-year activities approved in previous fiscal years

128. **General country engagement activities (CE-Gen):** Country engagement activities supported by the MDBs are proposed in response to country demand for support in the areas of country systems for results reporting and gender mainstreaming, among others. These MDB-proposed activities are reviewed by the CIF Administrative Unit and approved by the relevant MDB Committees. In FY22, USD 0.4 million was approved as a top-up for this multiyear sub-category of activities. Approved activities in FY22 supported the analysis of the impacts of COVID-19 on the World Bank FIP and DGM projects, the application of behavioral science methods to increase and sustain women's active participation in natural resource management in the Republic of Congo, and the establishment of gender-sensitive profit-sharing mechanisms in Burkina Faso's forestry sector, among others. Table 1 provides a list of activities approved in FY22, as of May 2022.

**Table 1: Approved FY22 MDB-proposed country engagement activities**

Activity Title	Country	MDB	Program	Category	Amount (USD)
Global: Analysis of COVID-19 impacts on the FIP program portfolio	Global	IBRD	FIP	E&L	15,000
Overcoming behavioral barriers experienced by forest-dependent women in the departments of Sangha and Likouala	Republic of Congo	IBRD	FIP	Gender Mainstreaming	50,000
Capacity building and establishment of gender-sensitive profit-sharing mechanisms in Burkina Faso forestry sector	Burkina Faso	AfDB	FIP	E&L	50,000
Women in Niger as Partners in Renewable Energy Policy	Niger	AfDB	PPCR	Gender Mainstreaming	50,000
Adaptation Benefits Mechanism in Ethiopia – exploring the options for funding access to renewable energy sources through climate change adaptation activities and mechanisms	Ethiopia	AfDB	SREP	Knowledge Management	50,000

129. Additional country engagement activities expected for approval by June 2022 include supporting gender mainstreaming in the energy sector reforms in Tunisia; cost-benefit analysis and detailed quantification of mitigation, adaptation and co-benefit outcomes of the activities related to geothermal generation in LAC countries; and analysis of the gender impact of lithium development.
130. **Evaluation & Learning Initiative Phase 2 (Year 3, FY22):** In FY22, the E&L Initiative carried out activities in line with its E&L FY20–22 Business Plan and the subsequent E&L FY22 Work Plan approved by Trust Fund Committee members in June 2021. This includes the completion and dissemination of over 15 strategic and thematic studies, such as case studies on transformational change and just transitions, program evaluation of SREP, and learning review of CIF-supported hydromet and climate services. The initiative also further honed its ability to develop and deliver content using virtual platforms, which attracted more than 750 participants through 16 online events.
131. Over the last year, the E&L Initiative’s Transformational Change Learning Partnership (TCLP) has placed increased emphasis on operationalizing transformational change concepts and has developed guidance and tools for project designers, implementers, and evaluators, especially as relevant to new CIF programs. The TCLP published three new case studies on transformational change in CIF country programs: Mexico's story of transformational change through FIP; CIF’s experiences in supporting concentrated solar power based on CIF’s experience in Chile, Morocco, and South Africa; and progress from 2009 to 2020 in transforming Turkey’s energy sector with support from CTF. These case studies have provided an opportunity to apply and test the enhanced transformational change concepts through grounded examples and offer insights relevant to the new CIF programming areas. In addition, over 600 participants attended 12 TCLP events in FY22.
132. An independent program-level evaluation of SREP was completed and published. The evaluation aims to strengthen existing SREP investments and to inform the design of new CIF programs and projects, as well as other global efforts, through the identification of relevant lessons and good practices for advancing low-carbon energy access in low-income countries. It includes a retrospective analysis of how the program was designed and implemented, how it has evolved over time, what the challenges and achievements have been to date (and why), and what can be done going forward to maximize effectiveness and impact. An evaluation of development impacts from climate investments in CIF, with a focus on CIF’s four original programs (CTF, FIP, PPCR, and SREP), is near completion.
133. The Just Transitions Initiative (JTI) engaged a wide range of stakeholders and published on salient topics. One such study aimed to understand just transition in coal-dependent

communities in Mpumalanga, South Africa and Jharkhand, India. Two case studies unpacked the complex landscape of just transition in non-energy sectors: one in Ghana looking at the natural resources and forestry sector and another in Bolivia exploring the implications of a transition to more sustainable water governance. Other activities on just transition included papers, expert commentaries, webinars, and podcasts. A regular just transition commentary series shared the points of view of various experts and practitioners on a range of topics, including the role of climate finance to support an equitable transition, the need for a just rural transition, and reflections on COP26. The just transition workstream also maintained and expanded its curated library of resources to serve as a knowledge repository for the broader stakeholder community.

134. A learning review of CIF-supported hydromet and climate services projects was launched during COP26 and had two associated dissemination workshops with key country and MDB partners. Another study from the E&L Call for Proposals modality was launched, which took a deeper dive into the PPCR experience investing in hydromet and climate services in three countries: Jamaica, Mozambique, and Nepal. A web story was published to capture highlights and insights across these two E&L studies and a third CIF study on the same topic.
135. **CIF Technical Assistance Facility (CIF-TAF):** CIF-TAF was set up by the CTF and SCF Trust Fund Committees in 2019 to strengthen the enabling environment for accelerating clean energy investments. During the COVID-19 pandemic in 2020–21, the CIF-TAF was also chosen as the delivery mechanism of choice to help countries' efforts toward building back a green and resilient recovery through technical assistance on a rapid response basis.
136. The CIF-TAF issued calls for proposals (CfP). The first CfP was issued in 2019, focusing primarily on energy efficiency and renewable energy. The second CfP, issued in 2021, was structured around a two-pronged approach to support developing countries in achieving their green and resilient priorities:
  - a. Track 1: Accelerating clean energy investments: Focusing on renewable energy and energy efficiency measures to help countries attract investments and mobilize private sector financing for clean energy.
  - b. Track 2: Ensuring green and resilient recovery: Focusing on Covid-19 response measures aligned with host countries' climate and sustainable development plans to increase climate ambition and action as well as increase investment mobilization towards a green recovery.
137. A total of 48 proposals totaling USD 28.8 million were approved by the CTF Trust Fund Committee. Track 1 proposals made up USD 4.5 million and Track 2 proposals equaled USD 24.3 million, with 43 percent of the funding directed toward IDA-eligible countries.

