

## GLOBAL INFRASTRUCTURE FACILITY OPERATING GUIDELINES

As Adopted by the GIF Governing Council  
On 20 April, 2015

### A. INTRODUCTION

1. The Global Infrastructure Facility (“**GIF**”) Operating Guidelines provide specific guidance relating to the processes and procedures which are applicable to GIF Activities and operations. Capitalized terms used in these guidelines and that are not defined will have the meanings given to them in the GIF Partnership Framework adopted by the GIF Governing Council on 20 April, 2015 as may be amended from time to time in accordance with its terms (the “**GIF Partnership Framework**”). The GIF will operate in accordance with the objectives, goals, and core principles set out in the GIF Partnership Framework. The Operating Guidelines were prepared by the Management Unit and adopted by the Governing Council on 20 April, 2015, in accordance with the GIF Partnership Framework.

### B. GIF PROJECT ELIGIBILITY AND SELECTION CRITERIA

2. The GIF will work with client governments to support infrastructure projects. A GIF-supported project may consist of the development, rehabilitation or expansion of a standalone infrastructure facility, a series of interlinked assets that together address an identified infrastructure delivery objective, or a coordinated program of investment in multiple infrastructure assets.
3. **Eligible Countries:** The GIF can work with client governments that are among the eligible recipient member countries of Technical Partners or any other territories where financing to such territories is permitted in accordance with the policies and procedures of the relevant Technical Partner.
4. **Eligible project implementation modalities:** The GIF can support projects that will be primarily implemented by privately-operated entities (as under a Public-Private Partnership modality), or by public sector entities operating on a commercial basis, provided in both cases that they are providing infrastructure as a public service (i.e., to multiple users), and that the project has strong potential to achieve financial viability and sustainability and to attract long-term private capital.
5. **Eligible sectors:** Following the principle of providing public goods by enabling investment in core infrastructure, the GIF can support projects across the following sectors and sub-sectors:
  - a. **Energy:** electricity generation; electricity transmission or distribution; natural gas transmission or distribution
  - b. **Water and sanitation:** water supply; wastewater and sewerage; irrigation and drainage; solid waste management
  - c. **Transport:** airports; ports; railways; mass transit; highways

d. **Telecommunications.**

6. This list of eligible sectors may be expanded during or subsequent to the Pilot Phase to capture additional public core infrastructure assets, upon approval by the Governing Council. In this context, “core infrastructure” refers to those investments that offer public good services, have natural monopoly characteristics and are sufficiently capital intensive that the financing arrangements of the core assets determine, to a large degree, the financial sustainability and affordability of the services.
7. **Thematic focus areas:** Within its eligible sectors, the GIF may elect to focus on specific themes. This thematic focus may be reviewed and updated from time to time with Governing Council approval. During the Pilot Phase, the GIF will support projects with regional or global public good characteristics, in being:
  - a. **Climate smart:** projects that are low carbon-emitting, encourage energy and/or carbon efficiency in the provision of infrastructure services, and/or strengthen climate resilience. Examples of climate smart investments include low carbon-emitting power generation; power or gas transmission projects that bring efficiency to energy markets; power distribution projects with significant potential for loss reduction; mass transit projects, including metro, passenger rail and bus rapid transport systems; and water production and/or supply projects which address water scarcity, security, flood management and other aspects of climate resilience; and/or
  - b. **Trade enabling:** projects that facilitate or enhance interconnectivity and promote efficient commerce, such as freight rail networks, seaports and inland terminals, airports, and toll roads. Where toll roads are supported, they will presume underlying charges to users to reveal demand so as not to contradict the climate smart objectives.
8. **Project selection criteria:** Projects proposed for GIF support will be assessed against the following criteria; based both on expected project outcomes, and the individual and aggregate degree of risk to those outcomes:
  - a. **Development Impact:** Projects that are expected to support the GIF’s overall development goals of poverty reduction and inclusive and sustainable growth in emerging markets and developing economies, through improved delivery of infrastructure services—in terms of higher coverage, better quality services, lower cost through improved efficiency, and/or more climate smart modes of service provision
  - b. **Alignment with Country Priorities:** Projects that address a priority investment need and have demonstrable government commitment, including in the availability of adequate fiscal resources both to develop and implement the project, and intention to seek private financing
  - c. **Viability, Sustainability, and Value for Money:** Projects that are expected to be economically, technically, socially, environmentally, financially, and fiscally viable; and to achieve value for money for recipient country governments and service users—both in terms

