

# CLIMATE INVESTMENT FUNDS

CTF/TFC.4/8  
October 13, 2009

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Meeting of the CTF Trust Fund Committee  
Washington, D.C.  
October 27, 2009

**NOTE ON INTER-SESSIONAL REVIEW AND ENDORSEMENT OF CTF  
INVESTMENT PLANS AND CLARIFICATION OF STEPS FOR APPROVAL BY MAIL  
OF CTF FINANCING FOR PROJECTS AND PROGRAMS**

**Proposed Trust Fund Committee Decision**

After review of document CTF/TFC.4/8, *Note on Inter-sessional Review and Endorsement of CTF Investment Plans and Clarification of Steps for Approval by Mail of CTF Financing for Projects and Programs*, the Trust Fund Committee approves the proposed procedures for virtual inter-sessional meetings to review and endorse proposed investment plans. Such inter-sessional meetings should be held once there is a minimum of [two] [three] investment plans to be reviewed. The Trust Fund Committee notes that it is expected that several investment plans will be made available for review by November 10, 2009 and the Committee agrees that an inter-sessional meeting should be held on December 1, 2009. If necessary, the inter-sessional meeting may be extended to December 2, 2009.

The Trust Fund Committee confirms the procedures to be followed for approval by mail of CTF financing for projects and programs as described in the document CTF/TFC.4/8.

## **Introduction**

1. To facilitate the work of the Clean Technology Fund (CTF), the CTF Trust Fund Committee has agreed that the Committee “may, without meeting, review and approve CTF financing for programs and projects and any other matters as needed, at a level and through means and procedures appropriate to such review.”<sup>1</sup>

2. With specific regard to the review and endorsement of CTF Investment Plans, the Trust Fund Committee at its meeting in November 2008 agreed that it "should seek a balance between moving expeditiously and ensuring strategic oversight" in reviewing CTF Investment Plans. The Committee also agreed that "investment plans submitted for review should be clustered to the extent possible and may be reviewed through decision by mail". This paper proposes a procedure for the inter-sessional review and endorsement of investment plans supported under the CTF. It also seeks to clarify procedures for the approval of CTF financing of programs and projects by mail.

## **Proposed Process for Inter-sessional Review of Investment Plans**

3. In order to ensure that the Trust Fund Committee can be responsive to country demand and the CTF's operational requirements for facilitation of investment plans, this note proposes an ongoing process to be established to allow for the inter-sessional review and endorsement of investment plans. The procedures are intended to facilitate decision making by the Trust Fund Committee which allows for the Trust Fund Committee to review and discuss each investment plan before its endorsement so that the designated Multilateral Development Banks may proceed with the development and preparation of individual investment operations under the endorsed investment plan.

4. It should be recalled that the Trust Fund Committee will subsequently be invited to approve CTF financing for individual programs and projects at the pre-appraisal stage of program/project development.

5. This note proposes an approach for effective Trust Fund Committee inter-sessional review and endorsement of investment plans (including the endorsement of an overall resources envelope) through video conferencing in order to facilitate a Trust Fund Committee discussion on each investment plan proposal without waiting for a regular Trust Fund Committee meeting.

### *Location – four proposed hubs*

6. It is proposed to use the Headquarters of the MDBs as four hubs to which Trust Fund Committee members can travel in order to participate in a video conference. The following four hubs are proposed as the most practical arrangement:

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<sup>1</sup> CTF Governance Framework, paragraph 28

*AfDB – Tunis, Tunisia:*

For Trust Fund Committee members from capitals in Africa and MENA.<sup>2</sup>

*AsDB – Manila, Philippines:*

For Trust Fund Committee members from capitals in Asia and the Pacific.<sup>3</sup>

*EBRD - London, United Kingdom:*

For Trust Fund Committee members from capitals in Europe.<sup>4</sup>

*World Bank – Washington, United States*

For Trust Fund Committee members from capitals in North America, Latin America and the Caribbean and from the offices of the Executive Directors to the World Bank or the IDB.<sup>5</sup>

### *Additional Locations*

7. It is recognized that it may be preferable for some Trust Fund Committee Members not to travel to one of four hubs, but rather, to participate in a video conference from an office in their capitals. The CIF Administrative Unit can make arrangements through the World Bank offices (or other video services) to allow interested Members to participate for their capitals. The benefit of using a limited number of hubs is that it should be easier to ensure good quality technical support.

### *Observers*

8. The *Rules of Procedure for CTF Trust Fund Committee Meetings* provide that the review of investment plans should be conducted as an Executive Session (paragraph 13). Therefore, it is not necessary to provide for participation of observers in meetings convened to review investment plans. It should be recognized, however, that investment plans will be posted on the CIF website three weeks prior to review by the Trust Fund Committee meetings. The CIF Administrative Unit will post any written comments or observations received from the observers on its website so that Trust Fund Committee Members may benefit from such comments and observations during their review.

9. If an inter-sessional meeting is convened by video to review matters other than investment plans, financial terms or funding decisions for projects, programs, fees or administrative budgets, then it will be necessary to ensure that arrangements are made for observers to participate in the inter-sessional meeting in accordance with the rules of procedure and the agreed guidelines.

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<sup>2</sup> Current Trust Fund Committee members that would use this hub: Egypt, Morocco, Turkey and South Africa.

