

CLIMATE INVESTMENT FUNDS

March 8, 2010

Meeting of Regional and Contributor Country Groups
Committee Member Rotation
Manila, Philippines
March 17, 2010

**NOTE ON THE SELECTION OF MEMBERS
TO THE CTF AND SCF TRUST FUND COMMITTEES AND PPCR SUB-COMMITTEE
OF THE CLIMATE INVESTMENT FUNDS**

INTRODUCTION

1. The Governance Frameworks for the Clean Technology Fund and the Strategic Climate Fund provide for the selection of representatives to serve as Members on the CTF and SCF Trust Fund Committees and the SCF Sub-Committees to occur through consultations among: (a) contributor countries to each fund or program, and (b) eligible recipient countries to each fund or program.
2. The Partnership Forum provides an opportunity for such consultations to be organized, and the terms of Members serving on the Committees and Sub-Committees are aligned with the dates of the Partnership Forum.
3. During the 2010 Partnership Forum, countries will be invited to meet to consider the selection of seats for the CTF and SCF Trust Fund Committees and the PPCR Sub-Committee.
4. Contributor countries will be invited to meet as a group to agree upon eight seats on the CTF Trust Fund Committee, eight seats on the SCF Trust Fund Committee, and six seats on the PPCR Sub-Committee.
5. Eligible recipient countries will be invited to meet on a regional basis to consider the selection of eight seats for the CTF and SCF Trust Fund Committees, recognizing that recipient countries have agreed previously that at least six of the seats on the Committee should be distributed on a regional basis. Regional consultations will be organized for: Africa, East Asia, Europe and Central Asia, Latin America and Caribbean, Middle East and North Africa, and South Asia.
6. Representatives of countries participating in the PPCR pilots will be invited to meet to consider the selection of six Members for the PPCR Sub-Committee, recognizing that paragraph 5(b) of the PPCR Design Document provides that after the first year of operations, the seats on the Sub-Committee are to be selected from among the countries participating in the pilots.
7. Countries will be invited to come together at the conclusion of their consultations to: (a) confirm the selection of seats on the two Trust Fund Committees and the PPCR Sub-Committee, and (b) for the recipient countries, to select the two seats out of the eight seats on each Trust Fund Committee that will need to be filled beyond the six seats determined on a regional basis.
8. In order to assist countries in their consultations, the attached note has been prepared.

CLEAN TECHNOLOGY FUND

Members of the Trust Fund Committee of the Clean Technology Fund (CTF Governance Framework, paragraph 19)

9. The CTF Trust Fund Committee consists of:

- (a) eight representatives from contributor countries (or groups of such countries) making the minimum contributions to the CTF pursuant to paragraph 23 below, identified through a consultation among such contributors (or potential contributors in respect of the first year of the CTF operations);
- (b) eight representatives from eligible recipient countries (or groups of such countries), identified through a consultation among interested eligible recipient countries.

Functions (CTF Governance Framework, paragraph 25)

10. The CTF Trust Fund Committee is responsible for:

- (a) approving programming and pipeline priorities, operational criteria and financing modalities;
- (b) ensuring that the strategic orientation of the CTF is guided by the principles of the UNFCCC;
- (c) endorsing further development of activities in investment plans for CTF financing;
- (d) approving allocation of CTF resources for programs and projects;
- (e) approving allocation of CTF resources for administrative budgets;
- (f) providing guidance on the convening of the Partnership Forum;
- (g) ensuring monitoring and periodic independent evaluation of performance and financial accountability of the MDBs;
- (h) approving annual reports of the CTF;
- (i) ensuring that annual reports and evaluations, including lessons learned, are transmitted to the UNFCCC;
- (j) reviewing reports from the Trustee on the financial status of the CTF; and
- (k) exercising such other functions as the CTF Trust Fund Committee may deem appropriate to fulfill the purposes of the CTF.

