

# CLIMATE INVESTMENT FUNDS

CTF-SCF/TFC.2/4

April 27, 2009

---

Joint Meeting of the CTF and SCF Trust Fund Committees  
Washington, D.C.  
May 12, 2009

## **NOTE ON DISCLOSURE OF DOCUMENTS PREPARED FOR PURPOSES OF THE CLIMATE INVESTMENT FUNDS**

### **Proposed decision of the Joint Meeting of the CTF and SCF Trust Fund Committees**

The Joint Meeting reviewed document CTF-SCF/TFC.2/4, *Note on Disclosure of Documents Prepared for Purposes of the Climate Investment Funds*, and approves the proposed policy for making publicly available information on CIF investment plans and strategies and on programs and projects to be financed by the CIF. Specifically, it is agreed:

- (a) that country-owned investment plans/strategies developed under each of the Trust Funds be disclosed in-country prior to their submission to the respective Trust Fund Committee (or Sub-Committee where appropriate) for approval. Upon submission of the draft investment plan/strategy to the respective Trust Fund Committee (or Sub-Committee) for approval, the CIF Administrative Unit will make the draft investment plan/strategy publicly available at the same time as it circulates the draft investment plan/strategy among the members of the Trust Fund Committee (or Sub-Committee) no later than 3 weeks prior to discussion/approval of this draft;
- (b) recognizing that there may be some information in an investment plan/strategy which the country concerned may not wish to publicly disclose, the country may, on an exceptional basis, submit to the Administrative Unit, when it submits the plan/strategy for circulation to the Trust Fund Committee, an explicit indication of information in the investment plan/strategy that the country requests be kept confidential and may delete such information from the investment plan when it is disclosed in country;
- (c) in the case of a proposal for a public sector project/program, a current information document, consistent with the MDB's own procedures for disclosure, should be made public at the time that proposal for the project/program is circulated to the Trust Fund Committee (or Sub-Committee) for consideration (at least two 2 weeks prior to a decision). The content of the information document should come from the proposal and include a summary and crucial information contained in the proposal; and
- (d) in the case of proposal for a private sector project/program, MDBs will publish a current information document containing the information set out in the *Private Sector Operational Guidelines*, paragraph 9 and 10, at the time that the proposal is circulated to the Trust Fund Committee (or Sub-Committee) for consideration (at least two 2 weeks prior to a decision), unless the MDB justifies to the Trust Fund Committee why a current information document should not be published. Derogations to the publication of these documents may be agreed by the Trust Fund Committee in certain circumstances: for example, capital market transactions (e.g. IPO, listed company or bond issue) where security laws, stock exchange regulations or other bodies restrict or prohibit distribution of information or when a sponsor articulates reasonable concerns about confidentiality. A MDB will inform the relevant CIF Trust Fund Committee, through the Administrative Unit, if, in accordance with MDB procedures, any private sector project/program documentation is subject to any restriction concerning disclosure and should not be made publicly available.

## **Background**

1. At its recent meeting in January 2009, the CTF Trust Fund Committee endorsed three investment plans as a basis for the further development of the activities foreseen in the plan for CTF financing. After endorsing the investment plans, the Trust Fund Committee requested the Administrative Unit to seek the advice of the World Bank as to how its disclosure policy should be applied to the investment plans.
2. A number of Trust Fund Committee Members also indicated the view that the investment plans should be processed in a manner in which they will be able to benefit from timely review and provision of comments from stakeholders prior to the deliberation and approval of those plans by the CTF Trust Fund Committee.
3. In March 2009, the Second Design Meeting for the Forest Investment Program (FIP) to be developed as a targeted program under the Strategic Climate Fund (SCF) discussed the timing of disclosure of the proposed FIP investment strategies as well as the timing of disclosure for the proposed programs and projects to be submitted to the FIP Sub-Committee for approval of FIP financing.
4. In light of this feedback and interest, the Administrative Unit has consulted with the Operational Policy and Country Services (OPCS) of the World Bank and other MDBs as to the application of its disclosure policy to the operations of the Climate Investment Funds.