138. In FY22, CIF-TAF will launch its third CfP, focusing on financial sector regulation and transaction enablers. The final scope for this round is being drafted and reviewed and is expected to be launched in early summer.
139. **Just Energy Transition Partnership (JETP):** At COP26, the governments of South Africa, with France, Germany, the United Kingdom, the United States, and the European Union—forming the International Partners Group (IPG)—announced a new ambitious, long-term Just Energy Transition Partnership (JETP) to support South Africa’s decarbonization effort in the context of domestic climate policy including transitioning away from coal. As part of the JETP, these countries resolved to:
- a. Establish an ambitious long-term partnership to support South Africa’s pathway to low emissions and climate resilient development, to accelerate the just transition and the decarbonization of the electricity system, and to develop new economic opportunities, such as green hydrogen and electric vehicles among other interventions to support South Africa’s shift toward a low carbon future.
  - b. Establish an inclusive task force comprised of South African and international partners.
  - c. Subject to concurrence on the investment framework, and in line with budgetary procedures and consensus on the use of funds and terms on which finance may be provided, mobilize an initial amount of approximately \$8.5 billion over the next three to five years through a combination of appropriate financial instruments, which may include but is not limited to multilateral and bilateral grants, concessional loans, guarantees and private investments, and technical support to enable the just transition, with a view to longer term engagement.
  - d. Explore additional sources of financing and mobilize or include additional international partners, to further support South Africa’s ambition.
140. CIF was asked to convene the JETP secretariat to perform a technical coordination role and help facilitate support from the IPG Group and key stakeholders, including multilateral and bilateral development finance institutions, private sector, and philanthropies, among others, for ambitious coal transition reforms and investments based on a multi-year framework.
141. The multi-year framework of reforms and investments will be reflected in an upcoming JETP investment plan, which will aim to translate the JETP resolutions into an ambitious and broad investment strategy and a comprehensive financing plan.
142. The CIF established the JETP Secretariat in FY22. Since November 2021, continuous progress has been made on the ground with the appointment of relevant focal points by South Africa, initiation of due diligence related to relevant areas and kick off of preliminary consultations with key stakeholders in the country. In FY23, the JETP Secretariat will continue to work with

the goal of finalizing the JETP investment plan before the end of 2022. More information on the activities and plans for the JETF will be provided in the TFC meetings in June 2022.

143. **CIF Capital Markets Mechanism (CCMM):** In the Intersessional meeting held on January 25, 2022, the TFCs approved a budget of USD 0.67 million for the CCMM (previously referred to as CTF 2.0) through FY22 to continue activities pursuant to the decision of the CTF TFC, made at its meeting that is held on October 12, 2021. The approved budget was to primarily cover certain Trustee costs related to financial modelling, review of trust fund structure, legal, accounting and reporting implications, and engagement with stakeholders, as well as Administrative Unit costs in hiring relevant consultants, external legal services and payments to rating agencies. Additional information on the progress of the CCMM work will be shared by the Trustee in the TFC meeting. In FY23, the residual budget approved in FY22 will be used for the stated activities.
144. An additional budget request to operationalize the CCMM will be presented to the CTF TFC upon finalization of the IBRD and MDBs' due diligence, a necessary step to understand what the final structure will look like, who is to provide which services and what will the set up and recurring resource requirements be.

#### **Additional information on Proposed FY23 Multi-year Activities**

145. **Country engagement budget for investment plan preparation (CE-IP):** The new ACT program launched in October 2021 with the decision of the CTF Trust Fund Committee to invite four applicant countries to develop investment plans for the program's first phase of implementation. Funding per country will range from USD 200 to 500 million, based on the assessments made at the time of the investment plan preparation. The CTF Trust Fund Committee also agreed that the countries selected to develop an investment plan could receive up to USD 1 million as an Investment Plan Preparation Grant (IPPGs) to enable them to take a leadership role in developing the plan with MDBs. Subsequently, the CIF Administrative Unit circulated the document "Operational Guidelines for the CIF Accelerating Coal Transition Investment Plan Development Process," which outlines the general steps to launch the investment plan process for the ACT.
146. The REI Program launched in October 2021 with the decision of the GCAP Sub-Committee to invite 10 applicant countries to develop investment plans, five to be funded up to USD 70 million and five to be funded pending the contribution of additional resources. The GCAP Sub-Committee also agreed that the countries selected to develop an investment plan could receive up to USD 0.5 million as IPPGs to enable them to take a leadership role in developing the plan with MDBs. Subsequently, the CIF Administrative Unit circulated the document "Operational Guidelines for the CIF Renewable Energy Integration Investment Plan

Development Process,” which outlines the general steps to launch the investment plan process for the REI.

147. Upon receiving an invitation to develop investment plans for a CIF program, an applicant country is expected to invite relevant MDBs to a scoping mission. During the scoping mission, an agreement is expected to be reached with the relevant government on the scope of assistance needed for planned activities under the program and administrative arrangements to facilitate it. Such assistance is requested as an IPPG, to be disbursed after the initial scoping mission.
148. Requests for IPPG or any advance funding is submitted to the CIF Administrative Unit any time after the scoping mission, which then convenes an MDB Committee meeting to review and approve the proposed funding. Upon endorsement by the MDB Committee, the CIF Administrative Unit will circulate to the relevant Trust Fund Committee, for its information, the proposal requesting the funding, including the approved amounts of funding and proposed uses, and post the funding request publicly.
149. MDBs assist invited countries throughout the investment plan preparation process, including through the country-led joint missions. Joint missions are organized in collaboration with the MDBs and the CIF Administrative Unit to assist with the development of the investment plan and subsequent programming. The objective to collaborate with the invited country or region in developing investment plans for activities consistent with the overall program objectives and investment criteria for programming priorities. Country governments lead and coordinate the joint mission, which includes teams from MDBs and key government agencies. In some cases, additional joint missions may be needed to develop the investment plan.
150. Prior to commencement of a joint mission, invited countries undertake preparatory work necessary to ensure smooth conduct and maximum outputs .. A Terms of Reference (TOR) for the Joint Mission is submitted to the MDB Committee for approval, along with a request for necessary funding to cover MDB budgetary requirements for their support to the relevant country. A resource pool (CE-IP) to cover costs of such MDB support to country engagement is made available through the country engagement allocation in the annual CIF Administrative Budget upon approval by the Trust Fund Committees.
151. The authority to review and endorse MDB requests to access CE-IP funds has historically been delegated to the MDB Committee, and it is proposed to continue the same practice in case of the newly approved and launched programs under CTF and SCF. On a continuing basis, the MDB Committee will review and approve or endorse IPPG requests, joint mission TORs, and CE-IP funding requests. The CIF Administrative Unit, in turn, notifies the relevant Trust Fund

Committee and posts the relevant documentation (without the budget) on the CIF website before a joint mission begins.