- of social and economic returns to a project, and its proposed mode of implementation (e.g. as a Public-Private Partnership)<sup>1</sup>
- d. **Mobilization of Private Capital:** Projects that have significant potential to leverage public funds by attracting sizeable capital investment from the private sector
  - e. **Complexity:** Projects that require multiple parties to work together to structure, arrange, and provide financial support, and/or projects that require a blend of financial or risk mitigation instruments to attract commercial finance. A complex project could: i) involve multiple discrete operating units (e.g. pipeline and plant, or facility and supporting infrastructure) in one or more sectors; ii) provide services to multiple countries or have a regional impact; or iii) require new applications of financing mechanisms in a given context (e.g. the first instance of private financing in a reforming sector, requiring appropriate risk mitigation to attract private sector investment).

### C. GIF PORTFOLIO DIVERSITY TARGETS:

- 9. GIF-supported projects will be selected to achieve diversity in the overall portfolio of GIF Activities, according to the following targets (expressed as a percentage of the portfolio by value of GIF Activity):
  - a. **Sectors:** No more than 35% of activities in any one sub-sector, as defined under “eligible sectors” above
  - b. **Regions:** No more than 25% of activities in any one region, herein defined as Sub-Saharan Africa, Middle East/North Africa, Latin America & the Caribbean, Europe and Central Asia, South Asia and East Asia (based on World Bank regional breakdown).
  - c. **Country income level:** A minimum of 50% of activities in Low Income or Lower Middle-Income Countries, of which a minimum of 20% of activities in Low-Income Countries (according to World Bank country classifications by Gross National Income (GNI) per capita, based on the World Bank Atlas method). In the case of regional projects, activities exceeding this target may be considered.
- 10. These diversity targets will be used to guide Management Unit submissions to the Governing Council for approval of GIF Activities, and Governing Council approval of those proposals, with a view to achieving compliance with the targets within the duration of the Pilot Phase. Targets may be revised during the Pilot Phase by revision to the Operating Guidelines, subject to Governing Council approval as described below.
- 11. During the Pilot Phase, additional diversity factors may be considered, to enable the full range of GIF support to be effectively tested. As an example, attention may be given to projects that can be expected to reach an identified milestone during the Pilot Phase, and to ensuring that the set of pilot projects includes activities across a range of project development stages. Portfolio diversity

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<sup>1</sup> The information available to demonstrate the expected viability of a project proposed for GIF support will depend on the stage of development of the project; the assessment of proposed projects will be adjusted accordingly. GIF activities will be designed to ensure that viability and value for money guide project preparation and structuring, and are appropriately appraised at each project stage.

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targets will be monitored by the Management Unit as part of its portfolio monitoring and reporting responsibilities.

## **D. ACTIVITY INITIATION, REVIEW, AND APPROVAL PROCESS**

### **Submission/Receipt of GIF Project Proposal**

12. Proposals for GIF support are submitted by a government entity to the Management Unit. Only one proposal per project or investment program may be submitted. In the case of regional or cross-border projects, proposals may be jointly submitted by government entities of the concerned countries.
13. Proposals may be submitted on behalf of a government by: (i) one of the ministries responsible for planning and/or financing of public investments; or (ii) jointly by the ministries responsible for planning and financing of public investments, and one or more infrastructure sector ministry, department, agency, or publicly-owned entity. Regardless of the signatory agency in the proposal, it will be made clear in the proposal that relevant line ministries, financing and planning agencies are all in agreement with the request for support from the GIF. For proposals submitted by governments at the sub-national level, evidence of support for the proposal from the ministry responsible for finance at the national government level should be included.
14. Proposals for GIF support should follow a template, to be defined by the Management Unit, and should include:
  - a. Description of project, with sufficient information to demonstrate consistency with GIF selection criteria
  - b. Status of the project development and work completed to date (including any sector reforms in process and/or related public infrastructure under development)
  - c. Identities and roles of public, multilateral and private entities that have been involved in the project (e.g., donors, consultants, government entities, multilateral agencies) as well as government staff responsible for project implementation
  - d. Planned project development activities, with estimated timeline, budget, funding sources, and implementation arrangements
  - e. Identified gaps in current project development plans
  - f. Scope and estimated cost of proposed GIF Activity, at each project stage—that is, the set of project or program support activities to be implemented with GIF funding, defined in accordance with the principles established above. The scope and cost of proposed GIF support will be considered indicative, and may be revised as the project progresses according to the results of work undertaken. Milestones should be identified, corresponding to the completion of activities at each project stage, at which the project scope will be reviewed and may be revised, in consultation with the Management Unit and with approval of the Governing Council if required as set out in Paragraph 24 below.
  - g. GIF Technical Partners involved in preparing the GIF proposal (if any).