Membership Term

11. The *Governance Framework for the CTF* and the *Rules of Procedure for CTF Trust Fund Committee Meetings*, provide that the Members of the Trust Fund Committee are to be reviewed and appointed to begin new terms after the Partnership Forum.

12. More specifically, paragraph 21 of the Governance Framework provides that “Members will serve for a two year term, except that such representatives may serve for a one year term for the first year of the CTF operations if so determined by the countries of the group that has identified them, and terms will be staggered so that not all Members are replaced each year. Retiring Members may be reappointed.” Furthermore, paragraph 9 of the rules of procedure clarifies that “for the purpose of identifying a term of any Member, a year term shall run from the date immediately after the last day of a Partnership Forum meeting until the last day of the next Partnership Forum, except that for the first year of the CTF operations, the year term shall run from the first day of the first CTF Trust Fund Committee until the last day of the next Partnership Forum meeting.”

13. The first day of the first CTF Trust Fund Committee meeting was October 15, 2008. The last day of the “next” Partnership Forum meeting is March 19, 2010. As this is the end of the first year of the Trust Fund Committee, the recipient countries and the contributor countries may determine that some Members should change, taking into account the provision that terms should be staggered so that not all Members are replaced each year.

14. It is recalled that Members from recipient countries are to be identified through a consultation among interested eligible recipient countries and Members of contributor countries are to be selected through a consultation among the contributors to the CTF.

STRATEGIC CLIMATE FUND

Members of the Trust Fund Committee of the Strategic Climate Fund (SCF Governance Framework, paragraph 14)

15. The SCF Trust Fund Committee oversees the operations and activities of the SCF, and consists of:

- (a) eight representatives from contributor countries (or groups of such countries) making the minimum contributions to the SCF pursuant to paragraph 17 below, identified through a consultation among such contributors (or potential contributors in respect of the first year of the SCF operations);
- (b) eight representatives from eligible recipient countries (or groups of such countries), identified through a consultation among interested eligible recipient countries. For the purpose of this paragraph, an eligible recipient country means any country which meets the eligibility criteria approved by any SCF Trust Fund Committee for funding under any of the SCF Programs;

Functions (SCF Governance Framework, paragraph 25)

16. The SCF Trust Fund Committee is responsible for:

- (a) approving establishment of SCF Programs and the scope, objectives and eligibility criteria governing the use of the funds under the SCF Programs based

on a consultative process and an analysis to determine the utility of new SCF Programs;

- (b) ensuring that the strategic orientation of the SCF is guided by the principles of the UNFCCC;
- (c) establishing a SCF Sub-Committee for each SCF Program and designating who may participate in the SCF Sub-Committee;
- (d) approving allocation of SCF resources for administrative budgets;
- (e) providing guidance on the convening of the CIF Partnership Forum;
- (f) ensuring monitoring and periodic independent evaluation of performance and financial accountability of MDBs;
- (g) approving annual reports of the SCF;
- (h) ensuring that lessons learned are transmitted to the UNFCCC and other relevant bodies;
- (i) reviewing reports from the Trustee on the financial status of the SCF; and
- (j) exercising such other functions as they may deem appropriate to fulfill the purposes of the SCF.

Membership Term

17. The *Governance Framework for the SCF* and the *Rules of Procedure for SCF Trust Fund Committee Meetings*, provides that the terms of the current Members of the Trust Fund Committee will end on March 19, and Members are to be selected to begin new terms.

18. More specifically, paragraph 16 of the Governance Framework provides that “Members will serve for a two year term, except that they will serve for a one year term for the first year of the SCF operations. Retiring Members may be reappointed.” Furthermore, paragraph 9 of the rules of procedure clarifies that “for the purpose of identifying a term of any Member, a year term shall run from the date immediately after the last day of a Partnership Forum meeting until the last day of the next Partnership Forum, except that for the first year of the SCF operations, the year term shall run from the first day of the first SCF Trust Fund Committee until the last day of the next Partnership Forum meeting.”