152. MDB requests for CE-IP budget approvals will outline the scope, nature, and timing of the envisaged activities for investment plan preparation, the role of each MDB, arrangements for collaboration between MDBs and other development partners, and the costs and funding sought, including its allocation to participating MDBs. CE-IP requests by MDBs are on the basis of full cost recovery for the relevant MDBs and are a best estimate of expected administrative cost until the submission of the investment plan, with a reimbursement of actual costs on the completion of the investment plan. It is expected that such requests should be guided by the principles of cost consciousness, reasonableness, transparency, and fair cost sharing between the relevant CIF program and the MDBs' own budgets.
153. After approval by the MDB Committee, the Trustee releases the approved IPPG and CE-IP funds to the respective MDBs according to procedures and timing set out in the applicable (CTF or SCF) Financial Procedure Agreements governing the transactions. The transfer will involve the endorsed sum in its entirety, which will carry over into the following year in the event work is extended beyond the current year. Unused funds at the completion of an investment plan will be returned to the Trustee.
154. The CIF Administrative Unit will track and report annually to the Trust Fund Committee, all CE-IP funding approvals, including information on funding approved by the MDB Committee, approval date, and balance of CE-IP funds available. Such tracking also assists the MDB Committee in monitoring commitments relative to the overall CE-IP resource pool and in ensuring that funding is allocated with a view to financing all requests necessary to meet the needs of the countries and MDBs throughout the investment plan preparation process. By the end of every fiscal year, a financial reconciliation of CE-IP allocations and usage will be done in collaboration with the CIF Administrative Unit and the Trustee, and final reimbursements made based on reported actual costs.
155. Additionally, MDBs are required to report annually to the Trustee on the use of programming (CE-IP) funds as specified in the Financial Procedure Agreement: "within forty-five (45) days after the end of each administrative budget fiscal year (or such other frequency agreed with the Trustee), (i) the cumulative amount of funds received by the Implementing Entity for the administrative budget during the year reported; and (ii) the final amount disbursed or used and the amount of any unused funds from the administrative budget for the administrative budget fiscal year reported, broken down by each sub-category of the administrative budget, substantially in the form attached to this Agreement as Annex L."



156. **Budget norms:** Historically, due to various constraints faced by MDBs to accurately estimate in advance their support costs for investment plan preparation activities, budget norms were adopted as CE-IP (previously known as Country Programming) benchmarks to help the MDB Committee review funding requests for MDB support services in investment plan preparation. These budget norms were continuously reviewed and adjusted over the years to reflect growing experience in the investment plan preparation process and the associated support costs incurred by MDBs.

157. An analysis of historical country programming net costs for investment plan preparation activities (including investment plan updates) from FY09–FY14 shows that MDBs spent an average per country/region of around USD 204,000 (CTF), USD 378,000 (PPCR), USD 391,000 (FIP), and USD 237,000 (SREP), with a weighted average spend of around USD 300,000.

158. For the current set of invited countries (four under the ACT and 10 under the REI), it is proposed that an initial indicative CE-IP budget of USD 250k per invited country be provisioned to the CE-IP resource pool. The following factors were considered while arriving at this initial indicative CE-IP budget:

- a. Extent of similarity in investment plan preparation processes and efforts between the old and new CTF/SCF programs
- b. Pool of countries being currently piloted and relative difficulty in undertaking investment plan preparation activities
- c. Experience gained by MDBs in investment plan preparation for CTF and SCF programs, and consequent economies that could potentially be achieved
- d. Cost inflation since the investment plan preparation phase closed for the original CTF/SCF programs.

159. The indicative CE-IP budget will be reviewed on a periodic basis to consider experience gained by MDBs in supporting investment plan preparation activities, and appropriate adjustments to the resource pool will be requested through the annual CIF administrative budget. The MDB Committee will use the indicative CE-IP budget as a benchmark to approve MDB requests for CE-IP funds, and endorse appropriate amounts of CE-IP funding. However, MDBs will eventually be compensated for all reasonable country engagement expenditures incurred in support of investment plan preparation on an actual cost basis.

160. Considering the nascent stage of the process, as part of the [FY22 Supplemental Budget Request for CIF](#), the Trust Fund Committees approved a country engagement budget of USD 0.4 million for ACT and around USD 0.8m for REI for CE-IP activities conducted by MDBs in FY22. Table 3 of the FY22 Supplemental Budget document (reproduced here as Table 2)

provided a summary of the country engagement budget requested for FY22 by the respective MDBs to cover their expenses in providing such support.

**Table 2: FY22 country engagement budget for ACT and REI (USD ‘000)**

<b>MBD</b>	<b>CTF (ACT)</b>	<b>SCF (REI)</b>	<b>Total</b>
<b>Total</b>	<b>400.0</b>	<b>806.2</b>	<b>1,206.2</b>
ADB	100.0	150.0	250.0
AfDB	80.0	100.0	180.0
EBRD	-	115.0	115.0
IDB Group	-	276.2	276.2
IBRD	220.0	165.0	385.0
IFC	-	-	-

161. The MDB Committee will consider the CE-IP funding already allocated and disbursed to MDBs while reviewing and endorsing new CE-IP requests from MDBs. MDBs will report annually to the Trustee on the use of CE-IP funds and at the end of the IP preparation activity, return any unused CE-IP funds to the Trustee.

162. Considering the circumstances described, for FY23, a top-up of USD 600,000 and USD 1,693,800 is requested for the CE-IP resource pool under CTF and SCF, respectively (see Table 3).

