Department for Energy Security & Net Zero

Carbon Initiative for Development (Ci-Dev)

Annual Review 2025

Any enquiries regarding this publication should be sent to us at: ODA-Transparency@beis.gov.uk

Title: Carbon Market Finance (Ci-Dev)[1] delivered via the World Bank's Carbon Initiative for Development (Ci-Dev)			
Programme Value £ (full life): £50 million (DESNZ)		**Review date:** 1st January - 31st December 2024, published August 2025	
Programme Code: GB-GOV-13-ICF-0025-CiDev	**Programme start date:** 2013	**Programme end date:** 2027	

Summary of Programme Performance

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Overall Output Score	**A**	**A**	**A+**	**A**	**B**	**B**	**B**	**A**	**A**	**A**
Risk Rating	**Mod**	**Mod**	**Mod**	**Mod**	**Maj**	**Maj**	**Maj**	**Mod**	**Mod**	**Mod**

Link to Business Case:	https://science-and-innovation-network.s3.eu-west-2.amazonaws.com/BEIS+ICF/Ci-Dev/CMF-Business-Case.pdf
Link to results framework:	Ci-Dev Logframe June 2021
Link to previous Annual Review	https://science-and-innovation-network.s3.eu-west-2.amazonaws.com/BEIS+ICF/Ci-Dev/Ci-Dev+Annual+Review+2024.docx

[1] The UK's 2013 business case refers to the 'Carbon Market Finance' programme. The name of the initiative that is being funded – Ci-Dev – is now the name that is being used by DESNZ in its oversight of the Department's contribution to the initiative.

A. SUMMARY AND OVERVIEW

Description of programme:

The Carbon Initiative for Development (Ci-Dev) is a multilateral trust fund, established through a partnership between the World Bank Group ('the Trustee') and three Contributors (DESNZ, the Swedish Energy Agency and Swiss based organization the Climate Cent Foundation).

Launched in 2013, Ci-Dev supports climate change mitigation in pursuit of the Paris Agreement's goals and facilitates access to cleaner energy and other poverty reducing technologies. It does so by purchasing emission reductions[2] from energy access projects which guarantees a revenue stream for projects delivering on their expected climate and social benefits, as well as building local capacity (including to develop projects and monitor carbon emissions) and piloting projects that could serve as blueprints to increase Low Income Countries' (LIC) access to the international carbon market under the Paris Agreement. This supports the UK objective for a quick, inclusive transition to carbon markets under the Paris Agreement ('Article 6').

Since its inception, the programme has taken on additional strategic importance post COP 26 (in 2021) which saw agreement around the overarching rules for carbon markets in the UNFCCC (under Article 6 of the Paris Agreement) and further clarity after COP27 (in 2022). Most recently, during this reporting period, at COP29 (in November 2024) there was a significant breakthrough, with the remaining Article 6 rules and outstanding elements being negotiated by Parties now settled. There will be a review of the rules in 2028.

Ci-Dev has been laying the foundations for LICs to benefit from the emerging market guidance and mechanisms agreed under Article 6 of the Paris Agreement. Prior to the Paris Agreement, UNFCCC carbon market mechanisms under the Kyoto Protocol are widely acknowledged as having left LICs behind (particularly African countries), depriving them of public and private carbon finance flows and the wide range of associated development co-benefits. Ci-Dev aims to avoid the repetition of this under the Paris Agreement. To support this, Ci-Dev has developed a Standardised Crediting Framework (SCF), which is a streamlined, country-owned emissions reduction crediting framework. It improves the transparency of national crediting decision-making, reduces transaction costs, and shortens the time it takes to generate emissions reductions, ultimately enabling wider access. The SCF allows LICs to establish structures and procedures including for potential Article 6 activities, and to test them through real projects and investments.

Ci-Dev has a total value of $124m comprising the Carbon Fund ($96m), which purchases emissions reductions from pilot projects supported through the programme, and the Readiness Fund ($28m), which develops projects and methodologies and shares lessons and experiences with the international community. DESNZ's £50m Ci-Dev contribution consists of £35m in the Carbon Fund, £14m in the Readiness Fund, and a £1m evaluation contract with LTS international (now NIRAS).[3] The Swedish Energy Agency and Swiss Climate Cent Foundation each contribute $23m.

The funds are used to meet the following objectives:

[2] Whilst Ci-Dev pays for the emissions reductions of supported projects (in units of 1 tonne CO2 equivalent) that have been certified under the Kyoto Protocol's Clean Development Mechanism (CDM) or a comparable standard agreed by Participants, emission reduction units purchased by the UK are not used for compliance with UK targets.

[3] To note, NIRAS Development Consulting announced its merger with LTS International in 2018.

- Develop innovative low carbon methodologies to finance projects with high development benefits in LICs and reduce carbon emissions. These are for low carbon technologies (e.g. biogas, household solar and micro-hydro power) that deliver community/household level results.
- Test a results-based approach, by paying for emissions reductions, to support a portfolio of pilot projects in LICs that are innovative and offer household and community level development benefits.
- Determine, through investments, whether and how carbon results-based financing can be used in the energy access sector, and share lessons learned internationally to inspire further scaling and replication.
- Share new methodologies applicable to the LIC context, and their practical demonstration, to influence the future international carbon market so that LICs can receive a greater share of carbon finance that results in reduced carbon emissions and increased development benefits.

Summary of progress and supporting narrative for the overall score in this review:

In Calendar Year 2024 (CY24), the Carbon Initiative for Development (Ci-Dev) made notable progress across its portfolio, maintaining a positive trajectory despite facing external challenges. The programme has been awarded an overall score of **A: 'outputs met expectation'** and continues to be assessed as a **moderate risk rating programme**. This rating reflects meaningful progress in transitioning the portfolio to the post-2020 era and advancing the operationalisation of the Standardised Crediting Framework (SCF). However, the logframe target of five operational SCFs by end-2024 was not met — only three SCFs (Rwanda, Ethiopia, and Bangladesh) were fully operational by year-end. Delays in legal sign-off and inter-ministerial coordination in countries like Burkina Faso and Madagascar, and slower institutional approvals in Kenya, contributed to the shortfall. In response, the Trustee has intensified high-level engagement (including at COP29), provided targeted legal and technical support, and scheduled country missions throughout 2025 to accelerate finalisation of remaining SCFs. Progress in these countries is expected to resume in the first half of CY25.