19. The first day of the first SCF Trust Fund Committee meeting was October 16, 2008. The last day of the “next” Partnership Forum meeting is March 19, 2010. Therefore, as this is the end of the first year of the Trust Fund Committee, the terms of the Trust Fund Committee Members will expire on March 19.

20. It is recalled that Members of recipient countries are to be identified through a consultation among interested eligible recipient countries and Members of contributor countries are to be selected through a consultation among the contributors to the SCF.

PILOT PROGRAM FOR CLIMATE RESILIENCE

Members of the Sub-Committee of the Pilot Program for Climate Resilience (PPCR Design Document, paragraph 5)

21. The PPCR Sub-Committee consists of:

- (a) up to six representatives from contributor countries to the PPCR, identified through a consultation among such countries (or potential contributors in respect of the first year of the SCF operations), but at least one of which should be a Member of the SCF Trust Fund Committee (as defined in paragraph 14 of the SCF Governance Framework Document);
- (b) matching number of representatives from eligible recipient countries to the PPCR, identified through a consultation among such countries, but at least one of which should be a Member of the SCF Trust Fund Committee. For the purpose of this paragraph, an eligible recipient country means (i) in respect of the first year of the PPCR operations, any country which is identified pursuant to paragraph 19 below, and (ii) in respect of any subsequent year, any country which is, at the time of the selection of the representatives, on the short list approved by the PPCR Sub-Committee.

Functions

22. The PPCR Sub-Committee is responsible for:

- (a) approving programming priorities, operational criteria and financing modalities for the PPCR;
- (b) selecting countries to be funded under the PPCR and approving PPCR financing for programs;
- (c) approving periodic reports to the SCF Trust Fund Committee on the operations of the PPCR, so as to ensure that lessons learned are transmitted through the SCF Trust Fund Committee to the AFB, the United Nations Framework Convention on Climate Change (UNFCCC) and other stakeholders;
- (d) ensuring complementarity between activities foreseen for the PPCR and activities of other development partners active in the field of climate change adaptation,

including the Global Environment Facility (GEF) and the United Nations (UN) organizations, and ensuring effective cooperation between the PPCR and the GEF and UN country activities to maximize synergies and avoid overlap;

- (e) approving members of the Expert Group and providing guidance and information necessary for the Expert Group to perform its functions; and
- (f) exercising such other functions as they may deem appropriate to fulfill the purposes of the PPCR.

Membership Term

23. As provided in the *Design Document for the Pilot Program for Climate Resilience*, Members of the Sub-Committee are to be appointed to begin new terms after the Partnership Forum.

24. More specifically, paragraph 7 of the Design Document provides that “PPCR Members will serve for one year terms. Retiring Members may be reappointed.” Furthermore, paragraph 9 of the *Rules of Procedure for the SCF Trust Fund Committee*, which apply *mutatis mutandis* to the PPCR Sub-Committee, clarifies that “for the purpose of identifying a term of any Member, a year term shall run from the date immediately after the last day of a Partnership Forum meeting until the last day of the next Partnership Forum, except that for the first year of the SCF operations, the year term shall run from the first day of the first SCF Trust Fund Committee until the last day of the next Partnership Forum meeting.”

25. The first day of the first PPCR Sub-Committee meeting was October 16, 2008. The last day of the “next” Partnership Forum meeting is March 19, 2010. As this is the end of the first year of the Sub-Committee, the eligible recipient countries and the contributor countries are to select Members of the Sub-Committee for a new term.