**Table 3: FY23 resource pool for the country engagement budget for MDB support to investment plan preparation (USD ‘000)**

	<b>CTF (ACT)</b>	<b>SCF (REI)</b>	<b>Total</b>
Proposed CE-IP Resource Pool (FY22 and FY23)	1,000.0	2,500.0	3,500.0
Less: Amounts allocated under the FY22 Supplemental Budget Approval	(400.0)	(806.2)	(1,206.2)
<b>FY23 Top-up requested</b>	<b>600.0</b>	<b>1,693.8</b>	<b>2,293.8</b>

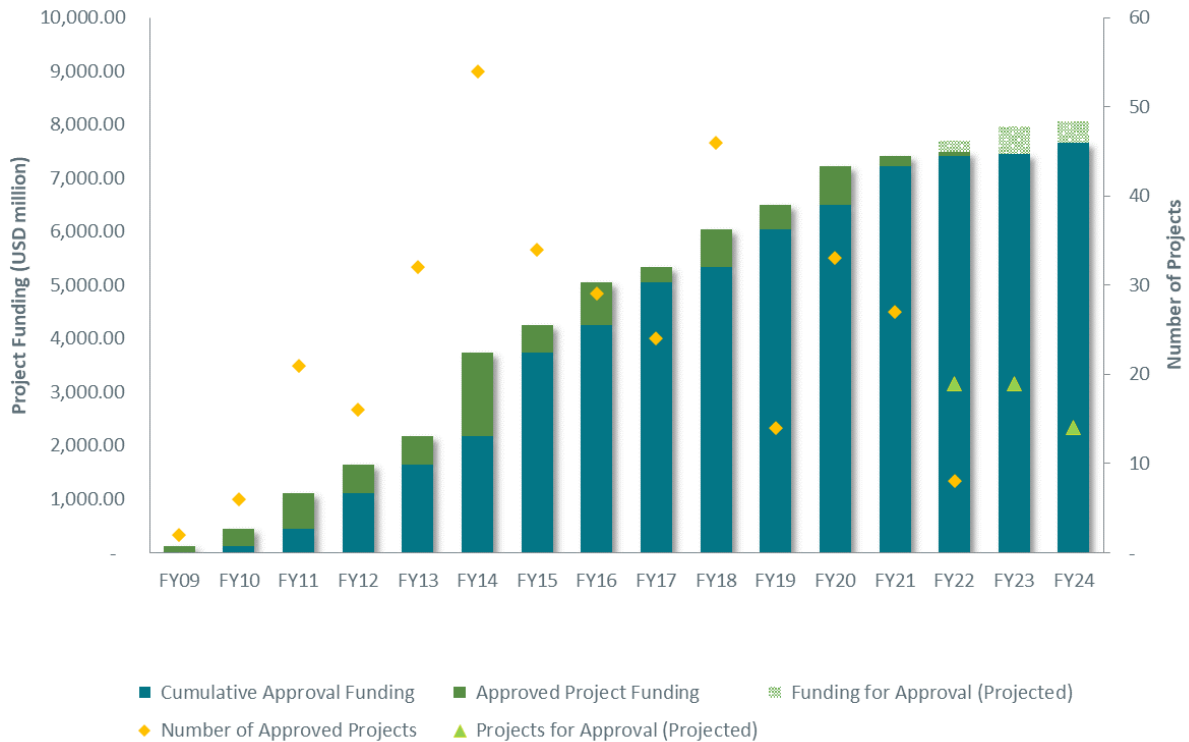
## Annex 3: CIF Portfolio Review

163. The CIF portfolio has expanded in volume and geographic coverage and has matured significantly over the last number of years. CIF continues to play a critical role in delivering finance at scale. CIF has made significant accomplishments in the past year in the area of its portfolio.
164. With the delivery of a portfolio of 19 projects in 22 countries, CIF anticipates that by June 30, 2022, CIF commitments will exceed USD 7.7 billion in programming, corresponding to 77 percent of CIF contributions to over 400 projects that are leveraging over USD 62 billion in co-financing from private and public sectors, MDBs, bilateral, and other sources.
165. In FY23, the CIF Administrative Unit will continue to support the MDBs in updating investment plans and restructuring projects due to the impacts of COVID-19 and unexpected, but normal, periodic changes typical of a matured portfolio.
166. **Portfolio monitoring and analysis:** Focus continues on managing the portfolio of over 400 projects in the delivery of results and impact, as well as gaining knowledge and lessons learned to serve the entire climate finance community. In FY22, the CIF Collaboration Hub (CCH) continued to improve its depth and robustness, by transitioning to the cloud, improving the automation process, and providing more access to a wider audience with the development of multiple reporting dashboards.
167. **CIF portfolio progress:** CIF is committed to achieving climate-smart investment through over 400 projects in 72 countries. By June 30, 2022, CTF will have 169 projects in 33 countries approved by the Trust Fund Committee, leveraging nearly USD 62 billion in co-financing from private and public sectors, MDBs, bilateral, and other sources. The SCF programs (FIP, PPCR, and SREP) show progress with USD 2.2 billion of commitments in 59 countries leveraging USD 6.4 billion in co-financing. Disbursements<sup>4</sup> show significant improvement with USD 2.8 billion reported as disbursed under CTF, USD 847 million under PPCR, USD 355 million under FIP, and USD 188 million under SREP in MDB Board-approved projects (see Figure 1). The [CIF Disbursement Report](#) provides more information on the status and progress of the CIF portfolio.

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<sup>4</sup> Disbursement data as of December 31, 2021.

**Figure 1: Trends in project approvals (CIF inception to FY24)**



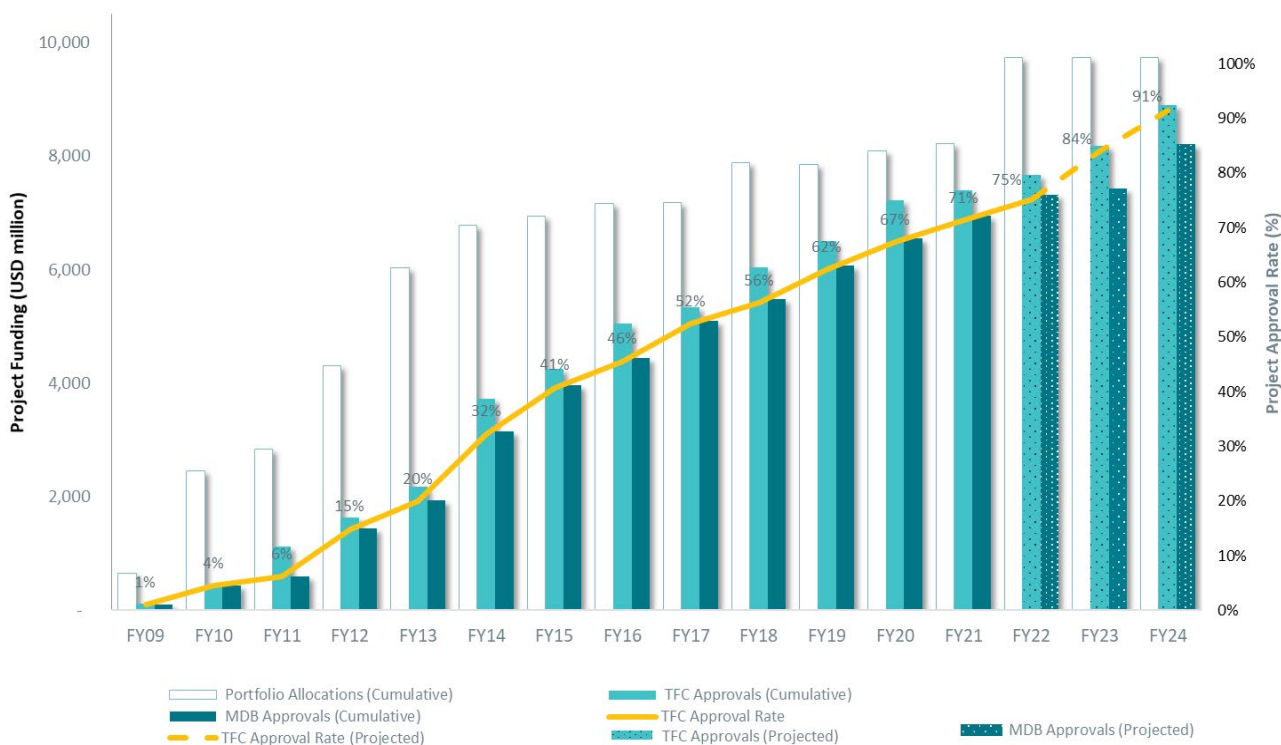
168. In FY22, CIF saw the approval of an additional five Global Energy Storage Program (GESP) projects for USD 42 million leveraging over USD 1.1 billion in co-financing. GESP was established in June 2019 to make concessional climate finance available for all CIF countries to support them in accelerating the deployment of energy storage solutions to scale up renewable energy development. Since then, over one-third of the available resources are now committed, with USD 108 million approved and leveraging over USD 1.8 billion in co-financing.