Significant achievements and progress:

1. **Successful transition to post-2020 Era**:
    - All Ci-Dev programmes registered under the Clean Development Mechanism (CDM) — with the exception of Rwanda Energy Access, which is a new post-2020 programme — have submitted requests to transition to the Article 6.4 mechanism under the Paris Agreement within UNFCCC deadlines. While none of the transitions have been fully approved yet, all are currently progressing through various stages of the process, including submission of additional documentation and host country approvals
    - Compared to the last reporting period, where SCFs were still in early development and rollout phases, they are now operational in Rwanda, Ethiopia, and Bangladesh, with legal and institutional frameworks nearing finalisation in Burkina Faso, Madagascar, and Kenya

2. **SCF rollout and knowledge management**:
    - The SCF rollout was prioritised, achieving operational status in three countries and nearing completion in two others.
    - Knowledge management efforts were strengthened, hosting South-South Knowledge Exchanges and regional workshops to enhance capacity building and knowledge dissemination.
    - Links to key reports published can be found here.

3. **Emission reductions and carbon credit Issuance**:
    - The Kenya KTDA Micro Hydro Project completed its monitoring report for 30,145 tCO2e, which is expected to be issued in CY25.
    - Rwanda Energy Access and West African Biodigester projects also made significant progress, with combined verified emissions reductions of over 120,000 tCO2e.
    - The portfolio restructuring and ERPA amendments progressed as planned, and additional issuances are anticipated from multiple countries in CY25.

4. **Financial performance exceeding expectations:**
    - The financial performance not only remained within target but exceeded expectations, with £107.91 million of public finance mobilised against a target of £102 million, and £121.94 million of private finance mobilised, exceeding the target of £118 million.

5. **Operational challenges and mitigation strategies**:
    - Operational challenges persisted in Uganda and Mali, where political instability and government reluctance hampered SCF progress.
    - Mitigation strategies included targeted engagement, capacity-building workshops, and realigning resources to more stable regions.

The programme remains highly relevant and particularly important in the context of international ODA decline and the need to fully unlock the role of Article 6 in contributing to the New Collective Quantified Goal (NCQG) agreed at COP29. It continues to offer value for money, contributing to DESNZ's broader efforts to foster carbon pricing and markets globally, through our existing ICF programmes, advocacy for strong rules at the UNFCCC, and our commitment through HMG's recent consultation Voluntary carbon and nature markets: raising integrity and new international coalition to build integrity and scale in voluntary carbon markets. Looking ahead to CY25, Ci-Dev aims to finalise portfolio restructuring, operationalise the remaining SCFs, and continue leveraging lessons learned to strengthen clean energy access and carbon market integration in low-income countries. With the two-year extension approved from 2025-2027[4], the programme is poised to consolidate its achievements and maintain momentum, ensuring continued value for money and strategic impact.

Overall, CY24 demonstrated substantial progress despite external challenges, validating the moderate risk rating and reflecting Ci-Dev's commitment to fostering carbon market integration and clean energy access.

Progress against recommendations from the last review:

DESNZ and the Trustee's response to the recommendations made in the previous Annual Review are assessed below. Some recommendations remain relevant and have been carried over or reflected in those made by this year's review.

Recommendation	Progress
1. The Trustee should work to provide targeted support to the governments in Burkina Faso and Madagascar to help them	**Not Achieved (1 of 2 of the remaining SCFs completed).** At the time of reporting, the inter-ministerial arrêté (SCF) had been signed in Madagascar, but not yet in Burkina Faso, confirming

[4] The ICF Portfolio Committee, other contributors and the Bank have agreed to a no cost extension of the lifespan of the Ci-Dev initiative from its original timeframe of 2013-2025 to the end of 2027.

work towards completion of the remaining two of the first three SCFs (Burkina Faso, and Madagascar) before 2025.	that **1 of 2 SCFs** has been completed. The SCF is a country-owned initiative, and the Trustee relies on national authorities to take action at each step, particularly in signing the inter-ministerial arrêté. Progress has been made in both countries following frequent missions, with roadmaps, SCF protocols, and governance structures approved. However, delays remain in the final ministerial sign-off. The Trustee engaged high-level officials from both countries — including during COP29 — to encourage rapid finalisation. **The arrêté in Burkina Faso is expected to be signed in early CY25**, after which rollout is expected to accelerate.
2. The Trustee should, on an ongoing basis, ensure that the introduction of the SCF is widely briefed in host countries, and is – as far as possible - complementary to other active in-country carbon market initiatives, ensuring join up with UNFCCC capacity building initiatives and the work of the Article 6 Implementation Partnership.	**Achieved.** The Trustee facilitated more than six SCF workshops during CY24, including regional workshops that brought together multiple SCF countries to share their experiences implementing the SCF and broader Article 6 infrastructure. Additionally, in-country workshops (Rwanda, Ethiopia, Bangladesh, Burkina Faso, Madagascar & Kenya) brought together stakeholders from the public and private sectors, as well as development partners like GGGI (Global Green Growth Institute) and UNDP (United Nations Development Programme), to complement these efforts. These efforts aimed to ensure that the SCF was widely briefed in host countries and aligned with other in-country carbon market initiatives. The Trustee further worked with the host country governments to coordinate carbon market readiness efforts provided by development partners, including support from UNFCCC Regional Collaboration Centres.
3. The Trustee should continue to heavily prioritise external audiences, including African regional and carbon market organisations, for the discussion of implementation plans and dissemination of lessons from SCF piloting through events and written materials.	**Achieved.** The Trustee recognizes the importance of this recommendation. In CY24, 13 knowledge events were delivered, and 2 written materials were published. All CY24 knowledge events were external facing and heavily targeted the global south. The Trustee plans to continue to prioritise these lessons learned in the strategy for CY25 and CY26 as the SCF will be established in most portfolio countries, this approach will help foster stronger collaboration and knowledge exchange within the carbon market. By building on these lessons learned and pilot projects, the Trustee aims to enhance the effectiveness and impact of future initiatives. In addition, Ci-Dev supported the work of enhancing a digital MRV platform at the regional level through Common Market for Eastern and Southern Africa (COMESA).

4. The Trustee should conclude the portfolio restructuring exercise by late 2025.	**Achieved.** The Trustee plans to complete the portfolio restructuring in CY25. In CY24, the Trustee made good progress on the restructuring efforts, and following the approval of a two-year extension, the associated restructuring will be completed by the end of CY25.
5. The Trustee and Contributors should collaborate with NIRAS on the final evaluation approach paper ahead of the 2025 annual meeting.	**Achieved.** The Trustee met with NIRAS in CY24 to complete the 2024 update for the Carbon Market Barrier Analysis under the Carbon Market Finance Programme. It was agreed that since the Ci-Dev trust funds are being extended to December 31, 2027, the final evaluation approach paper would be postponed until early 2027.
6. The Trustee should assist DESNZ in completing a logframe refresh before December 2024.	**Not Achieved.** The Trustee met with the DESNZ and agreed on a logframe refresh, but this was not completed by December 2024. To note the logframe has since been in the process of being updated.
7. The Trustee should establish a process to ensure contributors are informed prior to Ci-Dev related content being published, and provide targeted support to improve media outreach in local communities, focusing on project benefits, and present a summary of this work to Contributors at the 2025 Annual Meeting	**Achieved.** The Trustee has agreed with the World Bank Climate Change Communications Team to provide Ci-Dev Participants with advanced notice of any publications related to Ci-Dev programmes. The media outreach was presented to contributors at the 2025 Annual Meeting (outside the reporting period).

