

CLIMATE INVESTMENT FUNDS

April 7, 2010

Summary of the Co-Chairs
Clean Technology Fund Trust Fund Committee Meeting

March 15-16, 2010

Co-Chairs
Zaheer Fakir, South Africa
William Pizer, USA

OPENING OF THE MEETING

1. The meeting was opened by the Co-Chairs, Zaheer Fakir, the Trust Fund Committee Member from South Africa, and William Pizer, the Trust Fund Committee Member from the United States.

ADOPTION OF AGENDA

2. The meeting adopted the provisional agenda set forth in document CTF/TFC.5/1/Rev.1.

TRUSTEE REPORT ON FINANCIAL STATUS OF THE CTF

3. The Trust Fund Committee welcomes the report of the Trustee on the CTF Trust Fund (document, CTF/TFC.5/3) and takes note of the status of pledges, contributions and total receipts to the CTF; the funding availability of the CTF Trust Fund; and the update of activities undertaken by the Trustee to manage the CTF Trust Fund.

4. The Trust Fund Committee encourages all contributors that have not yet completed a contribution agreement with the Trustee to do so expeditiously and to take steps to advance their payments to the Trust Fund.

5. The Trust Fund Committee welcomes the analysis prepared by the Trustee and the MDBs on the costs of keeping track of investment income to be earned on administrative budgets of the MDBs and agrees that the MDBs should be requested to return the investment income earned on the Administrative Budget to the CTF Trust Fund.

UPDATE BY CONTRIBUTORS ON THEIR CONTRIBUTIONS

6. The Trust Fund Committee notes the need for its Members to consider all proposals within the agreed investment criteria and after careful deliberation of all relevant policy considerations. Some Committee Members further felt the need to revisit some aspects of the Committee's consensus-based decision making process. The Trust Fund Committee requests the Administrative Unit to prepare a paper for consideration at the next meeting of the Committee based on a study of such processes in other relevant international bodies.

PIPELINE OF PROJECTS UNDER DEVELOPMENT AND PROJECTIONS OF RESOURCES AVAILABILITY

7. The Trust Fund Committee reviewed document CTF/TFC.5/4, *Pipeline of projects under development and projections of resources availability*. The Trust Fund Committee welcomes the report and encourages contributors to ensure adequate and timely disbursement of their pledges to the CTF.

8. The Trust Fund Committee agrees that Chile and Nigeria should be invited to complete the preparation of their investment plans and submit them to the Trust Fund Committee for endorsement, but that funding of the projects therein will be contingent upon the availability of funds beyond what is planned for in the current pipeline. The Trust Fund Committee further recognizes the need for active and careful management of the pipeline of project proposals in view of the resources available under the trust fund.

9. The CIF Administrative Unit, in collaboration with the MDB Committee, is requested to prepare a paper for review at the next meeting of the Trust Fund Committee which recommends a strategy for actively managing the project pipeline in a manner that maximizes the efficient and effective use of fund resources over time. This paper should include an analysis of how to manage the financial risks associated with the portfolio of CTF-financed projects.

CTF INVESTMENT PLANS

10. The Trust Fund Committee, meeting in executive session, reviewed four investment plans for Colombia, Indonesia, Kazakhstan and Ukraine. The first three investment plans were introduced by a representative of the country, and the MDBs collaborating with the country provided additional information. The revised investment plan for Ukraine, which had earlier been considered by the Trust Fund Committee at its meeting in October 2009, was introduced by the MDBs collaborating with the country on the investment plan. The Committee reached the decisions indicated below.

11. The Trust Fund Committee agrees that Members may submit to the CIF Administrative Unit written comments on the investment plans to be taken into account in the preparation of project proposals under the plans. The Administrative Unit is requested to post such comments on an area of the CIF website accessible to Committee Members and the MDBs for use as reference when considering project proposals submitted for approval of CTF funding.

Decision on Colombia Investment Plan

12. The Trust Fund Committee reviewed document CTF/TFC.5/5, *CTF Investment Plan for Colombia*, and endorses the plan with an envelope of up to USD 150 million in CTF funding. The Government of Colombia and the MDBs are requested to take into account in the further development of the activities foreseen in the plan the comments of the Trust Fund Committee.

