



# CLIMATE INVESTMENT FUNDS

## **Climate Investment Funds' Response to UK Multilateral Aid Review**

We thank the UK's DFID for sharing the Multilateral Aid Review (MAR) Update 2013 Progress report and ratings carrying on from the MAR 2011 that focused on Good Value for Money for UK Aid. We are pleased that the 2013 Progress Report shows the CIF's continuing improvement and progress on the MAR's identified reform priorities. The CIF was established five years ago with a mandate to support countries to transition to low carbon and climate resilient development through learning by doing. We thank the assessors for recognizing the efforts of the CIF to improve results on the ground through adjustments to policies, procedures, and instruments based on lessons derived from CIF experiences. We appreciate the opportunity given to us to provide information on our progress. Below we provide some clarifications and comments for your information.

### **Contribution to UK Development Objectives**

When DFID carried out the MAR in 2011, it was to assess the value for money achieved by organizations benefiting from the UK's aid. As was the case in 2011, we believe the CIF plays a critical role in meeting international objectives for the UK's overall aid objectives. We are pleased that the MAR recognizes that lessons learned from the CIF will inform the future of climate finance architecture. Furthermore, we are happy to report that some of the challenges and areas for improvement highlighted by the review have been or are being addressed, especially with regard to scaled up stakeholder engagement, consolidated results frameworks, and fund allocation criteria.

Today the CIF has completed development of programmatic investment plans for all the four funding programs in 48 countries (including regional programs) and all the initially pledged funds amounting to US\$7.6 billion have been fully allocated, with projected leveraging of investments close to US\$50 billion. We fully recognize and support the need for the CIF to be fully accountable to all development partners so that taxpayers are confident that their investment is being put to good use. Based on the solid foundation that is now in place, results are beginning to emerge from the projects and programs we support. There are currently 70 projects (across four funding windows) comprising over 40 percent of the CIF pipeline that are MDB approved and moving forward in implementing programs in clean technology, renewable

energy, sustainable forest management, and climate resilience in the countries and regions we support.

### **Attention to cross-cutting issues (Gender Equality)**

The MAR rightly notes that some progress has been made in the area of mainstreaming gender in CIF programs. While all our MDB partners have gender policies, we are pleased to note that in October 2013, additional resources were approved for EBRD on an exceptional basis to advance learning. EBRD will therefore be facilitated to carry out gender assessments on CTF projects in Kazakhstan, Turkey and Ukraine in FY13/14. The recruitment of the Senior Gender Specialist within the CIF AU is also in the final stages and will be concluded before the end of December 2013.

Our monitoring and reporting toolkits recognize the importance of gender and make provision for desegregated data collection. We are also sharing lessons on this topic and encouraging replication of good practices for mainstreaming gender by all pilot countries. For example, the SREP project portfolio demands the use of at least one gender indicator. The CIF's efforts in this regard are being cited by development partners as a model other climate organizations should follow. The CIF aims to ensure that all future evaluations will take due consideration of gender tracking.

### **Strategic and Performance Management**

The MAR also recognizes progress made in monitoring and reporting. The CIF continues to play a leading role in developing toolkits that measure the impacts of climate finance, and to share the knowledge and lessons generated to improve development outcomes. In addition to the three toolkits (CTF, PPCR and SREP) that have been developed, we have reached agreement on the core themes on the annual reporting for the FIP. The CTF and PPCR have also gone through their first rounds of monitoring and reporting in 2013. CTF projects reported cumulative results until end June 2013 and PPCR pilot countries reported baselines and expected results. With the new data from the CTF, we can now track cumulative results for the projects from the date of approval, and are able to show the type and quantity of energy resources being developed. We also now have better knowledge on the development co-benefits.

### **Partnership Behavior**

We welcome the MAR's recognition that reasonable progress has been made in this area. The CIF's success is premised on the strong partnerships with our donors, multilateral development banks, implementing partners and multiple stakeholders. We are therefore very pleased that our efforts in this regard have been taken into consideration by the Review. In the last two years, we have also stepped up our stakeholder engagement to promote country ownership at all levels. For example, further to the joint CTF-SCF Trust Fund Committee meeting in May 2013, the United Nations Permanent Forum on Indigenous Issues (UNPFII) was invited to observe all CIF Trust

Fund Committee and Sub-Committee meetings. The joint committee in October 2013 also agreed on the provision of resources to pursue specific activities to enhance effective observer participation in the CIF.

In addition, the CIF AU organizes briefings for observers and recipient country members before the semi-annual CIF Committee meetings to review the agendas and documents and answer questions from observers to ensure enhanced participation.

There is also a more deliberate effort by MDBs to consult multiple stakeholders ahead of preparation of revised CTF investment plans. Whereas the intensity and scope varies for each MDB, the following revised CTF investment plans involved some level of stakeholder consultation: Columbia, Egypt, Kazakhstan, MENA CSP, Mexico, South Africa, Ukraine, and Vietnam.

In the case of the PPCR, almost all the pilot countries show strong collaboration at the country level with other development partners; have country-coordination mechanisms involving various sector ministries, and other non-state actors. Most recently, we witnessed the presentation of the FIP investment plan for Peru which went through a two-year consultation process with multiple stakeholders. When the report was presented to the Sub Committee in October, for the first time we saw a government coming together with Indigenous Peoples to present their investment plan. Peru serves as an example of great partnership behavior and partnership collaboration between the CIF, Government, the MDB, CSOs and Indigenous Peoples.

### **Transparency and Accountability**

The CIF takes a lot of pride in its measures to ensure transparency and accountability at all levels and is very pleased that the Review recognizes these efforts. Our access to information policy and practice is based on presumption of disclosure and all our working documents are publically available on our website. The CIF now also has a dedicated webpage on Transparency and Accountability (<https://www.climateinvestmentfunds.org/cif/transparency-and-accountability>)

To further demonstrate our commitment to transparency and accountability, on October 25, 2013, the CIF became the first climate fund to publish data with IATI. So far, the CIF has published data for 104 projects and programs in 32 countries, and one region that have received funding approvals by the CIF trust fund committees. We have also published on our measuring results page, all the MDB and country data reports on the PPCR and the CTF. We hope to continue implementing this open governance by sharing the lessons we learn from our experience. We also continue to work with our MDB partners to provide access to commercially confidential information to the degree that it's available and in a manner that does not jeopardize private sector participation in CIF supported programs.

### **Looking Ahead**

Multilateral aid assessments like the DFID MAR 2013 Update offer valuable insights to new multilateral financing instruments like the Climate Investment Funds. One of the most encouraging aspects of the MAR is its recognition of the CIF's capacity to enhance its effectiveness through continuous improvement, including the development of new policies and processes.

We also want to take the opportunity to share that at our most recent CTF Trust Fund Committee meetings in October 2013, the Committee commended the MDBs for improvement in project approval and implementation, noting that disbursement has picked up significantly. For example, as of June 2013, a total of US\$575 million in CTF funding had been disbursed to 23 projects. Of this amount, US\$322 was recorded in FY 13 alone, indicating that disbursement has picked up significantly in FY 13. This is an illustration that the CIF is on the move to demonstrating results on the ground. The same meetings also endorsed development of targeted private sector initiatives emphasizing our overall direction in spurring greater private sector involvement. With over 80 countries expressing interest to join the CIF, we note that the need for climate finance is growing and can be scaled up even much more.

We wish to reiterate that the CIF is committed to continuing to work on improving efficiencies to deliver effective support and results.