

# CLIMATE INVESTMENT FUNDS

February 12, 2009

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Summary of the Co-Chairs  
Clean Technology Fund Trust Fund Committee Meeting  
January 29-30, 2009

Co-Chairs  
Raul Delgado, Mexico  
Andrew Steer, UK

### **Agenda Item 1. Opening of the Meeting**

1. The meeting was opened by Andrew Steer. He informed the meeting that Ricardo Ochoa, the Co-Chair from Mexico, was unable to attend. In accordance with paragraph 26 of the proposed rules of procedure, the Trust Fund Committee elected Raul Delgado of Mexico to replace Mr. Ochoa as Co-Chair for the meeting.
2. Mr. Steer also advised the meeting that he would not be available for its session on January 30. The meeting elected Mr. Greg Briffa to replace Mr. Steer.

### **Agenda Item 2. Adoption of the Agenda**

3. The Trust Fund Committee approved the provisional agenda circulated as document CTF/TFC.2/1/Rev.1. The Trust Fund Committee requested the Trustee to provide an up-date on the status of funding under the CTF under agenda item 8, *Other Business*.

### **Agenda Item 3. Investment Criteria for Public Sector Operations**

4. The Trust Fund Committee reviewed and approved, subject to agreed amendments made by the Committee, the investment criteria proposed in documents CTF/TFC.2/3, *Clean Technology Fund: Investment Criteria for Public Sector Operations*, and CTF/TFC.2/4, *Clean Technology Fund: Criteria for Financing Low Carbon Opportunities in Coal and Gas-Power Investments*.
5. In approving the criteria, the following was highlighted:
  - (a) recognizing that resources are limited, the criteria are aimed at ensuring CTF financing is used for activities that are sufficiently ambitious and go beyond business as usual;
  - (b) the criteria are not intended to determine the overall balance of funding allocated to different clean technologies: that balance will emerge through the programs and projects submitted to the Trust Fund Committee;
  - (c) the criteria will remain a “work in progress” and should be kept under review by the Trust Fund Committee as the investment plans and operations to be financed by the CTF are elaborated.

### **Agenda Item 4. Results Measurement System**

6. The Trust Fund Committee reviewed document CTF/TFC.2/5, *Clean Technology Fund: Results Measurement System*.
7. The Committee underscored the importance of continuous learning and a robust results measurement system and requested the Administrative Unit to prepare a revised

document for consideration at its next meeting. In revising the document, further consideration should be given to:

- (a) measurement of the transformational and sustainable development impacts of programs and projects,
- (b) measurements that corresponds with the CTF criteria,
- (c) assessment of how the programs and projects funded by the CTF contribute to the projections of the investment plans,
- (d) sectoral and regional results,
- (e) additionality of funding, including a measurement of whether CTF contributions are new and additional resources supplementing existing ODA flows otherwise available for developing countries, and
- (f) knowledge sharing.

8. The Committee noted that the results measurement system was closely related to knowledge generation and dissemination and that the revised paper should be developed in conjunction with a proposal for a knowledge management system.

#### **Agenda Item 5. Observers from Civil Society**

9. The Trust Fund Committee reviewed document CTF/TFC.2/6, *Proposal for Inviting Representatives of Civil Society to Observe Meetings of the CIF Trust Fund Committees*. The Trust Fund Committee also took note of CTF/TFC.2/Inf.2, *Review of Practices on NGO/CSO Participation and Recommended Measures for NGO Representation at Meetings of the CIF Trust Fund Committees*, which had been prepared by the IUCN.

10. The Trust Fund Committee expressed its appreciation to the IUCN for the preparation of its comprehensive background report.

11. The Trust Fund Committee approved the proposal presented in document CTF/TFC.2/5, subject to amendments noted below. In particular, the Committee agreed that the following observers from civil society should be invited to meetings of the CTF Trust Fund Committee, in accordance with the agreed rules of procedure:

- a) 4<sup>1</sup> CSO representatives which may include representatives of NGOs, development and environment institutions and “think tanks”, local communities and indigenous peoples groups;
- b) 2 representatives from business associations and groups, one from a contributor country and one from a developing country.

12. It is also agreed that the Partnership Forum should be used to facilitate and promote civil society consultations and maximize civil society contributions to the objectives of the CIF. This can be achieved, in part, by including civil society representatives in the planning and agenda

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<sup>1</sup> This number is agreed to allow for one representative from a developed country, and one representative each from Africa, Asia and Latin America on each Committee.

setting for the Partnership Forum. It is recommended that the representatives selected to attend the Trust Fund Committee meetings be responsible for organizing civil society representation at the Partnership Forum.

13. The civil society groups should be invited to assume responsibility for identifying representatives through a self selection process. The World Business Council on Sustainable Development should be invited to help select the representatives from business associations. The Trust Fund Committee should be kept informed as to the organization of such self selection processes. The Trust Fund Committee also requested that the selected observers from each of the constituency groups seek to work together to coordinate their interventions so as to maximize the efficiency of the Trust Fund Committee proceedings.

#### **Agenda Item 6. Endorsement of further development of activities in investment plans**

14. The investment plans prepared by the countries, together with a joint mission from the MDBs, were presented by the country representatives: Egypt (document CTF/TFC.2/7), Mexico (document CTF/TFC.2/8), and Turkey (document CTF/TFC.2/9).

15. The Trust Fund Committee endorsed the three plans for further development of the activities foreseen in the plan for CTF financing.