This year, we propose the following seven recommendations to support the continued effectiveness, transparency, and impact of the Ci-Dev programme:

Recommendation	Due Date
1. The **Trustee** should **accelerate progress towards achieving eight operational SCFs by the end of CY2025.** This includes finalising legal frameworks in countries with approved SCF roadmaps and prioritising support in contexts where SCF implementation has stalled.	31/12/2025
2. The **Trustee** should provide support in agreeing **to a clear and revised timeline for the final evaluation of the programme, in consultation with NIRAS and the UK.** This should align with the programme's extension to 2027. and ensure sufficient time for outcome and impact-level results to materialise, assessed effectively, and for lessons to be learnt and shared.	01/09/2025
3. The **Trustee** should **continue to prioritise engagement with external stakeholders, particularly African regional institutions and carbon market actors.** The Trustee should ensure that SCF implementation experiences and lessons are widely shared through targeted events, reports, and knowledge products aimed at building regional capacity and replication.	31/12/2025
4. The **Trustee** should **assist DESNZ in completing a logframe refresh before October 2025** that will be used for the CY26 AR and beyond. This recommendation is rolled over from last year's AR as this was not achieved.	01/10/2025
5. The **Trustee** should **enhance local-level media outreach** to spotlight project-level benefits (e.g. clean cooking, access to lighting) and co-benefits (health, education, gender).	31/12/2025
6. The **Trustee** should **support Ci-Dev countries in transitioning to A6.4 compliant methodologies**, by considering the methodological requirements and removals standards agreed at COP29, and report back to donors via a report on progress and methodologies used within the SCFs. This will support further issuances of ERs from Ci-Dev projects under Article 6.4.	31/12/2025
7. The **Trustee** should **return unutilised funds to the UK as requested by the UK as soon as possible.**	31/12/2025

B: THEORY OF CHANGE AND PROGRESS TOWARDS OUTCOMES

Summarise the programme's theory of change, including any changes to outcome and impact indicators from the original business case.

Ci-Dev is a key part of DESNZ's portfolio of carbon pricing and markets funds that support the development of interconnected carbon markets and help limit global temperature increases in line with the Paris Agreement's goals. In the short to medium term, Ci-Dev delivers direct climate and poverty reduction benefits in LICs through supporting clean energy pilot projects such as household solar, biogas, cookstoves and micro-hydro systems. It helps LICs overcome barriers that stop them accessing global carbon finance through the international carbon market, including: a lack of skills and experience in the UN methodologies used to generate credits; high capital costs; and unproven returns on investment.

In the medium to long term, the infrastructure, capacity building and systems that Ci-Dev is piloting are strengthening cooperation and unlocking finance flows as well as helping recipient countries to understand how markets could help meet and raise their international emission reduction targets. Ci-Dev's expected overall outcome is: "*Increased carbon finance flows to poor countries for low carbon energy and other poverty reducing technologies*". The outcomes for Ci-Dev and an assessment of the programme's performance on these over the review period are listed in the section below.

Describe where the programme is on/off track to contribute to the expected outcomes and impact. What action is planned in the year ahead?

To score this performance we use five quantitative indicators, drawn from the group of ICF Key Performance Indicators (KPIs). An attribution rate of 58.448% was applied to all impact and outcome indicators to reflect the UK funding share. All results are adjusted accordingly.

Outcome Indicator	***2024 Milestone***	***Performance during the review period and commentary (all figures are cumulative through 31 Dec 2024, and attributed only to UK support)***
1. Public finance mobilised (ICF KPI 11)	**£102M**	**Achieved: £107.91M** – The public finance mobilised exceeded the milestone, with the key contributor in CY24 being the financing component of the Bangladesh Solar Home Systems (SHS) programme.
2. Private finance mobilised (ICF KPI 12)	**£118M**	**Achieved: £121.94M** – Private finance also surpassed expectations. New finance mobilised in CY24 included household-level spending on biodigesters (West Africa programme), ethanol cookstoves (Madagascar), efficient cooking appliances Rwanda Energy Access and Quality Improvement Project (EAQIP), and solar home systems (Bangladesh SHS). This reflects the strong engagement of local markets and communities in adopting clean energy technologies, driven by Ci-Dev's results-based finance approach.
3. M tons CO2 equivalent ($MtCO_2e$)	**3.0 $MtCO_2e$**	**Achieved: 3.14 $MtCO_2e$** – The emissions reductions are cumulative and measured using three categories, as agreed with the UK: 1) Issued Certified Emission Reductions (CERs), 2) Monitoring reports submitted to UNFCCC, and 3) Verified volumes pending submission. In CY24, no new CERs were

reduced through all Ci-Dev supported projects (ICF KPI 6)		issued (Category 1), but a key monitoring report for the Kenya KTDA Micro Hydro Project was submitted to the UNFCCC (30,145 tCO_2e). Additional reductions were verified for Rwanda Energy Access (62,633 tCO_2e) and West African Biodigester (57,598 tCO_2e) programmes, contributing to the overall performance.
4. Level of installed capacity of clean energy Megawatts (MW) in all Ci-Dev projects (ICF KPI 7)	**122MW**	**Exceeded: 304.35 MW** – The clean energy installed capacity more than doubled the target, driven by successful deployment of technologies such as solar home systems, micro-hydro, and biogas digesters across multiple Ci-Dev countries. This includes both thermal and electrical capacity, with significant contributions from Ethiopia, Rwanda, and Bangladesh. The result demonstrates the portfolio's scale and diversification across energy access solutions.
5. Number of people with improved access to clean energy from all Ci-Dev supported projects (ICF KPI 2)	**8 Million**	**Exceeded: 9.05 million** – Over 9 million people have gained improved access to clean energy through Ci-Dev-supported interventions. This outcome reflects cumulative results from the full portfolio, with particularly strong implementation in Rwanda, where the carbon MRV system was fully integrated into the national monitoring and evaluation framework. Clean energy access includes beneficiaries of off-grid electrification, clean cooking, and household solar programmes.