## **Recommendation**

5. It is recommended that the CTF Trust Fund Committee and the SCF Trust Fund Committee agree:
  - (a) that country-owned investment plans/strategies developed under each of the Trust Funds be disclosed in-country prior to their submission to the respective Trust Fund Committee (or Sub-Committee where appropriate) for approval. Upon submission of the draft investment plan/strategy to the respective Trust Fund Committee (or Sub-Committee) for approval, the CIF Administrative Unit will make the draft investment plan/strategy publicly available at the same time as it circulates the draft investment plan/strategy among the members of the Trust Fund Committee (or Sub-Committee) no later than 3 weeks prior to discussion/approval of this draft;
  - (b) recognizing that there may be some information in an investment plan/strategy which the country concerned may not wish to publicly disclose, the country may, on an exceptional basis, submit to the Administrative Unit, when it submits the plan/strategy for circulation to the Trust Fund Committee, an explicit indication of information in the investment plan/strategy that the

country requests be kept confidential and may delete such information from the investment plan when it is disclosed in country;

- (c) in the case of a proposal for a public sector project/program, a current information document, consistent with the MDB's own procedures for disclosure, should be made public at the time that proposal for the project/program is circulated to the Trust Fund Committee (or Sub-Committee) for consideration (at least two 2 weeks prior to a decision). The content of the information document should come from the proposal and include a summary and crucial information contained in the proposal; and
- (d) In the case of proposal for a private sector project/program, MDBs will publish a current information document containing the information set out in the *Private Sector Operational Guidelines*, paragraph 9 and 10, at the time that the proposal is circulated to the Trust Fund Committee (or Sub-Committee) for consideration (at least two 2 weeks prior to a decision), unless the MDB justifies to the Trust Fund Committee why a current information document should not be published. Derogations to the publication of these documents may be agreed by the Trust Fund Committee in certain circumstances: for example, capital market transactions (e.g. IPO, listed company or bond issue) where security laws, stock exchange regulations or other bodies restrict or prohibit distribution of information or when a sponsor articulates reasonable concerns about confidentiality. A MDB will inform the relevant CIF Trust Fund Committee, through the Administrative Unit, if, in accordance with MDB procedures, any private sector project/program documentation is subject to any restriction concerning disclosure and should not be made publicly available.

## **Justification**

### *Draft Investment Plan/Strategy*

6. CTF and SCF Procedures: The *Rules of Procedures for the Meetings of the Trust Fund Committee of the Clean Technology Fund* and the *Rules of Procedures for the Meetings of the Trust Fund Committee of the Strategic Climate Fund* both provide, with respect to disclosure, that:

- (a) “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/SCF 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/SCF Trust Fund Committee. Each of the MDBs, the Trustee and any other parties submitting documents or information to the CTF/SCF 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/SCF Trust Fund Committee may be made publicly available under this paragraph. “

7. Based on the above, and discussions within the CTF Trust Fund Committee and the design meetings for the FIP, the Administrative Unit has undertaken further consultation with the OPCS of the World Bank as to the applicability of its disclosure policy with regard to the disclosure of the investment plans under the CTF, and the investment strategies to be developed under the targeted programs of the SCF (collectively, the “draft investment plan/strategy”).

8. World Bank Policy on Disclosure of Information: *The World Bank Policy on Disclosure of Information* recognizes and endorses “the fundamental importance of transparency and accountability to the development process. Accordingly, it is the Bank’s policy to be open about its activities and to welcome and seek out opportunities to explain its work to the widest possible audience.”<sup>1</sup>

9. Poverty Reduction Strategy Papers : It is proposed that the disclosure rules that apply to Poverty Reduction Strategy Papers be applied to the CIF investment plans/strategies since they are both country-owned plans prepared in consultation with a broad range of stakeholders. The Policy on Disclosure of Information provides for a specific modality for disclosing Poverty Reduction Strategy Papers (PRSPs). PRSP is a document prepared by the World Bank’s borrower country in cooperation with MDBs and involving a broad range of stakeholders, setting out the country’s macroeconomic, structural and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs.

10. The PRSPs are prepared by the country concerned, and among other things, summarize the country’s objectives, policies and measures for poverty reduction. Once the PRSP has been disclosed in-country, the World Bank makes it publicly available after distributing it to the Executive Directors and before they discuss it.<sup>2</sup>

11. Application of World Bank Policy on Disclosure of Information to the draft investment plan/strategy: PRSPs are owned by the recipient government. They analyze and outline the investment priorities for the country’s growth, taking into account consultations with the relevant MDBs and outside stakeholders:

12. The investment plan/strategy for CTF/SCF is also a document prepared by the borrower/recipient country in cooperation with MDBs, setting out priorities of the country for the CTF/SCF financing and identifying the potential CTF/SCF co-financing

---

<sup>1</sup> It is also worth noting that the World Bank has launched a comprehensive review of its disclosure policy to ensure that its core approach is well aligned with its values and priorities. It proposes the shift its approach to disclosure from today’s policy, which spells out what information the World Bank discloses (a “positive list”) to one under which the World Bank would disclosure any information in its possession that is not on a list of exceptions (a “negative list”).