### **Review of GIF Project Proposal**

15. The Management Unit will review each submitted proposal, and will screen the proposal for:
  - a. **Consistency with GIF requirements:** consistency of the project with the GIF eligibility and selection criteria, consistency of the proposed scope of the GIF Activity with the GIF Partnership Framework principles and operating policies, affordability of estimated costs given available resources, and consistency with portfolio diversity targets
  - b. **Completeness:** whether the proposal contains all the requested information, and/or what information is still needed to complete the proposal.
  
16. Depending on the result of that review, the Management Unit will respond as follows:
  - a. If a proposal is not consistent with GIF requirements, the Management Unit will return the proposal, with an explanation of its rationale in doing so. Proposals may be re-submitted if changes to the project or proposal can be made that would make it consistent with GIF requirements
  - b. If a proposal appears potentially consistent with GIF requirements but is not complete, the Management Unit may support the process of completing the proposal by:
    - i. Providing feedback or assistance to the submitting government entity and/or any Technical Partner(s) already involved in preparing the proposal on the additional information needed;
    - ii. Identifying additional Technical Partners interested in helping prepare the proposal and/or participating in the GIF Activity Implementation Team, on an open invitation basis to all relevant Technical Partners; and/or
    - iii. Determining if the project could be eligible for a Planning Grant, as described below.
  
17. Once the proposal has been completed it may be re-submitted for Management Unit review. If a proposal is deemed consistent with GIF requirements and complete, the Management Unit will proceed to facilitate formation of the GIF Activity Implementation Team, as described in Paragraph 19 below.

### **GIF Activity Implementation Team Formation**

18. When a proposal is deemed consistent with GIF requirements and complete, and prior to seeking Governing Council approval of the GIF Activity, the Management Unit will reach out to all technical and advisory partners to ascertain their interest in supporting the project, given their respective mandates and investment strategies in the relevant country and sector(s), by participating in either the GIF Activity Implementation Team—that is, the team of Technical Partners with responsibility for implementing GIF Activities, and/or a Project Working Group as explained in Paragraph 28 below, comprising a set of interested Advisory Partners, which will provide consultation and support at key stages. Roles and responsibilities of the GIF Activity Implementation Teams and Project Working Groups are defined in Section E below.

19. GIF Activity Implementation Teams and any Project Working Groups will be formed on an open- invitation, consensus basis, following the GIF’s objectives and core principles of being an open platform for collaboration, and subject to agreement with the client government(s), as follows:
  - a. Interested Technical Partners, comprising a self-selected subset of Technical Partners with interest in the project, given their respective mandates and strategies in the region, will convene (in person or remotely) to agree on the composition of the GIF Activity Implementation Team and a detailed plan of project implementation (“**Activity Implementation Plan**”). This will include agreeing on the Team Leader; team roles at each project stage, in accordance with guidelines (to be defined) for required skills and expertise of team members; and on the safeguards, standards, and other operating policies to be applied for each relevant Activity component, following the principles set out in Paragraph 27 below. The Management Unit will facilitate this discussion; decisions will be reached by consensus among participants, and be guided by consultation with and subject to agreement by the prospective client government(s): a proposal may only proceed beyond this stage upon agreement by all interested Technical Partners. The team composition, roles, any activity-specific cost-sharing arrangements, and an agreed draft Activity Implementation Plan setting out timelines, procurement strategies for external consultants, revised milestones, and the amount requested to cover Activity Administration and Support Fees, as explained in Paragraph 36 below, will be appended to the GIF Project Proposal.
  - b. The Management Unit may also establish a Project Working Group, consisting of interested Advisory Partners. Other parties involved in supporting the project or related projects, as identified in the proposal, may also be invited to join the Project Working Group. The Project Working Group will provide input and advice over the course of the project, as described below.