Impact

The intended impact of Ci-Dev is to reduce greenhouse gas emissions and poverty in less developed countries. Impact indicators were set in 2013, last updated in September 2022 and last reported on in February 2023. As agreed in the logframe, the Trustee will report on the progress made on these indicators in the years for which the logframe indicates targets. Since there are no targets for CY24, the actuals are not updated. The next reporting target is set for the next Annual Review. Impact indicator reporting from CY23 Annual Review are therefore set out below for context:

"*Impact indicators were set in 2013 and revised in 2021.The Trustee has provided some interim reporting for 2022 for indicators 1 and 2:*

- *To identify "Ci-Dev influenced programs", the Trustee tracked various projects that use methodologies developed under Ci-Dev[6]. One CDM[7], five Article 6 pilots[8], and four Verified Carbon Standard (Verra)[9] projects. There is no public information available regarding the quantity of ERs projected to be generated, or the number of intended beneficiaries from any of the Article 6 pilots which makes assessing interim targets for impact indicators 1 and 2 difficult at this stage. Of the quantifiable data that is available (based primarily on projections rather than results), for impact indictor 1 0.11 $MtCO_2e$ will be reduced by Ci-Dev influenced projects (compared to the interim target of 1.7). For impact indicator 2 0.61m people will have improved access to clean energy as a result of Ci-Dev influenced projects (interim target 23m). Bearing in mind the early stage of the SCF rollout and that the transition to Article 6 remains in its infancy, it is too early to expect significant results for this impact indicator. Accordingly, the lack of available data means that results that can be reported at this stage are likely to under-represent the likely scale* *of replication. The early signs of replication described above, in particular seeing Ci-Dev methodologies applied to Article 6 pilots, are encouraging developments.*

- *For impact indicator 3 an early assessment can be made. Examples of Ci-Dev having contributed to the uptake of Results-Based Finance for energy access in LICs already exist, such as:*
- *In Madagascar Ci-Dev led to the first Clean Development Mechanism (CDM) project of its kind to issue credits in the country,*
- *In Burkina Faso Ci-Dev has been responsible for the first CDM project ever to issue credits there.*
- *For impact indicator 4, this year's assessment of KP15 is that some early evidence suggests transformational change is likely, with the programme taking significant steps likely to lead to transformative change, most notably in its roll out of the SCF, where some indicators are now expected to be exceeded. This is reflected across some of the indicators used to assess transformational change, with the programme scoring well on its ability to increase capacity and capability, and for innovation. Progress towards all impact indicators will be assessed in more detail by the evaluator as part of the programmes final evaluation and in the broader context of slow market development."*

Has the logframe been updated since the last review?

The logframe is in the process of being reviewed and updated. Prior to this, the Ci-Dev logframe was last updated in September 2022. The logframe will be published in due course, including with an accompanying logframe update note.

Rationale

In June 2024 the ICF Portfolio Committee agreed to a no cost extension of the lifespan of the Ci-Dev initiative from its original timeframe of 2013-2025 to the end of 2027. This decision will ensure that ten ongoing projects can continue to generate revenue from carbon credits and will assist the eight host countries in enhancing their capacity to access carbon market finance both during and beyond Ci-Dev's operational period. In addition, 2024 saw the remaining Article 6 rules and outstanding elements being negotiated by Parties.

In light the extension and Article 6 developments, the World Bank and the UK programme team have engaged in a comprehensive logframe review and have worked on a refreshed version reflecting the programme's evolution, methodological developments, emerging best practice, and revised delivery expectations through to 2027, ensuring continued alignment with Ci-Dev's strategic direction and the operational realities of its extended timeframe. This logframe will be published in due course.

Justify whether the programme should continue, based on its own merits and in the context of the wider portfolio.

There are strong, evidence-based arguments in favour of continuing the Ci-Dev programme. The programme's CY2024 performance shows sustained delivery against outcome indicators, progress in SCF rollout, cost efficiency, and enduring alignment with international climate finance priorities. Ci-Dev continues to demonstrate value across four core dimensions:

1) **Economy:** Ci-Dev offers tangible cost-efficiency gains in delivering results-based climate finance. In CY2024, the average project development cost dropped to $258.7k per ERPA, a 26% reduction compared to similar projects under earlier World Bank carbon funds. Additionally, the programme continues to offer macro-economic value: SCF pilots

demonstrate the potential to replicate cost-effective crediting at scale. This supports broader UK climate finance goals by enabling abatement in low-income countries (LICs) where it is most cost-effective—aligning with IPCC and global carbon market efficiency imperatives. Upper end research estimates indicate a well-functioning carbon market could reduce the price of global achievement of countries' climate targets by up to $250bn by 2030[5].

2) **Effectiveness:** Ci-Dev is delivering real emissions reductions and transforming market readiness in LICs. The SCF is now operational in Rwanda, Ethiopia, and Bangladesh, with Burkina Faso, Madagascar, and Kenya expected to finalise operationalisation in early 2025. Furthermore, the weighted average carbon credit price across the 15 ERPAs (post-addition of the Bangladesh SHS ERPA in 2024) was $10.73 per CER, within Ci-Dev's target unit price range of $5.52–$13.79. Capacity building and institutional frameworks are progressing well. Notably, 46 ministries were engaged in SCF workshops in CY24, nearly doubling the annual target of 24. This ensures long-term sustainability, governance readiness, and absorption capacity for Article 6 mechanisms. These figures underscore Ci-Dev's effectiveness, especially considering the complex environments in which it operates.

3) **Efficiency:** Ci-Dev's approach to Paris Agreement era crediting has been designed to mobilise finance by streamlining the business of ER generation. Furthermore Ci-Dev's efficiency has improved year-on-year. The programme has adopted several structural innovations to streamline emission reduction (ER) delivery:
   - The decentralisation of MRV processes under SCF is reducing transaction costs and verification timelines.
   - CY2024 saw strong results: 132.97% of energy access technologies were distributed (median), and 96.74% of planned tCO_2e reductions were realised (mean).
   - Cost per tonne of CO_2e for direct project development is now $2.24 post-restructuring (projected), showing high efficiency versus historic benchmarks.

4) **Equity:** The implementation of previous UNFCCC carbon market mechanisms is widely acknowledged as having left LICs behind (particularly African countries). Countries particularly need more help to meet recently new Article 6 requirements and Ci-Dev helps ensure LICs are better prepared to benefit from the Article 6 market. The programme responds to continued calls for support made repeatedly at the UNFCCC by a wide spectrum of Global South representatives, through regional carbon market alliances, and in response to HMG consultations during 2025 through the Africa Approach, led by FCDO (who appreciated UK support through programmes such as Ci-Dev but said more is needed).In CY2024, the programme continued to serve LICs, advancing clean energy access in underserved and vulnerable communities. Equity remains a cornerstone of Ci-Dev's value proposition and key highlights include:
   - Strong implementation in Rwanda, where MRV is integrated with national systems to improve both quality and equity of access.
   - The Madagascar social inclusion pilot advanced, aiming to mainstream marginalised groups in carbon market participation.
   - Health and gender co-benefits from clean cookstove interventions were reaffirmed in the co-benefits study, including reduced indoor air pollution and increased time savings for women.