16. In reviewing the plans, the following general points were highlighted:

- (a) The Committee recognized that the CTF was a fund for “learning by doing”, and they expressed appreciation for the efforts of the countries and the MDB to move quickly to present the first three investment plans and for the high level of ambition they set out.
- (b) The Committee appreciated that the plans showed strong evidence of country ownership and how the proposed activities are embedded in country strategies and plans.
- (c) The Committee stressed the need to provide sufficient notice (minimum of two weeks) before fielding a joint mission so that other development partners, including bilateral development agencies and non-traditional partners, may engage at the country level and stronger coordination may be achieved.
- (d) Future plans should more clearly explain how the plans meet the four broad criteria agreed for the CTF (potential for GHG reduction, demonstration potential, development impact and implementation potential), additionality of CTF financing, and how CTF resources will be used to catalyze transformation and leverage future activities.

- (e) Co-benefits, especially those related to sustainable development, and regional impacts should be captured in the investment plans and results measurement system.
  - (f) Based on initial experiences, it is recommended that steps be taken to harmonize the presentation and format of the investment plans, while recognizing the need to allow flexibility for country-specific circumstances.
  - (g) The investment plans should include a two page summary that captures the aspects of particular relevance to the objectives of the CTF.
  - (h) The pre-appraisal documents for programs and projects should include adequate justification for CTF co-financing and more analysis of the measurement of additional costs required to achieve the transformational objectives of the CTF.
17. With specific regard to the Investment Plan for Egypt, the Trust Fund Committee:
- (a) was particularly impressed by the wind proposals and the proposed regulatory and policy changes;
  - (b) requested that the project concept on urban transport be further developed to specify the value-added to CTF financing;
  - (c) welcomed the strong role for private investment and the emphasis on building domestic investments; and
  - (d) encouraged the programs and projects to include more information on regional impacts.
18. With regard to the Investment Plan for Mexico, the Trust Fund Committee:
- (a) noted the strong national plans and goals,
  - (b) expressed different views on the priority to be assigned to the proposed activities,
  - (c) requested that there be more information on multiplier effects and sustainability of the energy efficiency projects,
  - (d) welcomed the inclusion of carbon finance in the financing package, and
  - (e) welcomed the proposals for private sector investments, but requested more specificity as to what is to be financed.

19. With regard to the Investment Plan for Turkey, the Trust Fund Committee:
- (a) welcomed the clear attention to the need for a strong enabling environment, the ambition of the program, and the link between transition to a market economy and transition to a low carbon economy,
  - (b) raised some questions about the sustainability of the program without future CTF financing, and
  - (c) requested more analysis on the level of CTF financing and the catalytic role and impact of such financing.
20. In circulating projects and programs for approval by the Trust Fund Committee, the Administrative Unit is requested to provide, with each document, an overview of the resources that have been approved to date so that the Committee can keep track of the allocation of CTF resources to programs and projects on an on-going basis.

**Agenda Item 7. Approval of CTF Financing of Project Proposals**

21. The Trust Fund Committee reviewed the project proposal, *Clean Technology Fund Proposal for Turkey: Second Renewable Energy and Energy Efficiency Project*, document CTF/TFC.2/10.
22. The Trust Fund Committee recalled that it is responsible for approving the allocation of CTF resources for programs and projects. It also noted that, normally, program and project proposals will be submitted to the Trust Fund Committee after the Committee has had an opportunity to comment on, and endorse, an investment plan containing the initial concept notes for the proposed programs and projects.
23. The Trust Fund Committee noted its general support for the project proposal for a renewable energy and energy efficient project in Turkey and requested further information on a number of points. The Trust Fund Committee recognized that, as this is the first proposal for CTF financing, the project proposal will set an important precedent. Since having a project proposal for review and approval at the same time as the country investment plan is endorsed is not expected to occur in the future, the Trust Fund Committee agreed to the following steps on an exceptional basis:
- (a) the MDBs, working with the country, were requested to provide more information and analysis to respond to the questions raised by the Trust Fund Committee;
  - (b) the Trust Fund Committee agreed that the World Bank can proceed with its appraisal mission which is scheduled in the near term; and
  - (c) the Trust Fund Committee will approve CTF financing for the project proposal once it receives the information requested under sub-paragraph (a).

## **Agenda Item 8. Other Business**

24. The Trust Fund Committee elected Zaheer Fakir (South Africa) and William Pizer (USA) as the Co-Chairs for the next six month period beginning mid-April.

25. In discussing the disclosure policy to be followed for the public release of the CTF investment plans, it was recalled that paragraph 44 of the Rules of Procedure provides:

“Unless the document or information is provided with explicit indication that it will not be disclosed to third parties or that it may not be disclosed without the consent of the provider of the document or information, the Administrative Unit may, in consultation with the CTF Trust Fund Committee *and in accordance with the World Bank’s policy on disclosure of information*, make publicly available any document or information provided to the Administrative Unit for submission to the CTF Trust Fund Committee. Each of the MDBs, the Trustee and any other parties submitting documents or information to the CTF Trust Fund Committee or the Administrative Unit shall be informed by the Administrative Unit that unless it expressly specifies that any document or information submitted by it is subject to any restriction against disclosure, the document or information submitted to the CTF Trust Fund Committee may be made publicly available under this paragraph.”

26. The Administrative Unit was requested to seek the advice of the World Bank as to how its disclosure policy should be applied to the disclosure of the investment plans.

27. The Trustee presented to the Trust Fund Committee an information note, document CTF/TFC.2/Inf.2, which provides a description of steps taken to complete the administrative and financial arrangements for the establishment of the CTF. The CTF contributors provided an update on where they were in their internal processes towards making their payments to the CTF.

## **Agenda Item 9. Closing of the Meeting**

28. The meeting was closed at 1 pm on January 30.