National Development Banks and Green Finance: The CIF Experience

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Mexico City

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CIF as a Partnership

8.1 billion
CLIMATE INVESTMENT FUNDS

14	63	5
CONTRIBUTOR COUNTRIES	RECIPIENT COUNTRIES	MULTILATERAL DEVELOPMENT BANKS

+ countless
STAKEHOLDERS FROM THE PRIVATE SECTOR, CIVIL SOCIETY, AND OTHERS TO TRIGGER

CLIMATE SMART INVESTMENTS

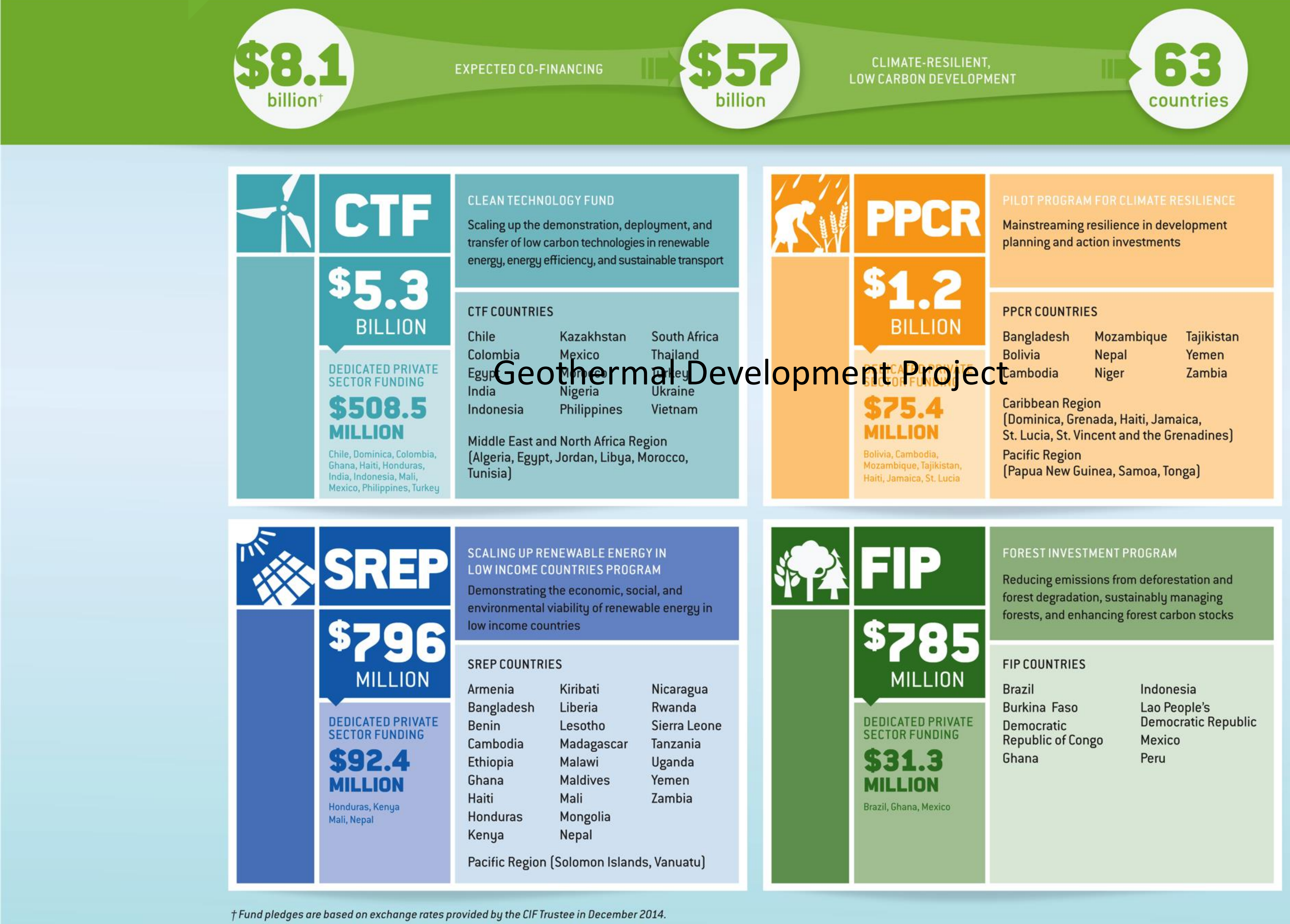
ADB Asian Development Bank