Interested Technical and Advisory Partners will also be asked to inform the Management Unit of any actual or potential conflicts of interest or perceived conflicts of interest with respect to the project, as further described in Section F below.

### **GIF Project Proposal Approval**

20. Governing Council approval will be sought on a no-objection basis for all GIF Activities with an estimated cost of over \$500,000. The Management Unit will recommend proposals for approval to the Governing Council, as follows:
  - a. The Management Unit will submit the proposal to the Governing Council via email, together with a summary containing (i) a description of the project and its stage of development, including indicative potential private sector involvement, (ii) a discussion of its consistency with the selection criteria, (iii) a description of the proposed GIF Activities, estimated budget, and composition of GIF Activity Implementation Team; and iv) a discussion of the implications of the proposed GIF Activity for compliance with portfolio diversity targets.
  - b. Governing Council members will have 15 (fifteen) working days to communicate any objection to the proposal, based on the requirements of the GIF Partnership Framework and

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21. In approving a proposal for a GIF Activity, the Governing Council approves the allocation of GIF funding for the GIF Activity Implementation Team members to implement the full scope of the GIF Activity as set out in the proposal, subject to adjustments according to Paragraph 24 below.
22. For projects with a total expected cost of less than \$500,000, approvals of GIF Activities will be the responsibility of the Management Unit, on the basis of consistency of the completed proposal with the project eligibility and selection criteria, GIF Partnership Framework principles and operational guidelines, portfolio diversity targets, and implementation team requirements. Once a proposal is found to be consistent with these requirements, the Management Unit will approve the proposal, and send a summary to the Governing Council for notification.

### **Completion of Project Stages and Adjustment of GIF Activity Scope during Implementation**

23. Upon completion of each project stage and at milestones to be defined in a GIF Project Proposal, the responsible GIF Activity Implementation Team will report to the Management Unit on project development and appraisal outcomes and any proposed adjustments to the GIF Activity scope. The Management Unit will then notify the Trustee of advancement to the next project stage, which will trigger the release of the Technical Partner Activity Administration and Support Fees and disbursement of Activity funds for that stage to the relevant Technical Partners, in accordance with the Financial Procedures Agreements; provided that such notification by the Management Unit will be made based on the report received from the GIF Activity Implementation Team of completion of the relevant project stage, and subject to any adjustment to GIF Activity amount approved according to Paragraph 24 below.
24. If the scope and cost of proposed GIF support at subsequent stages may require adjustment according to the results of work undertaken, any such adjustment will be proposed by the responsible GIF Activity Implementation Team, and will be subject to Management Unit review based on continued consistency of the activity with the requirements of the GIF Partnership Framework and GIF Operating Guidelines. Adjustments in scope that would result in an increase in total GIF Activity amount of less than 20 percent, and/or adjustments to activities whose total expected cost remains less than \$500,000, may be approved by the Management Unit, subject to the availability of resources in the GIF Trust Fund and other funds supporting the GIF as may be applicable, with a summary of the results of the work undertaken and ensuing adjustments sent to the Governing Council for notification. Adjustments that would increase total GIF Activity amount by more than 20 percent or adjustments to activities whose total expected cost would surpass \$500,000 require prior approval by the Governing Council. Such approval will be sought



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on a no-objection basis following the process set out for Governing Council approvals in Paragraph 20 and 22 above.

### **Planning Grants**

25. The GIF may provide Planning Grants, up to a maximum value of \$150,000 per GIF Project Proposal, to assist in refining a project concept as needed to prepare a comprehensive and complete GIF Activity Proposal for a potentially eligible project. A Planning Grant request should be submitted by a government entity (similarly as defined in paragraph 13 above) together with a Technical Partner, following a template to be defined by the Management Unit. Planning Grants may be approved by the Management Unit with notification to the Governing Council, up to an annual limit defined in the annual work plan, and provided that the potential GIF Activity is expected to be consistent with GIF portfolio diversity targets.