<sup>2</sup> Paragraph 10, the World Bank Policy on Disclosure of Information (June 2002)

and instruments. Preparation of CIF investment plans/strategies is to involve other development partners and a broad range of stakeholders.

13. In recognition of these similar characteristics, it is proposed that the investment plans for CTF and investment strategy for SCF programs as well as any other proposal document that spells out the priorities of the country for the CTF and/or SCF financing should have a process for disclosure that is similar to that for PRSP.

14. Accordingly, consistent with the World Bank's policy on disclosure of information, the draft investment plan/strategy would be disclosed in-country prior to its submission to the Trust Fund Committee (or Sub-Committee where relevant) at least 3 weeks prior to the date of its discussion and/or approval. At the time of submission to the Trust Fund Committee (or Sub-Committee) for review and endorsement, the draft investment plan/strategy would be publicly disclosed.

15. As an exception to this basic rule, it is recognized that there may be some information that the country does not wish to be publicly disclosed but that is material to the draft investment plan/strategy. In order to encourage countries to include all relevant information in the investment plan/strategy submitted to the Trust Fund Committee or Sub-Committee, including sensitive or confidential information, it is recommended that consistent with Paragraph 44 of the Rules of Procedures for the CTF/SCF Trust Fund Committees, a country may submit to the Administrative Unit an explicit indication of information in the plan that it wishes to keep confidential. The Administrative Unit will then delete such information from the version of the plan that is made public on the website. The edited version of the investment plan may also be the version disclosed at the country level. It is expected that this will only be done on an exceptional basis, recognizing the fundamental importance of transparency and learning to the success of the CTF/SCF.

16. It should be noted that currently the *Clean Technology Fund: Guidelines for Investment Plans*, approved by the Trust Fund Committee in November 2008, provide in paragraph 20 that "Investment Plans will be subject to public disclosure after Trust Fund Committee review." If the Trust Fund Committee adopts the disclosure policy recommended in this note, the paragraph in the guidelines will be revised to reflect that the Investment Plans will be subject to public disclosure at the time the proposal is submitted to the Trust Fund Committee review which should (a) after it has been disclosed in-country, and (b) be at least 3 weeks prior to the scheduled deliberation/endorsement date.

#### *Draft Proposal for Project/Program*

17. The Administrative Unit has also undertaken further consultation with the OPCS of the World Bank as to the applicability of its disclosure policy with regard to the disclosure of a program or project proposal that is to be submitted to a Trust Fund Committee or Sub-Committee for approval of CIF financing.

18. World Bank Policy on Disclosure of Information: Recalling that the underlying principle of the *World Bank Policy on Disclosure of Information* recognizes the fundamental importance of transparency and accountability to the development process, the current policy requires<sup>3</sup> the World Bank to prepare a Project Information Document (PID) which provides a brief factual summary of the main elements of an evolving project. It also clarifies that the PID should include as an attachment a list of factual technical documents as project preparation evolves.

19. A PID is created using the more elaborate project proposal document called Project Appraisal Document (PAD) for the World Bank-financed Project. As the World Bank will submit the PAD to the CTF Trust Fund Committee or respective SCF program sub-committee for its allocation of CIF funds to projects (the RDBs will submit their equivalent documents), the development of a World Bank PID or PID-equivalent document for the RDBs for the CTF/SCF project/program proposals appears fully consistent with the disclosure policy of the World Bank.

20. Therefore, it is recommended that, consistent with the World Bank's policy on disclosure of information, an information document be prepared and publicly disclosed, according to the MDBs respective procedures, at the same time as the underlying project/program proposal is submitted to the Trust Fund Committee (or Sub-Committee). The information document should be publicly available at latest 2 weeks prior to the scheduled Trust Fund Committee (or Sub-Committee) review and approval of the respective project/program.

---

<sup>3</sup> Paragraph 15, the World Bank Policy on Disclosure of Information (June 2002)