



PRIMER | CTF, ACT AND JETP



CLIMATE INVESTMENT FUNDS (CIF)

The Climate Investment Funds (CIF) is one of the largest multilateral climate funds in the world. It was established in 2008 to mobilize finance for low-carbon, climate-resilient development at scale in developing countries. 14 contributor countries have pledged over US\$10 billion to the funds. To date CIF committed capital has mobilized more than \$62 billion in additional financing, particularly from the private sector, in 72 countries through one of its four programs including the Clean Technology Fund (CTF). CIF's large-scale, low-cost, long-term financing lowers the risk and cost of climate financing. It tests new business models, builds track records in unproven markets, and boosts investor confidence to unlock additional sources of finance.

CLEAN TECHNOLOGY FUND (CTF) (USD 7.1 BILLION)

The CTF empowers transformation in developing and emerging economies by providing resources to scale up low carbon technologies with significant potential for long-term GHG emissions savings. More than \$5.3 billion from the fund has been approved and more than \$2.8 billion is under implementation in clean technologies such as renewable energy, energy efficiency, and clean transport. This is expected to leverage another \$55 billion in co-financing. CTF concessional financing, channeled to countries through partner multilateral development banks (MDBs), is boosting investor confidence and attracting significant co-financing from other sources by driving down technology costs, supporting first-

movers, bridging financing gaps, creating markets, and innovating private sector finance.

Dedicated Private Sector Programs (USD 1.8 billion): Dedicated funding windows of the CTF provide risk-appropriate capital to finance high-impact, large-scale private sector projects in clean technology, such as geothermal power, energy storage, energy efficiency, and solar PV. Multiple phases of the DPSP are supporting 79 projects with around \$1,776 million in investment, including utility-scale solar in Honduras, geothermal in Turkey, and energy efficiency in Mexico.

The Accelerating Coal Transition (ACT) investment program sits within the CTF and is thus governed by and reports to the CTF Trust Fund Committee, and its related governance framework.

ACCELERATING COAL TRANSITION (ACT) INVESTMENT PROGRAM (~USD 2 BILLION)

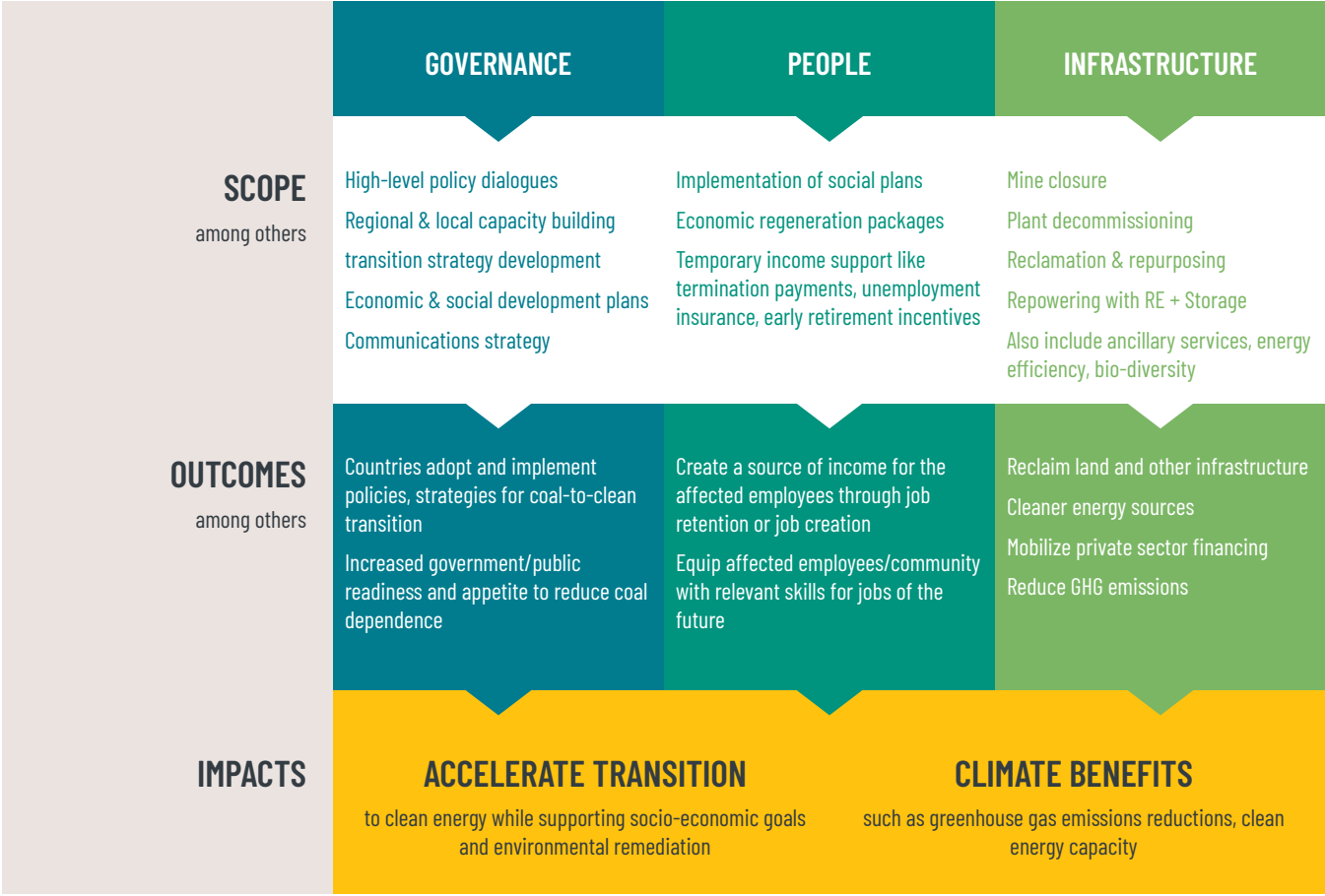
The pace of transitioning away from coal is not fast enough particularly outside the OECD countries where most of the global fleet is located. This not only costs consumers and taxpayers' money, but also poses a serious threat to climate, health, and environment, while hindering countries' progress towards their climate change goals. A dedicated platform that offers resources at scale is thus crucial since countries are facing competing pressure on their public finance due to competing priorities.