European Bank for Reconstruction and Development

IDB Inter-American Development Bank

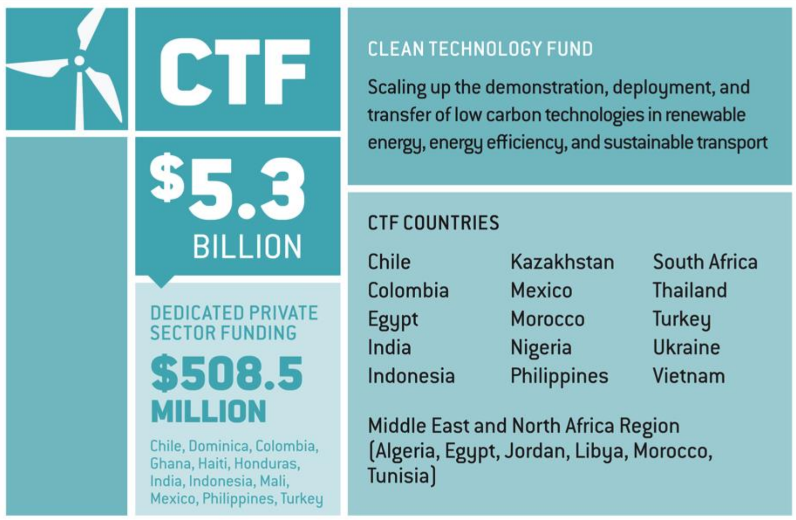
WORLD BANK GROUP

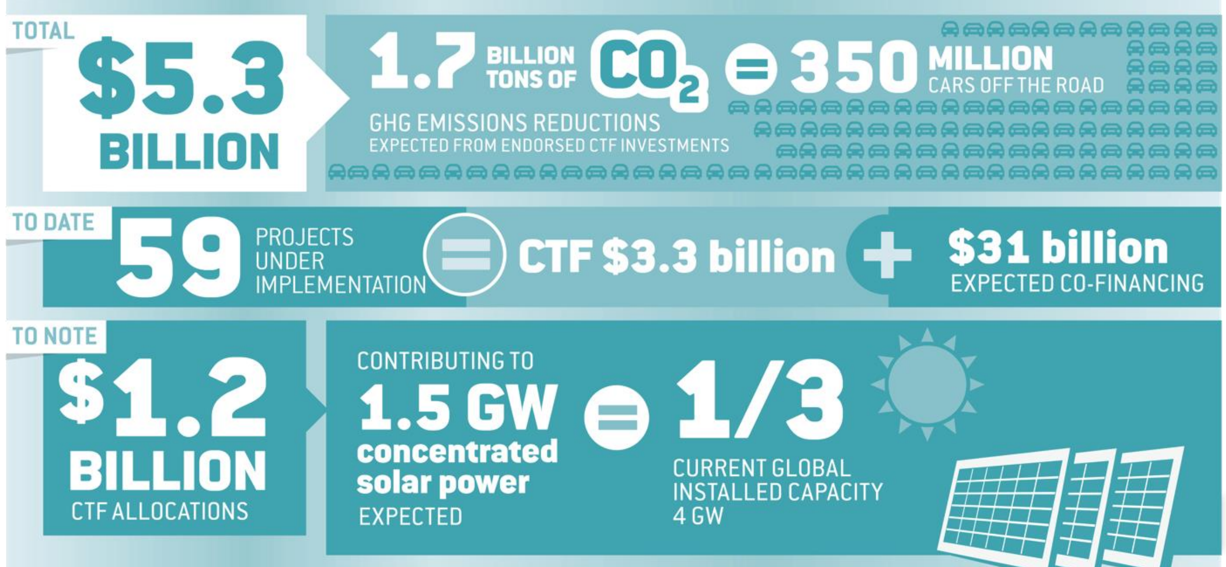
Programs of the CIF



Geothermal Development Project

CTF Overview





FIP Overview

FIP

$785 MILLION

DEDICATED PRIVATE SECTOR FUNDING

$31.3 MILLION

Brazil, Ghana, Mexico

FOREST INVESTMENT PROGRAM

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

12 PROJECTS UNDER IMPLEMENTATION = **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

