



CLIMATE SUPPORT FACILITY



OPERATIONAL FRAMEWORK

APRIL 2021



WORLD BANK GROUP
Climate Change



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SECTION 1: INTRODUCTION AND SCOPE OF WORK

1.1 INTRODUCTION

This Operations Manual details arrangements for the governance and implementation of programs and activities supported by the Climate Support Facility (CSF). This includes the responsibilities of various entities and mechanisms for decision making and oversight; procedures for planning, processing, and approving funding for grants or projects; supervision, evaluation, and reporting; and communications and visibility activities.

The CSF is a multi-donor partnership and grant-financing mechanism launched in December 2020. Its mission is to support developing countries in accelerating their transition to low-carbon and climate-resilient development and elevate the national decarbonization agenda. The CSF is managed by the World Bank's Climate Change Group (CCG) in the Sustainable Development Vice Presidency (SDVPU). To implement the CSF, a Multi-Donor Trust Fund (MDTF) was created for the period 2020-2030 (TF073598) with an initial contribution of US\$52 million from Germany, the United Kingdom, and Austria.

1.2 SCOPE OF WORK

In line with its mission stated above, the CSF's strategic priorities are reflected in its FY21-23 Strategy and Work Plan, which is prepared separately. During its first two years of operation, given the global nature and economic extent of the COVID-19 crisis, the CSF will primarily focus on ensuring that tackling climate change is a core part of the recovery efforts from the socio-economic crisis triggered by the COVID-19 pandemic. As articulated in the FY21-23 Strategy and Work Plan, this focus is reflected in the first of the CSF's two strategic pillars: COVID-19 Green Recovery Support (Pillar I). Under Pillar I, the CSF will launch four dedicated funding windows for green recovery: COVID-19 Green Recovery Project Design and Implementation Support, Economic Advisory Support, Analytical Tools and Methodologies, and the Western Balkans Green Recovery Support Window².

Linked to these efforts, the CSF will also help countries with the implementation and enhancement of Nationally Determined Contributions (NDCs) under the framework of the NDC Partnership and the development of Long-Term Low-Carbon and Climate-Resilient Strategies (LTSs) through Pillar II: NDC and LTS Support. Pillar II is composed of two windows: NDC Partnership Whole-of-Government and Country Engagement Support, and NDC and LTS Knowledge Development and Dissemination.

Additional thematic, sectoral, or regional priorities and implementation mechanisms will be outlined in CSF's work plans and other program documents and coordinated with the World Bank's climate action plans and regional climate strategies.

¹ The terms "projects" and "grants" are used interchangeably throughout the document. They refer to the Technical Assistance (TA) grants approved under the CSF MDTF.

² Building on the FY21-23 Strategy and Work Plan, a more detailed work plan for the Western Balkans Green Recovery Support Window has been developed as a separate document.



SECTION 2: GOVERNANCE

The governance structure of the CSF comprises: (i) the Partnership Council (PC) and (ii) the Advisory Committees (AC). The PC will be the strategic and decision-making body of the CSF. The ACs will be advisory bodies established by the PC to guide the CSF on CSF-supported programmatic activities.

2.1 PARTNERSHIP COUNCIL

The Partnership Council (PC) will guide and support strategic dialogue and oversee the implementation and accountability of the CSF MDTF. The PC comprises: (i) representatives from each donor government contributing to the CSF (Members); and (ii) representatives from the World Bank. The PC will be chaired by the World Bank and co-chaired by a designated donor member representative. The co-Chair will rotate at each PC meeting.

The PC will meet at least once a year at the convenience of its Members, virtually or physically at a location to be agreed by the PC. The PC members may invite other relevant stakeholders to attend meetings as Observers on the basis of their intellectual leadership and/or institutional base. This may include technical experts, country representatives, non-governmental organizations (NGOs), international financial institutions (IFIs), United Nations (UN) agencies, International Initiatives and Partnerships, research and academic institutions, and private sector organizations. The PC Chair may invite comments and interventions from Observers to discussions on subjects that contribute to informing PC members in guiding the CSF's work. The PC members may also invite potential additional donors as Observers as a way of facilitating their understanding of the CSF and identifying areas of common interest.

The CSF Program Management Unit (PMU) will serve as the Secretariat of the PC.