While the rationale for a global coal phase out is compelling, the process is slow due to several socio-

economic and political reasons. The ACT program is a one-of-a-kind mechanism that presents a unique opportunity amidst a once in-a-generation crisis to demonstrate innovative approaches to facilitate a transition away from coal. ACT aims to raise ambition, be the first-of-its-kind and provide demonstration effect in a way that can inform coal phase down strategies of both developed and developing countries.

The main objective of the ACT Investment Program is to tackle key barriers related to governance, people, and infrastructure, and address funding gaps leading to the successful implementation of country-level strategies and associated kick-start projects; building support at the local and regional levels; and accelerate the retirement of existing coal assets together with enabling new economic activities for those communities impacted by the transition. The program would look to support both public and private sector entities with the relevant toolkits necessary to affect the transition.

The following four countries have been selected for its first phase of implementation: India, Indonesia, the Philippines, and South Africa with an indicative allocation of \$200-500 million based on a needs assessment and strategic prioritization as expressed in the form of an investment plan. Additionally, the program is also working to finalize differing levels of tailored interventions in another 10 countries that had expressed interest in participation when the program was launched.

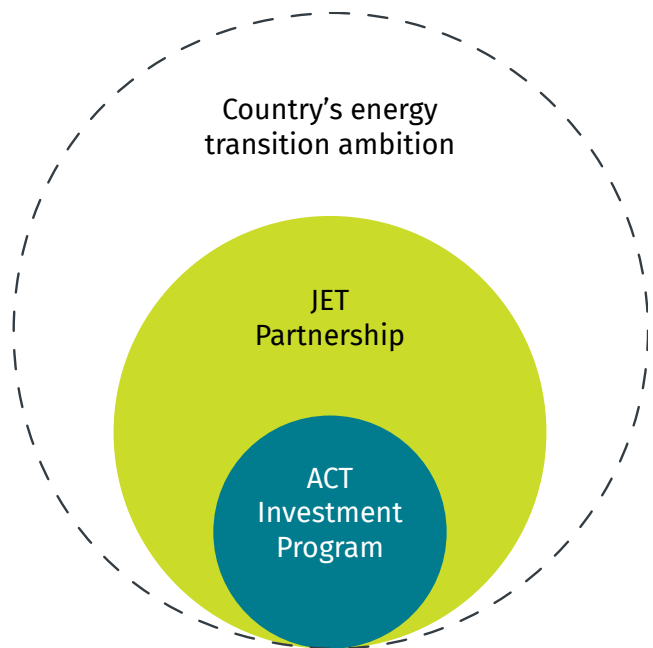


JUST ENERGY TRANSITION PARTNERSHIP (JETP)

The CIF is a key partner in the recently announced South Africa Just Energy Transition Partnership (JETP). The JETP aims to accelerate the decarbonization of the economy, with a focus on the electricity system, and help the country achieve the ambitious goals set out in its updated Nationally Determined Contribution (NDC). The CIF will be performing a coordination role to help facilitate support for RSA's efforts from key stakeholders including multilateral and bilateral development finance institutions such as US DFC, private sector and philanthropies among others, for ambitious coal transition reforms and investments based on a multi-year investment framework.

The ACT Investment Program, given the scope and focus on supporting a coal phase-down is placed centrally not only in case of South Africa but in other countries, such as Indonesia, where a similar country platform approach is under consideration. The

program can build on the CIF experience of working closely with the intersection of donors, recipient countries and development financial institutions and act as a kick starter to pilot different modalities and approaches in the area and in the process, mobilize additional co-financing from a range of sources such as private sector, philanthropies, bilateral among others. The program has a strong demonstration potential.



THE CLIMATE INVESTMENT FUNDS

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