169. FY22 also saw the development of the Renewable Energy Integration (REI) program, with five countries invited to develop investment plans to be financed when resources are available: Costa Rica, Indonesia, Turkey, India, and Brazil. Additionally, the Accelerating Coal Transition (ACT) program saw significant development, with four countries (India, Indonesia, the Philippines, and South Africa) invited to develop investment plans, of which two will be submitted for endorsement by the CTF Trust Fund Committee in FY23.

170. The Technical Assistance Facility for Clean Energy Investment (CIF-TAF) showed considerable development with the approval of USD 31.3 million for 53 projects in 28 countries. Its objectives are to extract best practices on energy efficiency (including renewable energy) and COVID-19 response measures.

171. CIF continues to progress toward full commitment of its resources with USD 7.7 billion expected to be programmed by end FY22. With the increase of new contributions, ACT and REI are beginning to develop programming within their investment plans. CTF and SCF, continue to achieve their objectives by fully committing the remaining available resources to the pipeline. By end FY23, the current programming portfolio reports that an expected 91 percent of the programmed CIF funding will be moved to implementation. Figure 2 presents the status and projection of the CIF portfolio from FY09–FY24.

**Figure 2: CIF portfolio overview (FY09–FY24)**



172. **FY23 proposals and activities:** Program activities will concentrate on supporting countries in the development of investment plans. The CIF Administrative Unit, in collaboration with the MDBs, will continue conducting regular reviews of the project pipeline, including continued

assessments of CCH as it transitions to cloud for better portfolio management. It is projected that 19 project proposals totaling USD 521.2 million<sup>5</sup> will be approved by the CTF Trust Fund Committee and SCF Technical Committees by June 2023.

173. To support knowledge and learning efforts and gender activities, and to focus on the development of the new programs, the CIF Administrative Unit will continue to strengthen systems and portfolio management practices, in addition to preparing the CCH for the programming of projects under the new investment plans.

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<sup>5</sup> Includes funds expected to be programmed under the CTF Futures Program.

## Annex 4: CIF Gender Program in FY22 and Planned Activities in FY23

### Overview of the CIF Administrative Unit's Strategic Priority Actions on Gender in FY22

174. In line with the priorities of the CIF Gender Action Plan, Phase 3 (GAP3), the CIF Administrative Unit prioritized close collaboration with program teams in FY22 to ensure the comprehensive integration of gender into the design of the new ACT, REI, and NPC programs. Annexes on gender integration were developed for the respective operational manuals of the new programs in order to explain the gender requirements, as outlined in the CIF Gender Policy and GAP3. A detailed gender and social inclusion analysis was conducted for each of the sectors, leading to the identification of gaps in gender equality and opportunities for promoting gender equality and social inclusion through the project activities. These analyses are currently being finalized to be used as background documents for teams leading the design of investment plans and projects. Dedicated capacity-building sessions on gender integration for the program stakeholders, which started under the ACT program in May 2021, are expected to be replicated for the other programs in FY23.
175. Work on women's climate leadership was advanced through identifying partner organizations and developing a draft conceptual framework that will be validated through a series of participatory engagements with a range of stakeholders. The Women-Led Coal Transitions (WOLCOT), a grant mechanism under ACT funded by a Canadian grant contribution of CAD15 million, was developed. WOLCOT will allow for the practical application of the principles of women's climate leadership and will provide resources to the MDBs to advance this agenda and engage women-led organizations into the design and implementation of the investment projects under ACT.
176. To promote collaborative learning, the CIF Administrative Unit's mechanisms for engaging with the MDB teams and national stakeholders on gender integration issues have been strengthened. Close collaboration has continued with the MDB gender focal points, through a series of joint and bilateral meetings to identify entry points for strengthening quality of gender integration at entry, as well as M&R on gender; identify the need for capacity-building and technical assistance (TA); and support MDB-led work on the activities covered by the country engagement budget and facilitate exchange on knowledge. Based on these consultations, the CIF Administrative Unit developed proposals for strengthening M&R procedures, as well as detailed design requirements for the Gender Module in the CIF Collaboration Hub (CCH) system. In collaborations with the M&R and E&L teams, more streamlined approaches for reporting on gender results and assessing gender impacts of projects are being developed.

177. Internally, CIF has continued to pay significant attention to gender equality, based on the overview of CIF's internal indicators. In FY22, 52 percent of the total number of CIF's Administrative Unit staff (analyst level and above) and 30 percent of the total number of CIF's trust fund committee members (contributors and recipients) were female. A gender focal point was identified among the CIF observers and on-boarded. She will be delivering capacity-building activities for all observers on the inclusion of the gender lens in the review of Trust Fund Committee documents at a side event, ahead of the Trust Fund Committee meetings in June 2021.