26. Furthermore, paragraph 5(b) provides, for purpose of identifying representatives from eligible recipient countries to serve on the Sub-Committee, an eligible recipient country means “any country which, at the time of the selection of the representatives, is on the short list approved by the PPCR Sub-Committee [to be invited to participate as pilots under the PPCR.]” In other words, countries participating in the pilot programs financed by the PPCR are those eligible to fill the seats on the PPCR Sub-Committee:

| Country Programs | Regional Programs | |
|---|---|------------------------------------|
| | Caribbean | Pacific |
| Bangladesh Bolivia Kingdom of Cambodia, Republic of Mozambique, Nepal Republic of Niger, Republic of Tajikistan, Yemen Zambia | Dominica Grenada Haiti Jamaica Saint Lucia Saint Vincent and the Grenadines | Papua New Guinea Samoa Tonga |

27. It is also recalled that Members from recipient countries are to be identified through a consultation among interested eligible recipient countries and Members of contributor countries are to be selected through a consultation among the contributors to the PPCR.

CONSIDERATIONS IN SELECTING MEMBERS

28. The Governance Frameworks for the CTF and the SCF provide for Members to be selected to the Trust Fund Committees and the SCF Sub-Committees through consultations within each group of countries. In selecting representatives for the Committee and Sub-Committees the principles that were fundamental to the design of the CIF and that underscore the Governance Frameworks should be kept in mind, including the following:

- a) Committees and Sub-Committees should strive for balanced representation between contributor countries and recipient countries;
- b) regional representation across the Climate Investment Funds should be sought;
- c) equity considerations should lead to the inclusion of diverse voices; and
- d) efficient and effectiveness should be sought in the decision making process.

29. To date, selection of representatives from *contributor countries* has been based primarily on the level of their contributions. For example, the CTF and SCF Governance Frameworks provides that “in order to be selected as a Member representing a contributor country or countries in the CTF Committee, a contributor country (or group of contributor countries) will be required to make a commitment to contribute to the CTF in no less than the minimum amount determined through a consultation among contributor countries.

30. When the Trust Fund Committees were first established, this one criterion seemed sufficient as there were initially only 8 contributors to each fund. The agreed minimum contribution was that of the smallest contributor of the 8 countries. Now, however, in the SCF

there are 10 contributors, and for the PPCR there are 8 contributors with 6 contributor country seats on the Sub-Committee. Other contributors might still wish to join the CIF.

31. It should be recognized that distributing seats only to those with the largest contributors may serve as a disincentive for smaller contributors who may want to participate. It might also lead a country to contribute to only one of the CIF programs, even when it is interested in supporting several programs, to ensure that the country is able to obtain a seat on at least one of the governing bodies.

32. Therefore, it is suggested that the contributor countries may wish to consider, in selecting the representatives from contributor countries, the following:

- a) Some contributors may wish to form "a group of contributor countries" (as foreseen in the Governance Frameworks) to be represented on the Committee or Sub-Committee. Within the group, the contributors could agree on a rotation to share the Member seat in the Trust Fund Committees during a term, recognizing that the terms are for two years.¹ On the Sub-Committees, where the terms are for one year, the group could rotate the country that represents the group for each new term.
- b) With respect to the SCF, the contributor countries might wish to comprehensively review the overall representation to the Trust Fund Committee and to the three Sub-Committees (a total of 26 seats) with a view to achieving balance in the distribution of seats and to ensuring that each contributor is represented on at least one of the governing bodies under the SCF.

33. With more than 8 contributors in the CIF, the CTF and SCF contributor countries might wish to reconsider the determination of a minimum level of contribution for a country or a group of countries to be eligible for a seat on a Committee or Sub-Committee, recognizing that the objective of the CIF is to provide scaled-up resources.

34. *Eligible Recipient countries* in earlier consultations agreed that in selecting countries for the seats on the Trust Fund Committee and the Sub-Committees they would strive to achieve regional balance. For the first terms of the Members, the eligible recipients agreed that each region of the Bank should have one representative from that region on the CIF Committee. The World Bank has *six regional groupings*: East Asia and Pacific, Europe and Central Asia, Latin America and the Caribbean, Middle East and North Africa, South Asia, and Sub-Saharan Africa.