[5] International Panel on Climate Change (IPCC), (2018), 'Special Report: Global Warming of 1.5^{0}C'; The New Climate Economy (2018), The 2018 Report of the Global Commission on the Economy and Climate; International Emissions Trading Association and University of Maryland (2019). 'The Economic Potential of Article 6 of the Paris Agreement'

- Clean energy now reaches over 9 million people, with cumulative capacity expected to reach 400 MW by end-2025.
- Equity embedded in knowledge transfer, through South-South exchanges, SCF regional workshops, and Article 6 engagement efforts, especially with African and francophone countries.

C. DETAILED OUTPUT SCORING

Output 1: Pilot projects that can generate CERs and direct development benefits are implemented.

Output Title	**Pilot projects that can generate CERs and direct development benefits are implemented**		
Output number:	1	Output Score:	**A+**
Impact weighting (%):	45	Weighting revised since last AR?	No
Risk rating	Moderate	Risk revised since last AR?	No

Indicator(s)	**Milestones**	**2024**
1.1 Number of ERPAs negotiated and agreed (fund wide)	2023: 15 2024: 15 2025: 15	**Achieved: 15.** An increase from last year's 14.
1.2 Median % of energy access technologies distributed annually compared to annual forecast	2023: 80% 2024: 80% 2025: 80%	**Substantially Exceeded: 132.97%.** A significant improvement on last year's 83.68%.
1.3 Mean % of $MtCO_2e$ reductions realised annually compared to annual forecast	2023: 80% 2024: 80% 2025: 80%	**Exceeded: 96.74%.** An improvement on last year's 83.68%.
1.4 % of in-year $MtCO_2e$ reductions from Ci-Dev projects submitted to UNFCCC that are issued as CERs	2023:85% 2024: 90% 2025: 95%	**Exceeded: 100%**
1.5 Number of Ci-Dev CERs a) issued; b) cancelled; c) sold	NOT SCORED	**0 CERs issued, cancelled or sold in CY24**. All issuances anticipated in early CY25.

Description of output and supporting narrative for the score:

Indicator 1.1 Number of ERPAs negotiated and agreed (fund wide)

The long-anticipated **Bangladesh Solar Energy ERPA** was finalised in December 2024, enabling $16.76 million in results-based carbon finance. This brings the total number of ERPAs to **15**, achieving the fund-wide target. The delay in signature (originally expected in CY23) was due to internal processes and the expansion of the SCF framework in Bangladesh but was resolved by year-end.

Indicator 1.2 Median % of energy access technologies distributed annually compared to annual forecast

CY24 saw a sharp rise in delivery efficiency, with **132.97%** of projected distributions achieved. This increase was primarily driven by:

- **Rwanda EAQIP**: Exceptional performance across solar and cookstove components, fully integrated with WB operations.

- **Bangladesh SHS**: The early integration of Ci-Dev carbon finance with other World Bank funding streams helped accelerate implementation, enabling rapid procurement and distribution of solar home systems. This blended financing approach ensured strong delivery performance in the field and positioned the programme for early verification and crediting.
- **Burkina Faso and Madagascar**: Implementation resumed momentum following governance approvals, although rollout is still constrained pending full SCF establishment.

The median value reflects data across all active programmes, signaling a continued ability to meet or exceed projections despite challenging operating environments in countries such as Mali.

Indicator 1.3 Mean % of $MtCO_2e$ reductions realised annually compared to annual forecast

Overall 96.74% of targeted reductions were realised. The Kenya KTDA Micro Hydro project submitted its monitoring report for 30,145 tCO_2e to the UNFCCC in August, but issuance was delayed to early CY25 due to delays in UNFCCC reviews. This temporary shortfall was balanced by strong performance from Rwanda (62,633 tCO_2e verified) and West Africa (57,598 tCO_2e). Most CY24 reductions are now moving through the SCF pipeline for CY25 issuances.

Indicator 1.4 % of in-year $MtCO_2e$ reductions from Ci-Dev projects submitted to UNFCCC that are issued as CERs

Of the $MtCO_2e$ submitted to the UNFCCC in CY24, 100% were issued as CERs, specifically from the Kenya KTDA project. Although there was only one submission, the full issuance of eligible credits demonstrates effective project execution and verification.

Indicator 1.5 – CER Issuance / Cancellation / Sales

No CERs were issued, cancelled, or sold in CY24. However, issuances from multiple SCF projects are scheduled in CY25, including Rwanda EA and Bangladesh SHS. The Trustee consolidated efforts to monitor and report 2021–2024 reductions in one cycle to optimise resources and verification timelines.

Assess the VfM of this output compared to the proposition in the Business Case, based on performance over the past year:

Ci-Dev continues to deliver strong Value for Money (VfM) in CY2024, demonstrating tangible gains across economy, efficiency, and effectiveness. On the economic front, Ci-Dev maintained a disciplined approach to cost control. By year-end, cumulative project development costs stood at $3.88 million, equating to $258.7k (approx £203.7k) per ERPA, a notable reduction of the per ERPA cost from the previous year and approximately 26% below the historical average cost of comparable World Bank carbon funds. This is also well beneath the £250k per project ceiling outlined in the original business case, underscoring Ci-Dev's strong cost discipline. The cost per tonne of CO_2e is similarly favourable. Based on projected emission reductions post-restructuring, the direct development cost per ER is expected to drop to $2.24, while the all-in cost per ER is projected at $4.63, further reinforcing the programme's financial efficiency.

In terms of effectiveness, Ci-Dev remains within the target range for carbon pricing set in its Guidance Note on Financial Reviews. Following the successful negotiation of the Bangladesh

SHS ERPA in December 2024, the weighted average price per CER across the portfolio rose modestly to $10.73, comfortably within the fund's expected price range of $5.52 to $13.79. This price point strikes a strong balance between environmental integrity, ensured through more stringent methodologies under the Standardised Crediting Framework (SCF), and commercial attractiveness, preserving headroom for replication and scale-up. The move towards alignment with Article 6.4 guidelines also enhances the long-term relevance and marketability of Ci-Dev credits.

Efficiency gains were most evident in Ci-Dev's evolving programme delivery model. The adoption and operationalisation of SCFs in Rwanda, Ethiopia, and Bangladesh introduced decentralised MRV systems that reduce transaction costs and increase verification speed. This streamlined approach also helps embed carbon crediting capacity within national institutions, thus building long-term country ownership and system sustainability. The above output figures highlight Ci-Dev's ability to deliver outcomes at scale while keeping transaction and delivery costs under control.

In summary, CY2024 performance demonstrates that Ci-Dev continues to offer strong VfM. It combines disciplined cost management, high delivery efficiency, and effective carbon pricing with transformational support for partner countries to access and participate in Paris-aligned carbon markets.

Recommendations for the year ahead:

The **Trustee** should **support Ci-Dev countries in transitioning to A6.4 compliant methodologies**, by considering the methodological requirements and removals standards agreed at COP29, and report back to donors on progress and methodologies used within the SCFs. This will support further issuances of ERs from Ci-Dev projects under Article 6.4.

