

TITLE V

Climate Investment Funds

Minimum Requirement F.Y. 2022

\$200 million

F.Y. 2021 Enacted

\$0

CIF projects have improved energy access for **10 million people and over 142,837 businesses.**

DESCRIPTION

The Climate Investments Funds (CIFs) were created in 2008 to establish new markets and scale-up clean technology, resilient infrastructure, and sustainable forest management in middle and low-income countries. Since then, the U.S. has contributed \$2 billion to the CIFs, comprised of the Clean Technology Fund and the Strategic Climate Funds.

WHAT DOES IT BUY?

The CIF works exclusively with the Multilateral Development Banks (MDBs), providing investments at scale to mobilize the MDB's collective technical capacity and financial strength to support frontier/innovative investments, business models, policy reforms, and market creation to drive transformational impact in developing countries.

WHY IS IT IMPORTANT?

- Of CIF's **\$8.3 billion** in paid-in capital, \$6.5 billion is currently under implementation and has attracted \$60 billion in co-financing, including \$19 billion from the private sector, \$16 billion from its six MDB implementing partners, \$8 billion from governments, and \$17 billion from other investors, at a leverage ratio of 1:9.4.
- The CIF's financing tools include concessional debt, equity, guarantees, local currency financing, and grants to allow the MDBs to move into new markets, take on more risk, and mobilize billions in additional private sector investment.
- The CIFs have an unparalleled **track record** of delivering effectively and at scale, as documented by several recent independent evaluations and studies from **Bloomberg New Energy Finance**, **German GIZ**, and others.
- 77% of CIF projects are approved within the first three months, and 60% of CIF projects have moved from approval to disbursement within one year.

- The CIF's **300-plus projects** in 72 countries are having a significant impact on the ground, contributing to:
 - » Improved **energy access** for 10 million people and over 142,837 businesses.
 - » Greater **climate resilience** for 45.2 million people and 44,000 businesses.
 - » Sustainable **management** of 45.6 million hectares of forests.
- The CIF is underpinned by an effective administrative and **governance** structure that is efficient and highly agile, including these important structures.
 - » Representative governance structure (equal recognition of contributor and recipient countries).
 - » A platform for observers (civil society organizations, the private sector, and Indigenous peoples).
 - » Emphasis on gender equality.
 - » Support to Indigenous Peoples and Local Communities (IPLCs) through the Dedicated Grant Mechanism, a unique CIF program designed and led by IPLC representatives.

WHY SHOULD AMERICANS CARE?

- The CIF provides the U.S. an opportunity to reclaim leadership on climate issues.
- The CIF is launching a new suite of strategic investment **programs** across high-priority sectors and first-of-its-kind market-facing mechanisms that could mobilize significant amounts of private sector capital.
- The CIF provides investment for emerging sectors at the forefront of climate issues, such as: integration of renewable energy into power systems, including energy storage; climate-smart urbanization; accelerating the coal transition; natural capital; and decarbonized industry.

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WHY SHOULD AMERICANS CARE? (CONT.)

- The CIF has strong support from recipient countries and at the local level.
 - » In 2019, Ministers from 48 CIF recipient countries signed a Joint Ministerial Statement, echoed by civil society and private sector observers calling for the CIF to be adequately resourced.

WHAT MORE COULD BE DONE?

- The U.S. should commit to the new CIF programs alongside other CIF donors—including the U.K., Germany, and Canada. Committed countries should jointly launch these programs over the next six to 12 months at high-level international events (including G7/G20 and COP26), showcasing renewed U.S. leadership in some of the most high-impact climate sectors.

FUNDING HISTORY



■ House ■ Senate

Funding levels may not exactly reflect those in the appropriations bills and/or reports due to rounding