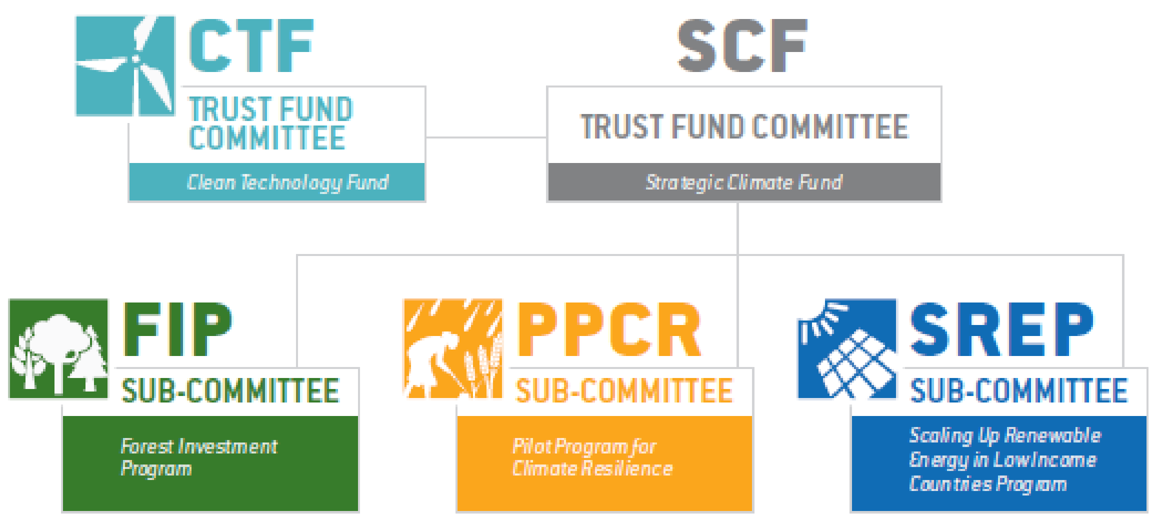
CIF GOVERNANCE

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



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

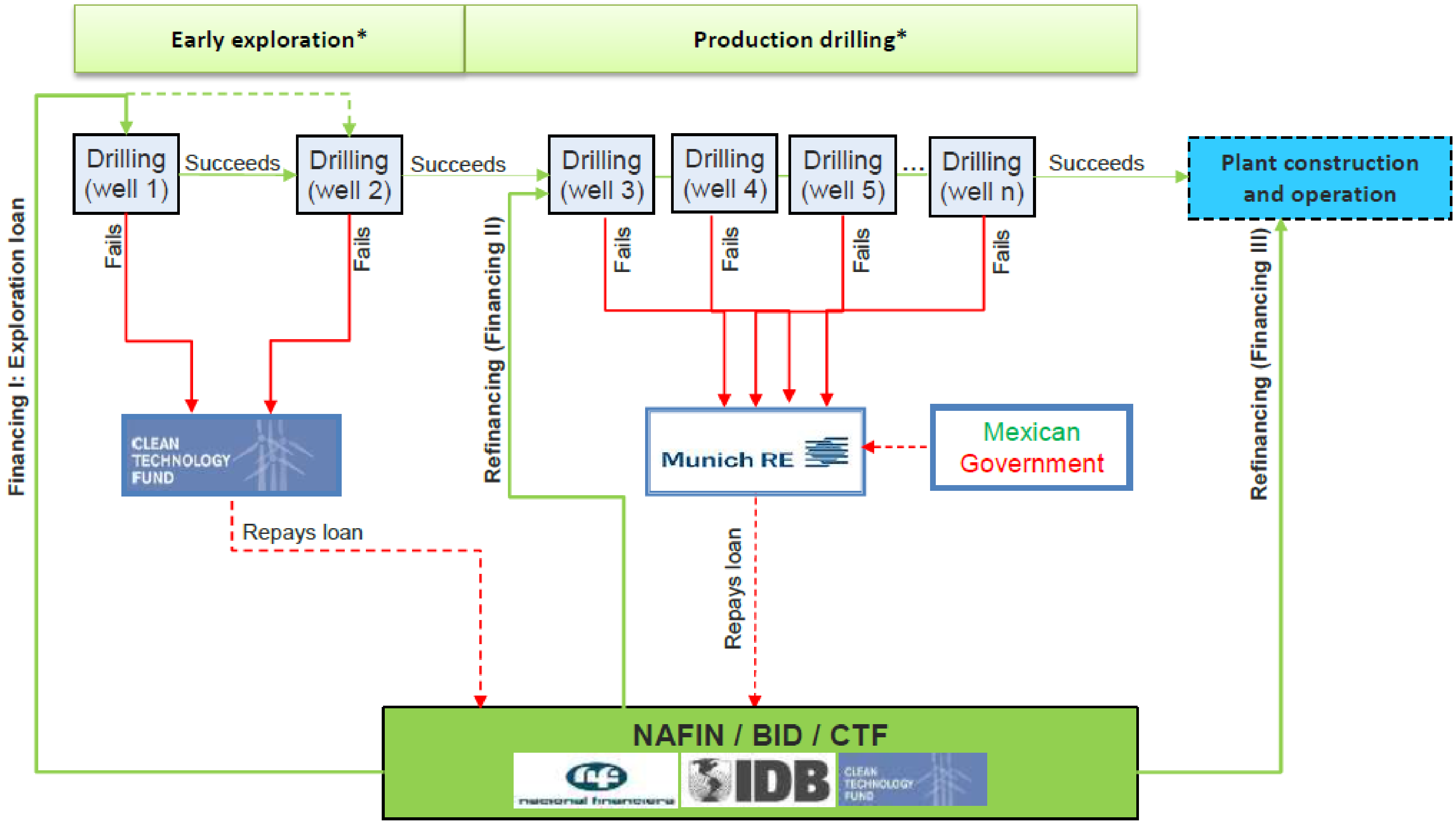
- Country/regional investment plans: USD 1.7 billion
- Dedicated Private Sector Programs: USD 508.5 million
- Private sector set-asides: USD 200 million under FIP, PPCR, and SREP

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

CLIMATE INVESTMENT FUNDS

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