Output 2: Ci-Dev is prepared for projects to be registered under the UNFCCC mechanism for transferring emission reductions.

Output Title	**Ci-Dev is prepared for projects to be registered under the UNFCCC mechanism for transferring emission reductions (either pre-2020 CDM or post-2020 Article 6 co-operative approaches)**		
Output number:	2	Output Score:	**A**
Impact weighting (%):	30	Weighting revised since last AR?	No
Risk rating	Moderate	Risk revised since last AR?	No

Indicator(s)	**Milestones**	**Progress**
2.1 Effective strategy for post-2020 Ci-Dev transition is developed and implemented	**2022: Retired** 2025: Retired	**Not scored**
2.2 Number of SCFs (cumulative)	2021: 3 **2023: 5** 2024: 8	**Substantially not achieved**: **3** – Rwanda, Ethiopia, Bangladesh operational; Madagascar and Burkina Faso protocols approved, pending final legal steps. This is the same amount of SCFs as reported last year.
2.3 Number of government ministries engaged through Standardised Crediting Framework (SCF) workshops	**2022: 6** **2023: 15** 2024: 24	**Substantially exceeded: 46** – SCF engagement scaled significantly in CY24, across seven countries. This is a significant increase on last year's 24 countries.

Briefly describe the output and provide supporting narrative for the score.

Indicator 2.2 Number of SCFs (cumulative)

By the end of CY2024, three SCFs are fully operational in Rwanda, Ethiopia, and Bangladesh, while two others – Madagascar and Burkina Faso – have finalised roadmaps, protocols, and governance structures. These latter countries await the signing of the inter-ministerial arrêté, which is expected in early CY2025. Once signed, Madagascar and Burkina Faso will formally join the list of operational SCFs, bringing the total to five.

The SCF rollout has been central to Ci-Dev's post-2020 strategy. Significant technical support and in-country engagement have driven this progress, particularly in politically complex environments such as Burkina Faso and Madagascar. In Kenya, the SCF roadmap and methodologies were finalised in 2024, with approvals anticipated in Q1 CY2025. Uganda remains stalled due to government delays in defining its national carbon market framework, but the Trustee is exploring alternative pathways, including Article 6.4 registration.

Although the 2024 milestone (8 SCFs) has not yet been achieved, the trajectory and momentum behind the SCF rollout, combined with the Trustee's strategy to consolidate legal and governance steps in early CY25, justifies an **'A' rating**.

Indicator 2.3 Number of government ministries engaged through Standardised Crediting Framework (SCF) workshops

Engagement with government stakeholders expanded significantly in CY24. A total of 46 ministries and public agencies were actively involved in SCF workshops, consultations, and governance processes across Ci-Dev countries. New government stakeholders were engaged in:

- **Ethiopia**: 8 ministries including Planning, Finance, Water and Energy, Agriculture, Industry, Mines, and Transport.
- **Kenya**: 3 core ministries including Energy, Environment, and Treasury.
- **Uganda**: 4 ministries and agencies, including Forestry, Environment, and Petroleum Authority.
- **Madagascar** and **Burkina Faso**: Continued capacity-building and SCF legal framework discussions with ministries of environment, decentralisation, and energy.
- **Rwanda** and **Bangladesh**: Multiple SCF and Article 6 technical workshops with both public and private sector actors.

Assess the VfM of this output compared to the proposition in the Business Case, based on performance over the past year:

The Ci-Dev programme including SCF rollout to enable Article 6 transactions continues to demonstrate strong value for money. With an expected cost of approximately $1.8 million, the SCF rollout remains within budget. Evaluations of early SCF pilots in Rwanda and Senegal suggest cost savings of up to $180,000 per project relative to CDM processes under the Kyoto Protocol, largely due to reduced MRV costs, streamlined documentation, and lower transaction risks. While these pilots did not cover the full project cycle, they have already highlighted significant efficiency gains, offering a replicable model for other countries seeking to develop Article 6-ready crediting systems. CY2024's expansion of SCF frameworks, combined with decentralised governance structures, positions Ci-Dev as a leader in building country-owned, Article 6-ready crediting infrastructure. These benefits are not limited to Ci-Dev's own projects; they create public goods by developing replicable systems for future carbon finance flows. Furthermore, by aligning with UNFCCC and the Article 6 Implementation Partnership, Ci-Dev is enhancing global coherence and lowering the entry barriers for LICs into carbon markets.

Recommendations for the year ahead:

The **Trustee** should **accelerate progress towards achieving eight operational SCFs by the end of CY2025**. This includes finalising legal frameworks in countries with approved SCF roadmaps and prioritising support in contexts where SCF implementation has stalled.

Output 3: Ci-Dev's Knowledge Management Strategy helps to increase capacity among communities, the private sector and governments to implement Ci-Dev developed new methodologies

Output Title	**Ci-Dev's Knowledge Management Strategy helps to increase capacity among communities, the private sector and governments to implement Ci-Dev developed new methodologies**		
Output number:	3	Output Score:	**A**
Impact weighting (%):	25	Weighting revised since last AR?	No
Risk rating	Moderate	Risk revised since last AR?	No

3.2 Number of events and reports to inform and consult on the Ci-Dev programme, build capacity, engage the private sector, and disseminate programme experience. Not cumulative. At least 80% of events and reports counted must be for external audiences.	2020: 12 **2023: 12** 2025: 12	**Achieved:** 13 events and reports.
3.4 Credible demonstration that Ci-Dev knowledge management has increased capacity.	**2023: Yes** 2025: Yes	**Achieved.**

Briefly describe the output and provide supporting narrative for the score.

Indicator 3.2 Number of events and reports to inform and consult on the Ci-Dev programme, build capacity, engage the private sector, and disseminate programme experience. Not cumulative. At least 80% of events and reports counted must be for external audiences.