<sup>3</sup> Current Trust Fund Committee members that would use this hub: Australia, and Japan.

<sup>4</sup> Current Trust Fund Committee members that would use this hub: France, Germany, Spain, Sweden and the United Kingdom.

<sup>5</sup> Current Trust Fund Committee members that would use this hub: Brazil, China, India, Mexico and the United States.

### *Timing*

10. Depending upon the number of investment plans to be reviewed and discussed, a video conference would be arranged for one to two days, with a session on any one day lasting no longer than four hours (due to the time differences). In order to accommodate the time difference between the hubs, the following time schedule is proposed:

Washington, DC, United States:	7:00am – 11:00am (EST) (GMT-5).
Tunis, Tunisia:	1:00pm – 5:00pm (GMT+1).
London, United Kingdom:	12:00pm – 4:00pm (GMT).
Manila, Philippines:	7:00pm – 11:00pm (GMT+7).

### *Reimbursement for expenses*

11. In accordance with the CTF Rules of Procedure<sup>6</sup>, Members (or alternates, if applicable) representing countries which are eligible to borrow from IDA, but not from IBRD, would be reimbursed for reasonable travel and accommodation expenses to attend the proposed inter-sessional videoconference meetings at one of the hubs. If more than two meetings of the Trust Fund Committee (in Washington or at a hub for which travel is required) are organized during a year term, a Member representing an eligible recipient country may request reimbursement for his/her travel expenses to the additional meetings.

### *Number of Investment Plans for Review*

12. In order to achieve efficiency in the work of the Trust Fund Committee, and consistent with the Committee's earlier guidance, it is proposed that the inter-sessional review meetings be held once there is a minimum of [two][three] investment plans to be reviewed. Once the Administrative Unit is informed by the MDB Committee that there will be a minimum number of investment plans submitted for review, the Administrative Unit will inform the Trust Fund Committee Co-Chairs and seek their agreement to organize an inter-sessional meeting as well as their guidance in identifying a suitable date for the videoconference. Investment plans to be reviewed should be disseminated to the Trust Fund Committee Members and posted on the CIF website three weeks before the scheduled videoconference.

### **First inter-sessional meeting**

13. According to the information shared at the MDB Committee meetings, it is expected that several investment plans will be available for Trust Fund Committee review by November 10, 2009. If the investment plans available by November 10, 2009 meet the minimum number required to trigger an inter-sessional meeting, it is proposed that the first inter-sessional video conference be schedule for December 1, 2009. If there are more plans than can be reviewed during one four-hour session, a second session will be proposed for December 2, 2009. The Trust Fund Committee is invited to confirm that these dates are acceptable.

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<sup>6</sup> CTF Rules of Procedure for Trust Fund Committee Meetings, paragraph 41

## **Clarification of Steps for Approval by Mail of CTF Financing for Projects and Programs**

14. Section XII of the *Rules of Procedure for Trust Fund Committee Meetings* provides, among other things, procedures for the review and approval by mail of CTF financing for programs and projects on an on-going basis. To date, these procedures have been followed for the approval of CTF financing for three projects.
15. On the basis of initial experience in applying the agreed procedures, it is requested that the Trust Fund Committee confirm the following steps and clarifications.
16. When a program/project is circulated for review and approval of the associated CTF financing, a Member of the Trust Fund Committee may, within a two week period:
  - a) submit comments and or questions to the Administrative Unit for forwarding to the appropriate MDB, and/or
  - b) Indicate an objection to the proposal for funding.
17. When a Member submits comments and/or questions, the Administrative Unit will forward the comments or questions to the MDB concerned, with a request that the MDB respond promptly to clarify the questions raised. The communication received from the Trust Fund Committee Member and the reply from the MDB will also be posted on the CIF website.
18. If the Head of the Administrative Unit concludes that there is not sufficient time for consideration by the Trust Fund Committee of the comments/questions submitted by a Member and the response of the MDB, she/he may extend the period prescribed for approval by up to one week. Such an extension is to be done on an exceptional basis.
19. When a Member indicates an objection to the proposal, the proposal is to be included for consideration at the next regular meeting of the Trust Fund Committee, unless the Head of the Administrative Unit, in consultation with the Co-Chairs, concludes that the decision should not be postponed. In this instance, an inter-sessional meeting of the Trust Fund Committee can be convened by videoconferencing as described above.
20. In order to ensure a consistent application of these rules, and to facilitate a transparent and effective decision making process, it is requested that Trust Fund Committee Members, when submitting comments and questions on a proposal for approval of CTF funding, clearly indicate and distinguish between:
  - a) When they are objecting to the proposal for CTF funding.
  - b) When they are submitting comments/questions which are material to their decision as to whether to approve or object to the proposed funding, and therefore, they would like to request additional time in order to consider the response of the MDB. It should be recalled that for purposes of operational efficiency, the Trust Fund Committee has agreed in its rules of procedure that the extension of time to review

and approve CTF funding for projects or programs should be on an exceptional basis. Therefore, Members are urged to submit comments or questions requiring clarifications as early as possible during the review period so that an extension of the review time can be avoided.

- c) When they are submitting comments/questions that should be considered in the further development of the project but which should not delay the approval of the CTF funding.