Climate Investment Funds: Leveraging, Learning & Looking Ahead

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IDB and CIFs

Work in 8 pilot countries and 1 regional program

- CTF: Colombia, Mexico and Chile
- SREP: Honduras
- PPCR: Bolivia, Jamaica and Caribbean Region
- FIP: Brazil, Mexico and Peru

Approximately 27% of CIFs funds have been allocated to Latin America and the Caribbean and channeled by the IDB, WB or IFC.
Leverage

• One of the fundamental principle of the CIFs
• Difficult to estimate the precise leverage of investments
• For CTF initial figures 1:8
• For PPCR and FIP more difficult. More stand alone investments.

Example: FIP/IDB Credit Line with Financiera Rural

- IDB US$ 2.3M
- FIP US$ 15M
- IDB lending to FR US$ 20M
- Bilateral funds

- Technical Cooperation and Grants
- FIP concessional loans and grant
- IDB co-financing
- Bilateral funds
Learning

• It showed an improved way for MDBs and bilateral donors to work in joint teams with Governments and local actors
• Cross fertilization among programs that have similar goals
• Internally in the Banks, it facilitated cross departmental collaborations.
• It “nudged” Banks to focus on climate investments demonstrating sustainability and feasibility
• It created a climate finance community of practitioners
• Learning by doing approach.....
Looking Ahead

• CIFs paved the way for more flexible procedures to access funds. A lot has been adjusted following a learning by doing approach.

• Future multilateral funds should keep this flexibility and even improve it further.

• Need to create a positive environment for private sector participation. Will the Private Sector facility of the Green Climate Fund respond to this call?

• Country ownership key but look carefully at direct access vs IFIs/UN as intermediaries.
Thanks!

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