178. In addition to placing an explicit focus on gender equality, the gender team has been paying increasing attention to the intersectionality of gender with other social drivers of exclusion, as well as broadening its focus on the inclusion of persons with disabilities, Indigenous Peoples, and other groups. Specifically, a draft framework for disability inclusion at CIF, On Persons with Disabilities, is being developed. It aims to identify the key actions and practices that can be taken, both at CIF's Administrative Unit and program levels, to facilitate disability inclusion. The gender team has also started the work on developing a comprehensive framework to address the social dimensions of climate change and climate policies in CIF's programming, drawing on on-going work on just transitions, gender and social inclusion, and stakeholder engagement.

### **FY23 Tentative Work Plan**

179. **Priority area 1: Deepen gender upstream support to MDBs and countries:** In FY23, the CIF Administrative Unit's gender team will continue to focus on improving the quality of gender integration at entry for the new projects. It will be working with program leads and M&R teams to ensure that gender is integrated into the operational manuals and M&R toolkits of the new programs and that consistent and realistic guidelines are provided to project teams on how they can implement gender requirements. Building on the experience of ACT Gender clinic, sector-specific capacity building events with the MDBs and other stakeholders will be rolled out for all programs. Background notes on gender and social inclusion in renewable energy, coal transitions and the management of natural resources, drafted in FY22, will be finalized and published. The gender team will continue to provide on-demand upstream support at the project design stage, as well as draw lessons learned from the experience and disseminate them. The finalization and rollout of the Gender Module in CCH is expected to be in the first quarter of FY22.

180. **Priority area 2: Strengthen collaborative learning:** Renewed attention will be placed on gathering and analyzing the quantitative and qualitative results on the gender impact of completed CIF-financed projects. A systematic portfolio review of completed projects,



including a review of project completion reports and in-depth case studies with selected projects, has been planned. This work will be carried out in close collaboration with the MDB gender focal points team. The review of project reports, along with the implementation status and results reports (ISRs), will also be undertaken to identify best practices on gender in the current projects. Collaborations with the M&R team are expected to lead to the development of additional detailed guidelines on gender-disaggregated results reporting and the inclusion of a gender focus in the M&R country workshops. Finally, reporting on gender will also be strengthened and prioritized, with the launch of CCH's Gender Module.

181. **Priority area 3: Strengthen women's climate leadership:** Upon the CTF Trust Fund Committee approval of WOLCOT, the CIF Administrative Unit will engage in targeted discussions with the MDB project team on developing the application for the preparatory seed grants under the mechanism. It will also start working on the creation of a knowledge platform on women in coal transition, along with developing a series of knowledge and capacity-building activities.
182. Partnerships will continue with the International Institute for Environment and Development (IIED) and the EnGen Collaborative to develop sector-specific and actionable recommendations on women's climate leadership. A series of sectoral consultations with national stakeholders and civil society actors will also be carried out in early FY23. They will result in the following capacity-building events and targeted knowledge products:
- a. Conceptual Framework and Diagnostic Methodology for Assessing Barriers and Opportunities related to Women's Climate Leadership
  - b. Barriers and Opportunities related to Women's Climate Leadership in Renewable Energy Integration
  - c. Barriers and Opportunities related to Women's Climate Leadership in Accelerated Coal Transitions
  - d. Barriers and Opportunities related to Women's Climate Leadership in Sustainable Use of Natural Resources
183. In partnership with GenderSmart and the International Center for Research on Women (ICRW) analytical and capacity building work focusing on women climate leadership from a private sector perspective will also be developed.
184. **Priority area 4: Expand gender analytics:** Several knowledge products have been planned to explore the gender impacts of CIF-funded activities and draw lessons from them for the new programs. For example, under PPCR, a knowledge product entitled "Women's Leadership in Climate Resilience Operations" has been planned as part of the Knowledge for Resilience

(KfR) series. Another focusing on the gender dimensions in the private sector is also in the works. It will survey past experiences from CIF-financed projects and global best practices..

185. Based on an increasing focus on the intersectionality and social dimensions of climate change, the framework on social dimensions of climate change will be developed in close collaboration with other CIF Administrative Unit teams and MDB stakeholders. As part of the framework development process, the CIF Administrative Unit will seek nominations for MDB focal points to join an advisory group that focuses on the social dimensions of climate change. This group is expected to be formed in FY23. The CIF Administrative Unit will work closely with this advisory group to conduct workshops with different stakeholder groups in order to ensure a truly integrated and collaborative process of developing the framework on the social dimensions of climate change. Knowledge events will be organized to share findings and learnings from the ongoing work in several countries (for example, South Africa and Indonesia).
186. As part of the Just Transition Initiative Phase III, the gender team will lead the development of a tool that is focused on gender-responsive transition planning and/or other strategic social inclusion processes. This toolkit will aim to provide guidance on how to implement gender-equal and socially inclusive just transition planning.
187. The work to develop CIF's Framework for Disability Inclusion will continue by building on the draft developed in FY22. This process will include conducting a series of consultations and knowledge-sharing events with organizations of persons with disabilities, as well as consultations with CIF's stakeholders on the proposed draft of the framework.
188. To further cultivate the knowledge base on some of the critical emerging social developments issues, knowledge events will be organized targeting topics, such as the inclusion of Indigenous People, with a focus on Indigenous women, as well as the identification and mitigation of the risks of child and forced labor.
189. **MDB activities for FY23:** The following MDBs have planned several activities around technical assistance and knowledge management in FY23:
  - a. AfDB, with support from the country engagement budget, is planning to help build capacity and establish gender-sensitive profit-sharing mechanisms in Burkina Faso's forestry sector. It will also be partnering with Women in Niger in formulating and implementing Niger's renewable energy policy that will include raising awareness among women as well as the country's national energy utilities and line ministries. This work is focused on delivering recommendations and tools for application in the renewable energy sector.

- b. IDB Group is planning analytical work and capacity building activities on gender under the FIP project in Peru. Postponed from FY22, this project is being implemented in collaboration with the Programa Nacional de Conservacion de Bosques. It includes the development of life plans with Indigenous communities that involve the prioritization of areas for economic initiatives, based on the sustainable use of natural capital within the territories. IDB Group will also be finalizing the Brief on the Female Labor Force Along the Lithium Value Chain.
- c. EBRD is planning a series of analytical and capacity-building activities to support the Climate Finance Center in the Kyrgyz Republic and a knowledge product on gender under the EBRD's Green Cities program in Turkey.

