

# National Development Banks and Green Finance: The CIF Experience

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## CIF as a Partnership

## 8.1 billion

**CLIMATE INVESTMENT FUNDS** 

14

CONTRIBUTOR COUNTRIES

63

COUNTRIES

MULTILATERAL DEVELOPMENT BANKS



CLIMATE SMART INVESTMENTS













## **Programs of the CIF**









**BILLION** 

DEDICATED PRIVATE SECTOR FUNDING \$508.5

MILLION India, Indonesia, Mali,

Scaling up the demonstration, deployment, and transfer of low carbon technologies in renewable energy, energy efficiency, and sustainable transport

#### **CTF COUNTRIES**

Chile Kazakhstan South Africa Colombia Mexico ESUP Geothermal Development Project ambodia

**Philippines** Indonesia Vietnam

Middle East and North Africa Region (Algeria, Egypt, Jordan, Libya, Morocco,



#### **PPCR COUNTRIES**

Bangladesh Mozambique Tajikistan Bolivia Nepal Yemen Niger Zambia

Mainstreaming resilience in development

planning and action investments

MILLION

BILLION

Caribbean Region (Dominica, Grenada, Haiti, Jamaica, St. Lucia, St. Vincent and the Grenadines) Pacific Region

(Papua New Guinea, Samoa, Tonga)



DEDICATED PRIVATE SECTOR FUNDING

\$92.4 **MILLION** 

Honduras, Kenya Mali, Nepal

SCALING UP RENEWABLE ENERGY IN

Demonstrating the economic, social, and environmental viability of renewable energy in low income countries

#### **SREP COUNTRIES**

Armenia Kiribati Nicaragua Bangladesh Liberia Rwanda Sierra Leone Benin Lesotho Tanzania Cambodia Madagascar Ethiopia Malawi Uganda Ghana Maldives Yemen Mali Zambia Haiti Honduras Mongolia Kenya Nepal Pacific Region (Solomon Islands, Vanuatu)



MILLION

**DEDICATED PRIVATE** SECTOR FUNDING

MILLION Brazil, Ghana, Mexico

Reducing emissions from deforestation and forest degradation, sustainably managing forests, and enhancing forest carbon stocks

#### FIP COUNTRIES

Brazil Indonesia Lao People's Burkina Faso Democratic Republic Democratic Republic of Congo Mexico

Ghana Peru

† Fund pledges are based on exchange rates provided by the CIF Trustee in December 2014.



## **CTF Overview**



BILLION

**DEDICATED PRIVATE** SECTOR FUNDING

MILLION

Chile, Dominica, Colombia, Ghana, Haiti, Honduras, India, Indonesia, Mali, Mexico, Philippines, Turkey

#### CLEAN TECHNOLOGY FUND

Scaling up the demonstration, deployment, and transfer of low carbon technologies in renewable energy, energy efficiency, and sustainable transport

#### CTF COUNTRIES

Chile Kazakhstan South Africa Mexico Colombia **Thailand** Morocco Turkey Egypt India Nigeria Ukraine Indonesia Philippines Vietnam

Middle East and North Africa Region (Algeria, Egypt, Jordan, Libya, Morocco, Tunisia)



**BILLION** 

TO DATE

**PROJECTS IMPLEMENTATION** 

CTF \$3.3 billion +

\$31 billion **EXPECTED CO-FINANCING** 

TO NOTE

**CTF ALLOCATIONS** 

**CONTRIBUTING TO** 

**EXPECTED** 

concentrated solar power

**CURRENT GLOBAL** INSTALLED CAPACITY 4 GW







## **FIP Overview**



DEDICATED PRIVATE SECTOR FUNDING

MILLION

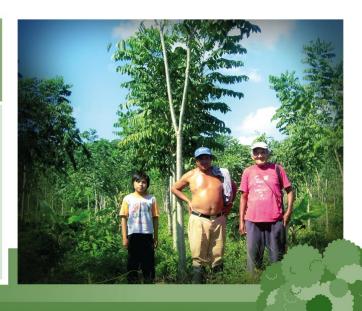
Brazil, Ghana, Mexico

Reducing emissions from deforestation and forest degradation, sustainably managing forests, and enhancing forest carbon stocks

#### FIP COUNTRIES

Brazil Burkina Faso Democratic Republic of Congo Ghana

Indonesia Lao People's Democratic Republic Mexico Peru



TOTAL

\$785 **MILLION**  World's largest source of REDD+ Phase 2 funding INCENTIVIZING READINESS AND PROGRESS

TO RESULTS BASED PAYMENTS

TO DATE





FIP \$208 million + \$742 million expected co-financing

TO NOTE

\$50 MILLION DEDICATED GRANT MECHANISM FOR INDIGENOUS PEOPLES AND LOCAL COMMUNITIES (DGM)

Unique to the FIP

Designed and led by indigenous peoples and local communities

Largest global REDD+ initiative solely for these groups



## **CIF Support for Mexico**

#### CTF

- USD 500 million allocation under Mexico country investment plan; 100% funding approved
- USD 20 million funding approved under Dedicated Private Sector Programs