In CY2024, Ci-Dev delivered 13 external-facing knowledge events and publications. DESNZ reviewed some but not all of the agendas for these events and assessed those to be of high quality. These engagements included workshops, panel discussions, training events, blogs, and videos, all aimed at building capacity and strengthening awareness of the Standardised Crediting Framework (SCF), Article 6 readiness, and behavioural approaches to energy access:

1. **Climate Solutions Week – Vienna (April)**
   World Bank participated in a panel on carbon markets and private sector engagement, highlighting Ci-Dev's role in the Global South.
2. **SCF Regional Workshop – Nairobi (May)**
   Cross-country learning on SCF and Article 6 with participants from Bangladesh, Ethiopia, Kenya, Rwanda, and Uganda.
3. **SCF Workshop – Addis Ababa (May)**
   National-level SCF consultation hosted with Ethiopia's Ministry of Planning and Development.
4. **SCF Governance Training – Kigali (May)**
   Workshop with Rwanda's SCF Governance Body and Technical Committee on verification and Article 6 processes.
5. **UN Behavioural Science Week – Virtual (June)**
   Presentation of Ci-Dev's behavioural toolkit and policy note on clean cooking in Rwanda. YouTube link

6. **BE.Hive Conference – Washington, DC (June)**
   Presented behavioural science interventions in clean cooking and clean tech. Event link
7. **International Behavioural Public Policy Conference – Cambridge (June)**
   Ci-Dev presented on the behavioural drivers of clean cooking adoption.
8. **SCF Capacity Building Workshop – Addis Ababa & Virtual (August)**
   Focused on SCF programme standards and methodologies.
9. **SCF MRV Workshop – Kigali (September)**
   Workshop on SCF monitoring and reporting systems and lessons learned.
10. **SCF Roadmap Approval – Nairobi & Virtual (October)**
   Kenya's national SCF roadmap approved and programme tools presented
11. **SCF Governance Meetings – Addis Ababa (October)**
   Ethiopia's interministerial Steering and Technical Committee formalised the SCF's operationalisation.
12. **COP29 Panel – Baku (November)**
   WB panel on "Driving Transformative Change" featured Ci-Dev country participation. Ci-Dev - Annual Review …Ci-Dev - Annual Review …
13. **COP29 – Bangladesh Pavilion (November)**
   Showcased Bangladesh's SCF progress and use of Ci-Dev pilot under Article 6 to attract buyers.

At least 80% of these activities were targeted at external audiences, fulfilling the requirement for meaningful outreach. DESNZ welcomes the strategic focus on regional actors, ministries, and technical partners which reflects Ci-Dev's intent to support replication beyond its own portfolio.

Indicator 3.4 Credible demonstration that Ci-Dev knowledge management has increased capacity.

CY2024 continued to show credible and tangible evidence that Ci-Dev's knowledge management has increased institutional and community-level capacity in partner countries.

- SCF operationalisation in Rwanda, Ethiopia, and Bangladesh has benefitted directly from Ci-Dev's structured capacity-building approach, including governance training, MRV systems, and stakeholder engagement.
- Ci-Dev's behavioural science research on clean cooking and energy access has gained recognition within and beyond the World Bank, with policy briefs, behavioural toolkits, and implementation insights now informing broader clean energy strategies.
- Host countries and regional partners have provided positive feedback on the utility of Ci-Dev knowledge products, notably in Madagascar, Bangladesh, and Kenya, where national stakeholders acknowledged their impact on readiness for carbon markets under Article 6.
- Ci-Dev's role in co-developing regional digital MRV platforms (e.g. COMESA) further demonstrates its systemic influence on carbon market capacity in LICs.

Assess the VfM of this output compared to the proposition in the Business Case, based on performance over the past year.

Ci-Dev's knowledge management component continues to deliver strong VfM. In CY2024, the Trustee sequenced knowledge activities efficiently, often embedding them into broader programme missions or using hybrid delivery formats to reduce cost. The cross-collaboration within the World Bank Group (notably with the Energy Sector Management Assistance

Program, the Behavioural Science Unit, and the Climate Change Communications Team) has amplified the reach and relevance of Ci-Dev's outputs.

Importantly, Ci-Dev's contributions to external platforms—such as its participation at COP29, regional SCF workshops, and capacity-building for Article 6 infrastructure—extend its influence beyond its immediate portfolio. This contributes to systemic readiness in LICs and reinforces the public good nature of Ci-Dev's learning materials. Its role in shaping Article 6 discussions and behavioural insights has also been acknowledged through participation in expert panels and international workshops.

Describe any changes to this output, and any planned changes as a result of this review.

This output is scheduled for revision in the logframe refresh following the approved extension of Ci-Dev to December 2027. Future indicators may include more focused metrics on digital knowledge dissemination, cross-country learning exchanges, and capacity outcomes linked to Article 6 systems.

Recommendations for the year ahead:

The **Trustee** should continue to prioritise engagement with external stakeholders, particularly African regional institutions and carbon market actors. The Trustee should ensure that SCF implementation experiences and lessons are widely shared through targeted events, reports, and knowledge products aimed at building regional capacity and replication.

The **Trustee** should enhance local-level media outreach to spotlight project-level benefits (e.g. clean cooking, access to lighting) and co-benefits (health, education, gender).

D: PROJECT PERFORMANCE NOT CAPTURED BY OUTPUTS

N/A

E: RISK

Overall risk rating maintained as Moderate. Key risks are as follows:

Description	Risk Response Description	Residual Risk Rating
Delivery: Delayed SCF Rollout Limits Article 6 Participation and Crediting Pipeline	The trustee has increased frequency of high-level engagements (e.g., COP29 meetings), tailored in-country missions, and legal TA to accelerate ministerial signoffs. In CY2025, additional focus will be placed on Kenya and Uganda with customised support packages, and further deployment of SCF-dedicated consultants where bottlenecks persist.	Major
Delivery: Planned sources of finance beyond those offered through Ci-Dev do not materialise, and projects are unable to deliver results at the intended scale.	The Trustee undertakes a thorough assessment process when identifying appropriate programmes, including financial due diligence on commercial terms, which, Contributors must approve. Key lessons from private sector-led projects that have struggled to secure all anticipated sources of finance will be reflected in this process, including a renewed focus on partnerships with government backing as part of the portfolio restructuring. The Trustee is also implementing responses to distribution issues, using readiness grants to overcome buy and supply side barriers.	Major
Delivery: Political or economic shocks in one or more partner countries leads to significantly reduced overall delivery of Ci-Dev's intended outputs and outcomes reducing the value-for-money of DESNZ' investment.	The Trustee monitors risks through country offices. Mitigations include flying staff from areas too high risk to visit into neighbouring countries to shadow key implementation steps (e.g. Malian staff have shadowed verification in Senegal); and updating commercial agreements to reflect the diversion of funding by a host government away from Ci-Dev activity towards security purposes. Around 70% of DESNZ funding is payable by results and is therefore protected.	Moderate
Reputational: The agreement of replacement commercial agreements is delayed, meaning that ICF funding that could be supporting climate outcomes is not fully committed.	The Trustee will continue to pursue portfolio restructuring by right-sizing current ERPAs and signing new ERPAs to recommit freed up capital, although this exercise has fallen well behind the original 12-18 months planned. Uncommitted capital projections for once the restructuring is complete (including the Rwanda Energy Access, Bangladesh Solar, and the upscaling of the Uganda project) are ~$15m.	Moderate
Delivery: Broader lending operations that have a Ci-Dev component are delayed, jeopardising timely achievement of Ci-Dev results.	The Trustee will make as much independent progress as possible, assessing the likelihood of progress on wider lending operation(s), discussing this with Contributors and agreeing a way forward, including modification or termination of the agreement, with replacement project(s) sought if time permits. The Trustee will seek to influence broader lending operations to the extent possible, in a way that	Moderate