## Annex 5: Summary of Knowledge Products Completed by CIF Partners in FY22

PRODUCT	TITLE	ORGANIZATION
<b>Cross-Cutting</b>		
Program brochure	<a href="#">Nature, People and Climate Investment Program Brochure</a>	CIF
CIF brochure	<a href="#">Small Island Developing States (SIDS) on the Frontline of Climate Change</a>	CIF
CIF brochure	<a href="#">Investing in a Better Climate Future</a>	CIF
Overview document	<a href="#">Transformational Change Learning Partnership (TCLP) Overview</a>	CIF
Learning brief	Transformational Change Concepts  <a href="#">Full brief</a> and <a href="#">summary</a>	CIF
Evidence gap maps	Evidence Gap Map and Systematic Review of Transformational Change  <a href="#">Energy</a> and <a href="#">Health</a>	CIF, Center for Evaluation and Development (C4ED), GCF IEU
Commentary	<a href="#">Dispatches from COP26: Just transition or just talk?</a>	CIF, CSIS
Commentary	<a href="#">Climate Finance Shaped by the People, for the People</a>	CIF, CSIS
Commentary	<a href="#">COP26: The Perfect Opportunity for Latin America and the Caribbean to Champion a Just Transition to Net Zero</a>	CIF, CSIS
Annual Report	<a href="#">AfDB-CIF Annual Report 2020: 10 Years of Partnership for a Climate-Smart Africa</a>	CIF, AfDB
Mid-year review	<a href="#">Towards a Climate-Smart Africa: The AfDB and CIF Partnership</a>	CIF, AfDB
Report	<a href="#">Potential for Green Banks and National Climate Change Funds in Africa: Scoping Report</a>	CIF, AfDB
<b>Energy and Clean Technology</b>		
Program brochure	<a href="#">Accelerating Coal Transition (ACT) Investment Program Brochure</a>	CIF
Program brochure	<a href="#">Renewable Energy Integration (REI) Program Brochure</a>	CIF

Case study	Turkey: The Contribution of the Clean Technology Fund to Energy Efficiency Goals  <a href="#">Full report</a> , <a href="#">summary brief</a> , and <a href="#">web story</a>	CIF, ODI, EBRD, WB
Case study	Transformational Change in Concentrated Solar Power  <a href="#">Full report</a> , <a href="#">summary brief</a> , and <a href="#">web story</a>	CIF, ATA Insights, Oxford Consulting
Case study	Understanding Just Transitions in Coal-Dependent Communities: Case Studies from Mpumalanga, South Africa, and Jharkhand, India  <a href="#">Full report</a> , podcast on <a href="#">South Africa and India</a> , podcast on <a href="#">economic diversification for coal dependent regions</a> , podcast on <a href="#">environmental remediation</a> , and <a href="#">web story</a>	CIF, CSIS
Report	Multiplying the Transition: Market-based Solutions for Catalyzing Clean Energy Investment in Emerging Economies  <a href="#">Full report</a> , 2030 roadmaps ( <a href="#">Brazil</a> , <a href="#">India</a> , <a href="#">Indonesia</a> , <a href="#">Morocco</a> , <a href="#">South Africa</a> ), and <a href="#">web story</a>	CIF, BloombergNEF
<b>Forests</b>		
Case study	Supporting Just Transitions to Sustainable Land Use in Ghana  <a href="#">Full report</a> , <a href="#">summary</a> , and <a href="#">web story</a>	CIF
Case study	Mexico: The Contribution of the Forest Investment Program to Forest and Climate Goals  <a href="#">Full report</a> , <a href="#">summary brief</a> , and <a href="#">web story</a>	CIF, ODI, IDB Group, WB
Commentary	<a href="#">Why We Need a Just Rural Transition</a>	CIF, CSIS
<b>Resilience</b>		
Report	Transforming Weather, Water and Climate Services: Synthesis Report  <a href="#">Full report</a> , <a href="#">summary brief</a> , and <a href="#">web story</a>	CIF, WB
Report	Saint Lucia's Experience with Private Sector Climate Adaptation  <a href="#">Full report</a> , <a href="#">summary brief</a> , and <a href="#">web story</a>	CIF
Knowledge for Resilience case study	Investing in Infrastructure for a Changing Climate: Results and Key Lessons from PPCR-Supported Projects	CIF

	<a href="#">Full report</a> and <a href="#">summary</a>	
Report	Learning Review of CIF-Supported Hydromet and Climate Services Projects  <a href="#">Full report</a> , <a href="#">summary brief</a> , and <a href="#">web story</a>	CIF, WS Atkins International
Report	<a href="#">COVID-19 and Climate-Smart Health Care: Health Sector Opportunities for a Synergistic Response to the COVID-19 and Climate Crises</a>	CIF, WB
Report	<a href="#">Market Study on the willingness to use and demand for Adaptation Benefits to support adaptation to climate change in Africa</a>	CIF, AfDB
<b>Gender and Stakeholder Engagement</b>		
Consultation note	<a href="#">Towards a Youth Engagement Strategy (YES!): Consultation Note for a Youth Engagement Strategy at the Climate Investment Funds</a>	CIF
Report	<a href="#">Observer Stories: Anecdotes and Lessons in Stakeholder Engagement from Non-State Actors in Climate Funds</a>	CIF, Stakeholder Advisory Network on Climate Finance (SAN)
Knowledge for Resilience case study	<a href="#">Lessons on Local Stakeholder Engagement from the Pilot Program for Climate Resilience: A Case Study of Projects in Eight Countries</a>	CIF

**Studies that were completed in FY21, but were not reported in the FY22 Business Plan:**

<b>Cross-Cutting</b>		
Annual Report  (June 2021)	<a href="#">Climate Investment Funds 2020 Annual Report</a>	CIF
Brochure  (June 2021)	<a href="#">Climate Investment Funds Brochure</a>	CIF
Report  (May 2021)	A Just Green Recovery from COVID-19  <a href="#">Full report</a> and <a href="#">podcast</a>	CIF, CSIS
<b>Energy and Clean Technology</b>		
Toolkit  (June 2021)	<a href="#">Monitoring and Reporting (M&amp;R) Toolkit for the Global Energy Storage Program (GESP)</a>	CIF