## **E. ROLES AND RESPONSIBILITIES DURING GIF ACTIVITY IMPLEMENTATION**

### **GIF Activity Implementation Team**

26. A **GIF Activity Implementation Team** may consist of technical staff from one or more Technical Partners, which may have different roles at different project stages according to the project requirements. An overall “**Team Leader**” will be designated by consensus, as described in Paragraph 19 above, to coordinate the GIF Activity through all project stages for accountability purposes; in exceptional cases where an Implementation Team is able to function as a single team across institutions, joint-Team Leadership may be utilized.
27. GIF Activity Implementation Team responsibilities will include:
- a. Carrying out the GIF Activities, including preparing terms of reference, identifying, procuring, and overseeing specialized consultants, and/or directly implementing aspects of the GIF Activities where the relevant Technical Partner has in-house technical capacity to do so and as best serves the interest of the project; providing strategic guidance to client governments throughout the activity; and in doing so, coordinating with the other project-related activities such that the overall project development process is properly sequenced
  - b. Ensuring that relevant safeguards and standards are reflected in the implementation of the GIF Activity. GIF Activities will be implemented in accordance with the policies and procedures of its Technical Partners, including in respect of their social and environmental safeguards. Where more than one Technical Partner is involved in the implementation of the GIF Activity, or may subsequently be involved in financing or providing credit enhancement to the underlying project, interested Technical Partners will agree in advance on the safeguards and standards and other operating policies to be applied with respect to each relevant GIF Activity component, as described in Paragraph 19 above, in accordance with the policies and procedures of those Technical Partners, and following the guiding principle of enabling broad participation in the final financial structure as best meets the needs of the project
  - c. Providing brief progress reports on GIF Activity implementation to the Management Unit on a six-monthly basis, or such other frequency as the GIF Activity Implementation Team and the Management Unit may agree
  - d. Convening the Project Working Group at key stages to provide project information and solicit input and feedback, supported by the Management Unit as necessary; and
  - e. At the end of each project stage, reviewing project preparation, structuring, and appraisal work undertaken to date, and in consultation with the Management Unit, (i) advising the government with respect to continuing project development in light of available information on project viability; (ii) adjusting the scope of the GIF Activity accordingly; and (iii) reporting to the Management Unit on project development and appraisal outcomes and any proposed adjustments to the GIF Activity scope, subject to the review and approval requirements described in Paragraph 24 above.

## **Project Working Group**

28. **GIF Project Working Groups** will consist of interested Advisory Partners. These Groups will be provided with appropriate, relevant project information, in accordance with the provisions of paragraph 31 below, and convened in person or remotely at key project stages to provide non-binding input and feedback to the Activity Implementation Team on project preparation approach and financing options. Input may depend on partner role as follows:
- a. **Private Advisory Partner members:** provide non-binding input and feedback on their perception of project risks as well as other broader risks (such as political, regulatory, currency, inflation, legal) and the required approach to risk management or mitigation; as well as on commercial and financial terms currently required in the market to the Activity Implementation Team and their government counterparts
  - b. **Development Finance Advisory Partner members:** provide non-binding feedback on project risks, risk mitigation approaches, and specifically, interest and capacity to provide financing or credit enhancements or otherwise support the project according to project needs identified by the GIF Activity Implementation Team.

## **F. CONFLICT OF INTEREST**

29. All Technical Partners and Advisory Partners must inform the Management Unit of any actual or potential conflicts of interest or perceived conflicts of interest when indicating interest in a GIF Activity or a project related to a GIF Activity. Such actual, potential, or perceived conflicts of interest could arise from any financial interests in a project or investment program or other past or current relationship with the client government; including, for example, historical or current advisory or financial experience with any project stakeholders, or other investment interests that may be in conflict with the interests of the client government under the proposed project. This information will become part of the package of material provided to the Governing Council along with the proposal for support. Any Technical Partner or Advisory Partner that becomes aware of any such conflict of interest at any subsequent point should inform the Management Unit.
30. Technical Partners participating in GIF Activity Implementation Teams must adhere to their own conflict of interest policies relating to, for example, separation of advisory and financing functions.
31. Advisory Partner participation in Project Working Groups will be managed to avoid creating conflicts of interest or the perception of conflicts of interest, with the intent of maintaining a level playing field, including as follows:
  - a. Private Advisory Partners interested in offering financing for a project directly related to a GIF Activity may not continue to participate in a Project Working Group once the GIF Activity enters the Transaction Stage—that is, when the client government has approved implementation of the transaction and initiated the transaction preparation process.
  - b. Development Finance Advisory Partners planning on, or possibly interested in, offering financing or credit enhancement for a project directly related to a GIF Activity may continue to participate in a Project Working Group during the Transaction Stage only on the basis of an expressed commitment that financing will be available equally to all potential bidders in such project;
  - c. Technical Partners will exercise good judgment and act in accordance with their respective disclosure and/or access to information policies, in sharing information on a project directly related to a GIF Activity with Project Working Groups;
  - d. Except where they may contain confidential information, and subject to agreement by the participating Partners, the minutes of Project Working Group meetings may be made available as part of the bidding document package for the project.