35. The eligible recipient countries also took into account the following criteria in selecting representatives for each Sub-Committee:

¹ The rules of procedure provide that : each country whose representative is identified to serve as a member shall inform the Head of the Administrative Unit of the name and contact details of the individual appointed to serve as a Member. Such appointment of the individual may be changed by the respective country at any time by submitting a notice to the Head of the Administrative Unit. (See *Rules of Procedure for CTF Trust Fund Committee Meetings*, paragraph 10, and *Rules of Procedure for SCF Trust Fund Committee Meetings*, paragraph 10.

- (a) equitable and balanced representation from regions;
- (b) appropriate technical and/or policy expertise of the proposed Member, taking into account the objectives of the targeted programs; and
- (c) active interest of proposed Member to promote the efficient and effective governance of the targeted program through the Sub-Committee.

36. While each program has its own Sub-Committee, and decisions as to representation on any one committee should be determined solely for the purpose of that program, in identifying representatives for a trust fund committee or a sub-committee, countries may wish to take into account representation on all the Trust Fund Committee and Sub-Committees under the Climate Investment Funds so as to provide more opportunities for countries to be represented on the committees and sub-committees. A representative may serve on more than one trust fund committee or sub-committee if so decided by the group concerned.

37. The annex to this document shows the current distribution of seats on the CIF Trust Fund Committees and Sub-Committees.

Country Observers at meetings of the Committees and Sub-Committees

38. In selecting representatives to serve as Members on the Committees and Sub-Committees, it should be recalled that the rules of procedure provide for observers at meetings of the Trust Fund Committees: (a) from contributor countries (other than Member countries), and (b) recipient countries, for which any investment plan, program or project has been approved (other than Member countries).²

MEETING OF CONTRIBUTOR COUNTRIES AND REGIONAL MEETINGS OF ELIGIBLE RECIPIENT COUNTRIES ON COMMITTEE MEMBER ROTATION

39. To facilitate consultations among eligible recipient countries and consultations among contributor countries on the identification of:

- (a) eight representatives from each group for the CTF Trust Fund Committee,
- (b) eight representatives from each group for the SCF Trust Fund Committee, and
- (c) six representatives from each group for the PPCR Sub-Committee;

provision has been made in the schedule for the groups to meet Wednesday evening, March 17, and Thursday afternoon, March 18. On Wednesday evening, eligible recipient countries will be provided an opportunity to meet in regional groups, recognizing that they have previously agreed that six of the seats on the Trust Fund Committee should be distributed in accordance with the World Bank's six regions. Contributor countries will also be invited to consult on the selection of the group's eight seats for the CTF and SCF Trust fund Committees and six seats for the PPCR

² See *Rules of Procedure for CTF Trust Fund Committee Meetings*, paragraph 15, and *Rules of Procedure for SCF Trust Fund Committee Meetings*, paragraph 16.

Sub-Committee. On Thursday afternoon, eligible recipient countries will be invited to come together as one group to confirm the selection of the six seats to be distributed on a regional basis and to reach agreement on the two remaining seats on each, the CTF and SCF Trust Fund Committees. It was previously agreed that the seats on the PPCR Sub- Committee should be distributed on a regional basis.

Annex: Current Membership on CIF Trust Fund Committees and Sub-Committees

| Country membership | CTF | SCF | PPCR | FIP | SREP |
|------------------------------|--|---|--|--|--|
| Contributor Countries | Australia France Germany Japan Spain Sweden UK USA | Australia Canada Germany Japan Netherlands Norway Switzerland UK | Australia Canada Denmark Germany Japan UK | Australia Denmark Japan Norway UK USA | Japan Netherlands Norway Switzerland UK USA |
| Eligible Recipient Countries | Brazil China Egypt India Mexico Morocco South Africa Turkey | Algeria Bangladesh Costa Rica Indonesia Kenya Kyrgyz Rep. Thailand Yemen | Bangladesh Bolivia Maldives Samoa Senegal Yemen | Brazil Cong, DR Indonesia Morocco Nepal Romania | Armenia Bangladesh Nicaragua Solomon Islands Tanzania Yemen |