Commentary (June 2021)	<a href="#">Worker's Voice and Investing in a Just Transition: The Fonds de Solidarité FTQ</a>	CIF, CSIS
Fact sheet (May 2021)	<a href="#">Global Energy Storage Program Factsheet</a>	CIF
<b>Forests</b>		
Case study (May 2021)	Voices of Women in the Brazil Dedicated Grant Mechanism (DGM): Evidence and Experiences  Full report ( <a href="#">English</a> and <a href="#">Portuguese</a> )	CIF, DGM Global, WB
Case study (October 2020)	<a href="#">Voices of Women in the Burkina Faso Dedicated Grant Mechanism (DGM): Evidence and Experiences</a>	CIF, DGM Global, WB
<b>Gender and Stakeholder Engagement</b>		
Report (December 2020)	<a href="#">Enhancing Climate Action through Stakeholder Engagement at the Country Level</a>	CIF

## Annex 6: Report on Trustee Activities in FY22 and Plan for FY23

190. The World Bank, in its capacity as Trustee, provides a range of services for CIF, including CTF and SCF. The Trustee's costs for its services are presented in four categories: Financial and Program Management, Investment Management, Accounting and Reporting, and Legal Services.
191. **Financial and Program Management** fee covers services related to management and execution of financial transactions, including receiving and processing of contributions, recording allocations and commitments, executing cash transfers to recipients using World Bank financial systems and procedures, and regular financial reporting for CIF. It includes collaboration with the CIF Administrative Unit, responding to day-to-day enquiries from the CIF Administrative Unit, contributors, and other CIF constituencies and stakeholders.
192. **Investment Management** fees are calculated based on a flat fee of 4.5 basis points (i.e., 0.045%) of the estimated average annual balance of the undisbursed cash in the CTF and SCF Trust Funds.
193. **Accounting and Reporting** fee covers services including the management of the accounting model for the CTF and SCF Trust Funds, clearance of agreements, and maintenance of appropriate records, accounts and systems to support financial reporting.
194. **Legal Services** fee covers services, including drafting, negotiating, and preparing contribution agreements/arrangements and amendments and other legal agreements, as needed. It also covers providing policy advice and legal review on issues raised by the CIF Trust Fund Committees and others as they may impact the CTF and SCF Trust Funds and the services of the Trustee.
195. Table 1 includes the FY22 estimated full-year costs<sup>6</sup> as compared to the FY22 approved budget for CTF – I and SCF – I. It also includes the proposed budget for FY23. Following established practice, the FY22 end-of-year adjustments to Trustee costs are presented for the CIF Trust Fund Committees' consideration.

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<sup>6</sup> Reflects the Trustee's best estimate of the information available at the time of report preparation.



**Table 1. FY22 and FY23 budgets for CTF and SCF (USD '000)**

Trustee Service Components	CTF - I			SCF - I			TOTAL		
	FY22 Approved Budget	FY22 Estimated Actuals	FY23 Budget	FY22 Approved Budget	FY22 Estimated Actuals	FY23 Budget	FY22 Approved Budget	FY22 Estimated Actuals	FY23 Budget
<b>Total Trustee Costs</b>	<b>1,991.0</b>	<b>1,937.5</b>	<b>1,965.0</b>	<b>1,033.0</b>	<b>1,079.6</b>	<b>1,058.0</b>	<b>3,024.0</b>	<b>3,017.1</b>	<b>3,023.0</b>
Financial and Program Management	500.0	500.0	500.0	453.0	453.0	453.0	953.0	953.0	953.0
Investment Management	1,196.0	1,142.5	1,170.0	335.0	381.6	360.0	1,531.0	1,524.1	1,530.0
Accounting and Reporting	192.0	192.0	192.0	192.0	192.0	192.0	384.0	384.0	384.0
Legal Services	103.0	103.0	103.0	53.0	53.0	53.0	156.0	156.0	156.0

Note: USD 0.132 million approved for SCF – II programs as part of the FY22 Supplemental Budget Request is expected to be fully utilized. Further, Table 1 does not include FY23 budget request for CTF Parallel Fund. Also, this table excludes cost of external audits for CTF and SCF, which are presented separately.

### **FY23 Proposed Budget**

196. The SCF and CTF proposed budget assumes that the FY23 activities will be similar to FY22, recognizing new expected inflows (reflows, contributions) while assuming the same level of outflows (transfers). For preparing the FY23 budget estimate, an average annual cash balance of USD 2.6 billion for CTF and USD 0.8 billion for SCF is assumed. Actual investment management costs may vary depending on the actual average liquidity balance in the CTF and SCF Trust Funds during FY23. The total FY23 budget is estimated to be consistent with FY22 approved budget. The proposed budget for CTF does not include expected costs for the development of the CIF Capital Markets Mechanism (CCMM), which was covered by a special initiatives budget that was approved in January 2022.

197. **FY22 End of Year Adjustment:** As noted in Table 1, the FY22 total actual costs incurred by the Trustee for its services to CTF and SCF are estimated to be USD 6,900 lower than the FY22 total approved budget due to the lower investment management fee.

198. **External audit costs:** These amounts do not represent trustee staff time and expenses, but rather amounts transferred to MDBs and paid to external auditors. These flow-through costs are paid by the Trustee from trust fund resources to the MDBs, in their role as implementing entities to cover their costs for external audit of their CTF and SCF trust funds, and the external auditors of the World Bank for the audits of the financial statements of the CTF and SCF trust funds, prepared by the Trustee. Actual costs in FY22 are expected to amount to be around USD 800,000, to be confirmed at the end of FY22 when all invoices have been received from MDBs (noting that some invoices are not received until well after the close of

MDBs' respective fiscal years). The external audit costs for FY23 are estimated to remain consistent at FY22 level in the amount of USD 800,000.

### **FY23 Proposed Budget for CTF Parallel Fund**

199. The CTF Parallel Fund was set up in March 2022 to receive new loan contributions to CTF. Trustee services for CTF Parallel Fund are expected to be largely consistent with the range of services for CTF and SCF. The Trustee's costs for its services for FY23 are presented in Table 2, in four categories (i.e., Financial and Program Management, Investment Management, Accounting and Reporting, and Legal Services).

**Table 2. FY23 budget for CTF Parallel Fund (USD '000)**

	<b>FY23 Budget</b>
<b>Total Trustee Costs</b>	<b>532.0</b>
Financial and Program Management	256.0
Investment Management	180.0
Accounting and Reporting	45.0
Legal Services	51.0

200. In addition to the standard services provided to CTF, the CTF Parallel Fund proposed budget also includes costs for setting up the CTF Parallel Fund. The investment management fees are estimated on the basis of the anticipated average balance of CTF Parallel Fund in the amount of USD 0.4 billion during FY23.

201. The external audit for the CTF Parallel Fund is only performed for the fund managed by the Trustee. The cost for FY23 is estimated to be USD 95,000.



## 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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