Decision on Indonesia Investment Plan

13. The Trust Fund Committee reviewed document CTF/TFC.5/6, *CTF Investment Plan for Indonesia*, and endorses the plan with an envelope of up to USD 400 million in CTF funding. The Government of Indonesia and the MDBs are requested to take into account in the further development of the activities foreseen in the plan the comments of the Trust Fund Committee. The Committee notes that each of the MDBs will apply its

safeguard policies, including environmental safeguards, in the development and implementation of the CTF funded projects proposed under the investment plans.

Decision on Kazakhstan Investment Plan

14. The Trust Fund Committee reviewed document CTF/TFC.5/7, *CTF Investment Plan for Kazakhstan*, and endorses an investment plan for Kazakhstan with an envelope of up to USD 200 million in CTF funding. The Government of Kazakhstan and the MDBs are requested to revise the proposed investment plan, taking into account the comments of the Trust Fund Committee, for endorsement by the Trust Fund Committee prior to the further development of any project.

Decision on Ukraine Investment Plan

15. The Trust Fund Committee welcomed the revised investment plan, document CTF/TFC.5/10, *CTF Investment Plan for Ukraine*, and endorses the plan with an envelope of up to USD 350 million in CTF funding. The Government of Ukraine and the MDBs are requested to take into account the comments of the Trust Fund Committee in the further development of the activities foreseen in the plan. In particular, the Government and the World Bank are requested to ensure that the *Smart Grids* project suitably fulfills the CTF criteria.

CTF RESULTS FRAMEWORK

16. The Trust Fund Committee reviewed document, CTF-SCF/TFC.4/3, *Harmonization of CIF Results Frameworks*, and took note of the CTF results framework. The meeting requests the CIF Administrative Unit and the MDBs to elaborate a performance measurement strategy and refine further the indicators for the CTF results framework with a view to ensuring that results measurement is simplified and anchored within the programs and projects at the country level. In developing indicators, sufficient attention must be given to: (a) the definition of “new and additional resources” and (b) capacity building.

CTF FINANCING PRODUCTS, TERMS AND REVIEW PROCEDURES FOR PRIVATE SECTOR OPERATIONS

17. The Trust Fund Committee reviewed document CTF/TFC.5/9, *CTF Financing Products, Terms and Review Procedures for Private Sector Operations*, and requests that the document be revised to take into account the comments made by the Committee. The revised document should be circulated for approval by mail, and the Committee agrees that, in order to expedite the approval of the document, the review period for the revised document may be limited to a few days.

RESULTS OF THE SURVEY QUESTIONNAIRE ON THE INTERSESSIONAL MEETING IN DECEMBER 2009

18. After having reviewed document CTF/TFC.5/8, *Results of the survey questionnaire on the intersessional meeting in December 2009*, the Committee agrees that the use of video conferencing for intersessional meetings is a viable option for the Trust Fund Committee to carry out its business. The Committee agrees that video-conferencing should only be used on an exceptional basis and that the convening of a meeting by video should be left to the judgment of the Co-Chairs on a case-by-case basis. Recognizing the difference in time zones of the various Committee Members, it is important to limit the time of video conferences and to focus such meetings on items requiring immediate attention. The CIF Administrative Unit is requested to use its best efforts to maximize the technical effectiveness of the video connections. The Committee recognizes that for countries presenting their investment plans for endorsement, it may be preferable for the country representatives to participate in an actual Committee meeting.

ELECTION OF CO-CHAIRS

19. Recognizing that Members of the Trust Fund Committee to serve for a new term beginning after the 2010 Partnership Forum, which is being convened on March 18-19, 2010, are to be agreed by the eligible recipient countries and the contributor country groups during consultations to be organized in conjunction with the Partnership Forum, the Trust Fund Committee agrees to elect its Co-Chairs through a decision by mail once the new Committee Members are selected. The newly appointed recipient country Members and contributor country Members are requested to inform the CIF Administrative Unit of their nominations for Co-Chairs so that a decision by mail on the election of the two Co-Chairs may be circulated in advance of the new term of the Co-Chairs that is to begin on May 1, 2010. The term of the elected Co-Chairs will continue through the next Trust Fund Committee meeting which is scheduled to be held in November 2010.

CLOSING

20. The meeting was closed on Tuesday, March 16, 2010.