## G. FINANCIAL MANAGEMENT

### Uses of GIF Funds

32. **GIF Project Planning Grants:** GIF funds may be used to support preparation of GIF Project Proposals through GIF Project Planning Grants which are approved by the Management Unit up to \$150,000 per project, and subject to an annual aggregate Planning Grant budget approved by the Governing Council as part of the annual GIF work plan.
33. Eligible uses of Project Planning Grants are third party expenses relating to the engagement of external consultants to support project definition and proposal preparation, and Technical Partner staff costs or expenses that can be attributed directly to the preparation of GIF project support activities, following the principles of value for money, reasonableness, and transparency.
34. **GIF Activities:** GIF funds may be used for GIF Activities approved by the Governing Council and/or the Management Unit, as set out in Paragraph 20 and 22 above. Eligible uses of resources under GIF Activities are:
  - a. Third party expenses relating to the engagement of specialized consultants providing advisory support undertaking detailed studies; and
  - b. Technical Partner staff costs and expenditures that can be attributed directly to the Technical Partner's role in a GIF Activity Implementation Team with respect to technical oversight and implementation of GIF project support activities, as described in Paragraph 27 (a). Technical Partners may include such staff costs and expenditures as are consistent with their policies and procedures, guided by the principles of value for money, reasonableness and transparency.
35. Ineligible uses of resources under GIF Activities related to project design, preparation, structuring or transaction support include direct costs of host country government project preparation, project monitoring, or supervision activities; expenses post-financial close relating to project monitoring or supervision; costs of arranging financing when the project sponsor has the responsibility to provide the financing; costs and expenses that would typically be covered through the project preparation or appraisal process for a Technical Partner loan or other financial product; and any Technical Partner costs that will be covered under any other contractual arrangement in place between the Technical Partner and the relevant client government under which fees will be charged to the government for staff costs and expenses.
36. **Technical Partner Activity Administration and Support Fees:** GIF funds may be used as Technical Partner Activity Administration and Support Fees to cover Technical Partners' fees, costs and expenditures related to administering GIF Activities, such as fulfilling reporting and monitoring requirements, maintaining separate records and ledger accounts, and Trust Fund administration fees, if any. An allocation consisting of a defined percentage of the GIF Activity amount will be requested as part of the Activity Implementation Plan, and appended to the Activity proposal for approval as described in Paragraph 19. This amount will be added to the amount allocated to a Technical Partner upon approval of a GIF Activity, to cover such activity

administration and support fees. Such fees will be transferred and made available to the relevant Technical Partner per project stage according to the value of the GIF Activity corresponding to that stage, as further described in Paragraph 23 above, and in accordance with the terms and conditions of each Technical Partner's Financial Procedures Agreement.