	helps mainstream the achievement of Ci-Dev results.	
Reputational: Ci-Dev activities fail to comply with emerging Article 6 guidance so that Ci-Dev credits lack environmental integrity or have negative developmental consequences that damage the UK's reputation.	The agreement of Article 6 rules at COP26 in Glasgow and COP27 in Sharm-el Sheikh provided the foundation for Ci-Dev's post-2020 transition. At COP29 in Baku Parties concluded negotiations on the remaining Article 6.4 rules, including guidance on authorisation processes, registry interoperability, and reporting frameworks. This marks a major milestone in the operationalisation of global carbon markets under the Paris Agreement. The Trustee will continue to prioritise alignment of Ci-Dev credits with these high-integrity standards. This includes supporting country-level authorisation under Article 6.2 and ensuring SCF methodologies are eligible under Article 6. Ci-Dev has piloted activities that are directly relevant to these mechanisms and is helping inform host country readiness through SCF rollouts. Emission reductions achieved under Ci-Dev projects will contribute toward host country NDCs, with safeguards in place to ensure environmental integrity and transparency. In addition to mitigation outcomes, projects will continue to deliver a wide range of sustainable development co-benefits.	Minor
Financial: Corruption and insufficient financial capacities in host countries mean funds are misdirected or used inefficiently, reducing DESNZ value for money and drawing criticism.	All programmes are subject to WB due diligence and safeguarding and fiduciary supervision. Payments are only be made upon verification of the monitored emissions reductions by an independent third party and as long as the programme is in compliance with the safeguarding policies of the Trustee and the CDM, this risk of corruption will be minimised to the greatest extent possible.	Minor

Overview of risk management

The overall risk probability rating for Ci-Dev remains **Moderate**, with evidence of effective mitigation and continued risk oversight. While delivery challenges persist in some fragile contexts, the portfolio demonstrated strong progress in CY2024, particularly with the successful operationalisation of the Standardised Crediting Framework (SCF) in Rwanda, Ethiopia, and Bangladesh, and the anticipated operational launch in Burkina Faso, Madagascar, and Kenya in early CY2025. The addition of the Bangladesh SHS ERPA, and significant implementation gains in Rwanda and West Africa, have further reduced risk of underdelivery on key programme indicators.

The earlier termination of underperforming programmes (Simgas, Senegal, Laos) has been balanced by portfolio restructuring and reallocation of capital, reinforcing the programme's adaptability and sound governance. The overachievement of public and private finance mobilised, as well as emissions reductions and clean energy access targets, provide further assurance that Ci-Dev is on track to deliver its objectives.

However, opportunity cost risk remains because some International Climate Finance (ICF) funds could be underutilised or disbursed too slowly to maximise their climate impact. This risk is now being actively mitigated through the approved extension to December 2027, allowing time to complete restructuring, finalise ERPA issuances, and support SCF-based Article 6 transactions.

Importantly, the relevance risk has decreased considerably. Since the operationalisation of Article 6 mechanisms under the Paris Agreement, and the clarity provided by COP29), the transformational role of Ci-Dev in preparing LICs for carbon markets is more significant than ever. Ci-Dev is now recognised as a frontrunner in building national systems aligned with Article 6.4, which has not only preserved its relevance but increased its value in the evolving climate finance architecture.

Risk management is actively overseen by the DESNZ programme team, who continue to monitor Ci-Dev through monthly internal reviews and quarterly meetings with the Trustee and Contributors. This regular engagement ensures early identification of emerging risks and enables timely adjustments to programme strategy and delivery.

F: PROGRAMME MANAGEMENT: DELIVERY, COMMERCIAL & FINANCIAL PERFORMANCE

Summarise the performance of partners and DESNZ, notably on commercial and financial issues, and including consideration of VfM measures of economy and efficiency.

The UK has continued to benefit from a close, collaborative partnership with other Contributors, and the Trustee (World Bank) has maintained a high standard of engagement and transparency. Throughout CY2024, the Trustee remained accessible and responsive, utilising virtual platforms to deliver regular, well-structured updates. This included quarterly performance summaries, financial reporting, implementation updates, and a comprehensive Annual Review Report, which covered progress across the logframe, portfolio restructuring, SCF rollout, and knowledge management activities. The logframe assumption—that effective fund management ensures efficient use of UK funding—remains valid.

From a commercial and financial perspective, the Trustee's restructuring of the Ci-Dev portfolio is contributing to improved efficiency. According to CY2024 data, the projected direct project development cost per CER has decreased to $2.24, and the cost per CER across all costs is now forecast at $4.63. This is a significant improvement from earlier estimates ($3.27 and $6.39, respectively), and places the direct cost per CER below the $2.57 benchmark established in the original business case. These gains reflect strategic consolidation of ERPA volumes, enhanced implementation oversight, and the streamlining of crediting processes under the Standardised Crediting Framework (SCF). These trends indicate the programme is achieving greater returns for each unit of investment. The integration of results-based finance with national programmes (e.g. Rwanda EAQIP, Bangladesh SHS) has enabled more cost-effective delivery and lowered long-term transaction costs, particularly through decentralised MRV systems.

The programme's monitoring and evaluation component, managed by NIRAS, also continues to deliver value. In CY2024, NIRAS completed a Carbon Market Barrier Analysis across Ci-Dev countries, providing timely insights into the enabling environment for carbon markets and informing future strategy. Using the "Theory of No Change" framework, the study assessed key barriers—awareness, motivation, expertise, access, affordability, and cost-effectiveness—for Article 6 implementation. Planning is underway to extend NIRAS's MEL contract to support the programme's final evaluation in 2027, better aligning with Ci-Dev's extended delivery timeline.

In summary, CY2024 has demonstrated strong delivery performance, prudent financial and commercial management and growing efficiency. The Trustee's proactive management of delays, capital recommitments, and SCF rollout has preserved momentum and positioned the programme to deliver fully against its objectives by 2027.

Paris Alignment Assessment

Paris alignment pillar	**Description of activity**
How have you taken a proportional approach to climate and environment risk assurance?	Risks will be monitored through the standard ICF risk management processes.
How have you taken a proportional approach to using shadow carbon pricing?	Yes, as the nature of the Ci-Dev programme is to use carbon pricing to support clean energy access in low-income countries. Ci-Dev uses performance payments to support projects in low-income countries that use clean and efficient technologies. These payments are based on reduced emissions.
Does the programme adhere to HMG's fossil fuel policy?	Yes, this programme does not include elements relating to fossil fuel support and thus does not undermine the fossil fuel policy.
Are you ensuring the programme does not undermine impacted countries climate plans?	Yes, DESNZ engages with post in the region to ensure Ci-Dev projects are integrated within country climate plans.