

Climate Change: A Core Development Challenge

*“...the current trajectory of greenhouse gas emissions could have a devastating impact on the people of Asia and around the world. An increase in the frequency and intensity of storms, droughts and heat waves, for example, would adversely affect health and livelihoods, threatening the sustainability of growth and development in the developing nations. **Unless actions are taken now, progress achieved in meeting the Millennium Development Goals could be reversed in just the next two generations - during the lives of our children...and their children.**”*

— ADB President H. Kuroda

ADB

CLIMATE INVESTMENT FUNDS

ADB's Climate Change Program

Financing

Tools

Mobilize
Concessional
Resources

Catalyze
Private
Capital

Maximize
Market
Mechanisms

Advance Energy Efficiency and Low-Carbon Energy Sources

Enable Sustainable Transport Policy and Application of Efficient Systems

Promote Improved Urban Sanitation and Reduction of Fugitive Methane Emissions

Promote Sustainable Land Use and Forestry

Incorporate Vulnerability Risks into National Development Strategies

Increase Climate Resilience of Vulnerable Sectors

"Climate Proof" Projects

Address Social Dimensions

Mitigation

"Thrusts"

Adaptation

"Thrusts"

ADB

Climate Investment Funds-Structure and Governance

Partnership Forum

Clean Technology Fund (CTF)

Trust Fund Committee

with equal representation of donors and recipients

Observers
from relevant organizations (GEF, UN)

→US\$5.2bn/4years

Strategic Climate Fund (SCF)

Trust Fund Committee

Observers

Pilot Program for Climate Change Resilience

Sub-Committee

Forest Investment Fund

Sub-Committee

Small Scale Renewable Energy Projects for Low Income Countries (SREP)

Sub-Committee

→US\$0.9bn+/4years

CTF: Objectives, Features, Portfolio

Operational objectives:

- Scaled-up Investments
- For demonstration, deployment and transfer of low-carbon technologies
- With significant potential for long-term GHG emissions savings
- To begin the transformation towards more climate friendly economic development

Operational features:

- Need to appoint Focal Point in Department/Ministry of Finance
- Need to have a Country Investment Plan
- Co-financed with OCR lending and other instruments
- Private Sector is eligible
- Follows MDB's own procedures

Indicative portfolio (priority sectors):

- Power generation (wind, geothermal, small hydro)
- Transport (BRT, bus conversion to CNG)
- Energy Efficiency (buildings, industry, agriculture)

Procedures for CTF Financing

Client country requests joint programming mission

- **CTF Committee approves funding for mission**

ADB & WB assist host government develop County Investment Plan (CIP)

- **CIP is owned by host government**

CTF Trust Fund Committee reviews CIP to

- **Endorse preparation of projects in pipeline,**

CTF then follow the operational procedures of MDBs

Time Line



Current Status of CTF

The following investment plans endorsed for further processing so far:

- Egypt: Proposed CTF \$300 million leveraging \$1.9 billion MDB investment focusing on wind power and urban transport projects
- Mexico: Proposed CTF \$500 million leveraging \$6.2 billion MDB investment focusing on the renewable energy, energy efficiency, and urban transport
- Turkey: Proposed CTF \$250 million leveraging \$2.1 billion MDB investment focusing on renewable energy and energy efficiency.

The Administration Unit for the CIF received request for joint programming for Khazakstan, Morocco, ***Philippines***, and ***Thailand***, and Ukraine.

Soon expecting requests from *Indonesia* and ***Vietnam***

The logo for the Asian Development Bank (ADB), consisting of the letters 'ADB' in a white serif font on a dark blue square background.

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