37. **Management Unit Costs:** GIF funds may be used to cover Management Unit costs on a full cost recovery basis. The costs will include, but not be limited to, staff costs and expenses incurred in carrying out the Management Unit's designated roles and responsibilities, third party consultant costs as needed to support the Management Unit in carrying out these roles, costs of hosting Governing Council and Advisory Council meetings (excluding travel costs for Governing Council or Advisory Council members, with the exception of recipient country representatives from IDA-eligible countries, for which reasonable travel costs will be covered following WBG policies), costs of convening GIF partners and other experts for other knowledge-sharing events, and costs related to independent evaluations.
38. **Trustee Costs:** GIF funds may be used to cover Trustee costs and fees on a full cost recovery basis. The Trustee will submit a budget request to the Governing Council for approval on an annual basis.
39. **Foreign Exchange Risk:** The Technical Partner will have the right to convert all funds received by the TP GIF Trust Fund into other currencies to facilitate the administration of the TP GIF Trust Fund. However, unless otherwise agreed by the Governing Council, Technical Partners will not be entitled to receive any additional funding from the GIF Trust Fund if GIF Trust Fund resources received from the Trustee prove insufficient to complete the relevant GIF Activity as a result of exchange rate fluctuations.
40. If a Technical Partner provides funding support to GIF Activity Recipients in a currency other than the currency in which the commitment and the transfer by the Trustee is made;
  - a. Such Technical Partners may employ hedging tools such as cross currency swaps, as may be appropriate, to mitigate foreign exchange risk. However, if such Technical Partner seeks recovery of any costs incurred in relation to employing such hedging tools from the GIF Trust Fund, then each approval of a GIF Project Proposal must include an indication of any applicable hedging costs for managing such foreign exchange risks. The GIF Trust Fund will only cover any such costs up to the amount included in the relevant approval of the GIF Project Proposal; or
  - b. If a Technical Partner is not hedging such foreign exchange risks, then to the extent such approval of a GIF Project Proposal includes the applicable currency of expected reflows related to such GIF Activity which is different to the currency committed and transferred by the Trustee, then the Technical Partner may denominate the funding to, and receive reflows from, the GIF Activity Recipient in such currency specified in the approved proposal. In such cases, unless otherwise agreed with the Trustee, the Technical Partner will, upon receipt of reflows from the GIF Activity Recipient, convert such amount into the currency in which the Trustee commitment and transfer was made, and transfer the converted amount to the

Trustee, in accordance with the Financial Procedures Agreement and the terms of approval of the GIF Project Proposal. For the avoidance of doubt, when returning the reflows to the Trustee, the Technical Partner will be neither required to make up for any loss nor permitted to retain any gain, in the amount of reflows calculated in terms of the Trustee commitment/transfer currency which needs to be returned to the Trustee, where such loss or gain is produced as a result of exchange rate fluctuations between the currency used for such GIF Activity and the Trustee commitment/transfer currency.

### **Fees, Reimbursements, and Reflows**

41. A portion of GIF Activities may be undertaken on a reimbursable basis, with a view to sharing project preparation cost and risk. Actual terms and level of reimbursement (including any mark-up on actual costs incurred), if any, for an individual GIF Activity will be determined and approved on a project by project basis, and included in an approval of a GIF Project Proposal, following the process set forth in Section D. “Activity Initiation, Review, and Approval Process” above. Set out in subparagraphs below are the indicative references that may be used in the review of a GIF Project Proposal for approval by the Governing Council or the Management Unit. If any deviation from those references is proposed, the GIF project proposal should include an explanation for such deviation so as to assist the Governing Council’s or the Management Unit’s review of the proposal and justification for such deviation.
  - a. GIF Activity costs at the project definition and enabling environment stage will be provided on a fully grant basis (with no reimbursement required) to Low-Income Countries as defined from time to time by the World Bank Group; other recipients may be required to reimburse the cost of this support when the project reaches financial close or is terminated.
  - b. Reimbursement may take place upon commercial close, financial close or in the event of a project termination.
  - c. Those GIF Activity costs related to the preparation of an investment or project to be taken to market at the project preparation and investment appraisal, transaction, and financing stages will be reimbursed as follows:
    - i. If a project successfully reaches financial close: 115% of incurred costs to be reimbursed by the successful project sponsor, to be remitted via the recipient government, which requirement will be built into transaction documentation.
    - ii. If GIF Activity is terminated at any stage because the project is found to be non-viable, based on project preparation, appraisal, and structuring work and according to viability criteria that have been mutually determined by those Technical Partners and the government: 25% of incurred costs to be reimbursed by the recipient government
    - iii. If GIF Activity is terminated at transaction stage because the project does not receive a viable bid, or after commercial close because a winning bidder is unable to secure financing: 25% of incurred costs to be reimbursed by the recipient government
    - iv. If GIF Activity is terminated by the Government prior to reaching financial close for reasons other than those outlined in the Paragraphs above, and/or is terminated by the Technical Partner due to failure of the Government to comply with the terms of the Activity engagement: 100% of incurred costs to be reimbursed by the recipient government.