#### FIP

- USD 60 million allocation under Mexico country investment plan; 100% funding approved
- USD 3 million endorsed under Private Sector Set-Aside
- USD 6 million endorsed under Dedicated Grant Mechanism



## **Governance Structure**

#### **CIF GOVERNANCE**

### EQUAL REPRESENTATION

by contributor and recipient countries

APPROVE PROJECTS and provide strategic direction **DECISIONS MADE** by
consensus

**OBSERVERS** from the UN, civil society, indigenous peoples and private sector participate in all committees and sub-committees



Clean Technology Fund

### SCF

TRUST FUND COMMITTEE

Strategic Climate Fund



Forest Investment Program



Pilot Program for Climate Resilience



Scaling Up Renewable Energy in LowIncome Countries Program



## **Engaging the Private Sector**

# Significant allocations & high leverage

- 30% of CIF funding (USD 2.4 billion out of USD 8.1 billion) implemented by MDB private sector
- 35% of co-financing (USD 20 billion out of USD 57 billion) from private sector

# Flexible financing vehicles

- Country/regional investment plans:
   USD 1.7 billion
- Dedicated Private Sector Programs: USD 508.5 million
- Private sector set-asides: USD 200 million under FIP, PPCR, and SREP



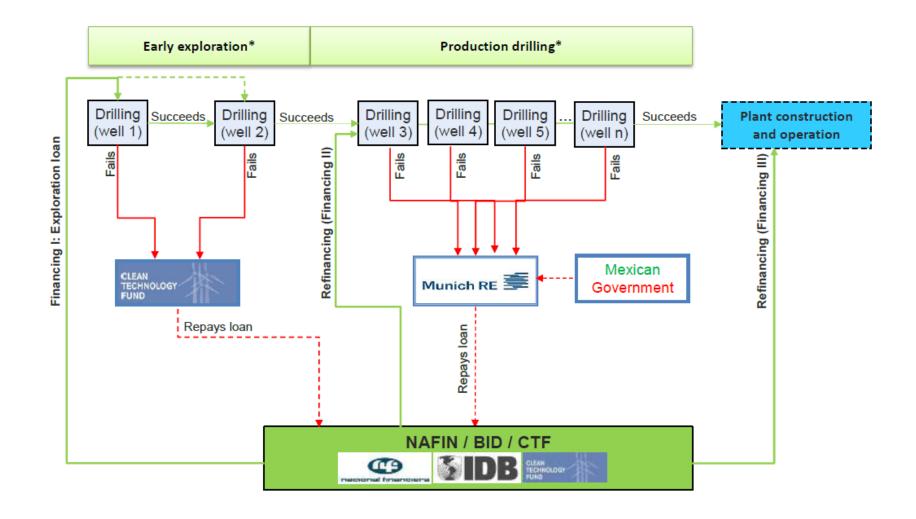
## **CIF Collaboration with NDBs**

Country	MDB-Program	Project	Funding	NDB
Turkey	IBRD-CTF	Private Sector Renewable Energy and Energy Efficiency Project	\$100 million CTF \$1 billion IBRD	Development Bank of Turkey (TKB)
Mexico	IDB-CTF	Renewable Energy Financing Facility	\$70.61 million CTF \$70 million IDB \$70 million NAFIN	NAFIN
Mexico	IDB-FIP	Financing Low Carbon Strategies in Forest Landscapes	\$15 million FIP	Financiera Rural
Mexico	IDB-CTF	Geothermal Financing and Risk Transfer Facility	\$54.3 million CTF \$54.3 million IDB \$11.5 million GoM	NAFIN
Mexico	IBRD-CTF	Urban Transformation Project	\$200 million CTF \$150 million IBRD \$2,344 Gov/PS	BANOBRAS
Mexico	IBRD-CTF	Efficient Lighting and Appliances Project	\$50 million CTF \$250.7 million IBRD \$127 million NAFIN \$285.7 million Others	NAFIN
Mexico	IDB-CTF	ECOCASA Program	\$51.1 million CTF \$50 million IDB	Sociedad Hipotecaria Federal (SHF)
Colombia	IDB-CTF	Energy Efficiency Financing Program for the Services Sector	\$10 million CTF \$10 million Other	Bancóldex
Colombia	IDB-CTF	Technological Transformation Program for Bogota's Integrated Public Transport System	\$40 million CTF	Bancóldex



#### **Mexico Geothermal Financing and Risk Transfer Facility**

#### FINANCING SCHEMES FLOWCHART





## Role of CTF Financing

- Catalyzes private sector investments and private sector-led PPP projects
- Provides risk mitigation and financial support
  - Early exploration: USD 20 million contingent recovery grant (loan convertible to grant)
  - Production drilling: USD 31.5 million concessional loan
  - Implementation costs and TA: USD 2.8 million grant



## Role of NAFIN

- Acts as executing agency
- Provides CTF/IDB/NAFIN loans to developers for early drilling
- Administers a special account of contingent recovery grant resources
- Returns remaining funds to the CTF after 10 years



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