42. In accordance with the terms and conditions of their respective Financial Procedures Agreements, Technical Partners will be responsible for collecting reimbursements due from recipient governments and remitting these reimbursements to the GIF Trustee on a timely basis, which reimbursements will be credited by the Trustee to the GIF Trust Fund. Reimbursement of GIF Activity costs is in addition to any fees payable by the relevant government to the Technical Partners with respect to their advisory or financing contributions to the project, including in their capacity as GIF Activity Implementation Team members.



## H. INFORMATION MANAGEMENT

43. The Management Unit shall manage, in accordance with the provisions on “Information Management” set forth in the GIF Operating Guidelines, all information created and/or received by the Governing Council. In managing such information on the Governing Council’s behalf, the Management Unit shall serve as the custodian of records and documents of the Governing Council and shall inform the Governing Council of restrictions on disclosing and/or sharing information that the Governing Council may need to comply with.
44. Information created or received by the Management Unit is information in the World Bank’s possession and, thus, is subject to the World Bank’s policies governing information management, including, but not limited to, the World Bank Policy on Access to Information (“**AI Policy**”) governing public access to information in the World Bank’s possession. The Management Unit accordingly manages disclosure and sharing of information created or received by it as follows:
- a. **Disclosure to the Public.** Recognizing the fundamental importance of transparency and accountability to the development process, under the AI Policy, the World Bank allows public access to any information in its possession that is not on a list of exceptions. On this basis, the Management Unit may disclose these Guidelines and related information on the GIF in accordance with the AI Policy. As provided on the list of exceptions under the AI Policy, however, the Management Unit does not disclose information to the public that has been provided by member countries or third parties to the Management Unit in confidence, without express consent from the member country or third party concerned. If information related to the GIF is provided to the Management Unit in confidence, the party providing the information to the Management Unit will mark the document containing such information as confidential and/or as being provided in confidence. As long as the information provided to the Management Unit is clearly marked in writing, or is otherwise conveyed to the Management Unit in writing, as “confidential information”, the Management Unit will treat it as restricted from public access and will not disclose the information to the public unless the Management Unit obtains the prior written consent to disclose the information to the public from the party who provided the information to the Management Unit. Subject to the conditions set out in this paragraph, the Management Unit will disclose any document or information provided to the Management Unit for submission to the Governing Council in accordance with the AI Policy.
  - b. **Sharing of information with parties other than the press and the general public.** Additionally, if the GIF Partner(s) specifically inform the Management Unit in writing of their understanding of confidentiality, namely any restrictions that the GIF Partner(s) may wish to impose on the internal sharing of such information (i.e., sharing within the World Bank Group) and/or the external sharing of such information, then the Management Unit will refrain from the sharing of such information to the extent of such restriction conveyed to the Management Unit in writing. External sharing is understood to refer to sharing of information with individuals, groups, or entities outside the World Bank Group that may be conducting official business with the GIF, but excludes sharing with the press and the general public.

**I. AMENDMENT TO THE GIF OPERATING GUIDELINES**

45. The provisions of the GIF Operating Guidelines may be amended only with the agreement of the Governing Council and the Trustee on a no-objection basis.

**J. DEFINITIONS**

Capitalized terms used in these guidelines and that are not defined will have the meanings given to them in the GIF Partnership Framework adopted by the GIF Governing Council on 20 April, 2015 as may be amended from time to time in accordance with its terms (the “**GIF Partnership Framework**”) and the following additional terms will have the following meanings:

“**Activity Implementation Plan**” refers to a plan of project implementation prepared by GIF Activity Implementation Team;

“**Activity Implementation Team**” refers to a group of staff brought together by relevant Technical Partners to implement the GIF Project;

“**AI Policy**” refers to the World Bank Policy on Access to Information;

“**GIF Project Proposal**” is a set of documents relating to the comprehensive and complete project plan submitted by the client government(s) and the Technical Partner to the GIF as required by the GIF Management Unit; and

“**Pilot Phase**” will mean the initial three (3) year pilot period of the GIF beginning from 1 April, 2015, up to and including 30 June, 2018.