The roles and responsibilities of the PC will include:

- a. Providing strategic guidance and direction on the implementation of CSF activities and endorsing strategic priorities
- b. Endorsing the CSF Annual Work Plan and allocation of resources for its implementation
- c. Reviewing the CSF Annual Report on the achievements based on the results framework and any independent evaluations.
- d. Approve the CSF's Results Framework and revisions.

The roles and responsibilities of the Chair may include:

- a. Calling and presiding over regular and any special meetings of the PC
- b. Facilitating participation, dialogue, and consensus in meeting discussions and decision-making
- c. Consulting and providing strategic advice to the PC in coordination with the PMU
- d. Inviting technical experts and other stakeholders to join the meeting, in consultation with the PC.

Consultation is an important foundation for decision-making by the PC. The PMU will consult with Members in advance of PC and Advisory Committee meetings and allow sufficient time, i.e. a minimum of two weeks, for documents to be revised to reflect Members' comments before they are endorsed.

Decisions are made by consensus during meetings or by virtual “no objection” processes conducted by email between meetings. Consensus does not necessarily imply unanimity. A dissenting Member, who does not wish to block a decision, may state an objection to be recorded in the meeting minutes (or by written statement for electronic decision making). Members may also abstain from decision making without formally objecting. In this case reservations will be recorded in the minutes of the meeting. If consensus is not possible, then a proposed decision will be postponed or withdrawn.

The PMU will play a facilitating role in helping Members arrive at consensus. The Chair participates in the consensus decision making and articulates the consensus view. Should the governing body be unable to arrive at a consensus decision, the PMU will continue discussions with members on the matter of disagreement until a consensus is reached. Implementation on all other activities for which consensus has already been reached will continue.

The PMU will prepare the provisional agenda and relevant documentation for PC meetings and provides these to the members of the PC by email no later than fourteen working days prior to the meeting. At the beginning of each meeting, the PC adopts the agenda for the meeting.

At the end of the meeting, the Chair will summarize the decisions reached which will be recorded in the minutes. The PMU will circulate the minutes within 15 working days after the meeting for Members' confirmation or comments. Any inaccuracy or discrepancy in the meeting minutes should be raised with the PMU within ten days.

2.2 ADVISORY COMMITTEES

The PC may endorse the establishment of Advisory Committees (ACs). The purpose of the AC is to provide periodic input to the PMU on the implementation of specific activities, review preliminary workplans and progress reports, or the alignment of particular priorities and preferences. Finalized block grant proposals and templates will be shared with corresponding Advisory Committees for their information.

With the initiation of the CSF, three ACs will be established: (i) AC for the Green Recovery Initiative (GRI), (ii) AC for the Western Balkans Window, and (iii) AC for NDC implementation and enhancement and LTS development. Additional ACs may be included in the governance framework as the CSF expands its thematic priorities and scope of activities.

Each AC will consist of representatives from the PMU and representative(s) from the relevant donor Members. The AC on NDC implementation and enhancement will moreover consist of the NDC Partnership Support (NDPC) Unit as well as the NDPC Co-Chairs. Technical experts from the World Bank may be invited to attend the AC meetings. Experts from other implementing organizations, academia, and think tanks may be invited as well, conditional on agreement between all parties. The PMU will convene AC meetings on a periodic or as-needed basis. Meetings may be conducted physically or virtually. Members are also welcomed to request informal check-ins with the PMU on a more frequent basis.

Temporary ad-hoc working groups may also be created based on the guidance of ACs, such as the working group on success indicators for green recovery, proposed upon launch of the CSF.



SECTION 3: PROGRAM MANAGEMENT AND ADMINISTRATION

3.1 PROGRAM MANAGEMENT UNIT

The CSF will be managed by a Program Management Unit (PMU) led by a Program Manager. The PMU will administer the CSF's day-day management of the MDTF operations and support the functions of the PC and AC both under the oversight, advice, and guidance of the Climate Change Group's Advisory and Operations (SCCAO) unit.

The SCCAO Practice Manager and the Program Manager will represent the PMU in its institutional relationships with various stakeholders ranging from the government, private sector, civil society, and academia. The SCCAO Manager and the Program Manager will also work closely with the World Bank regions and global practices to advance CSF priorities.

The PMU will provide necessary facilities and staff. Its staff will be World Bank staff, recruited according to World Bank policies and procedures. The PMU will be funded by the MDTF and other World Bank resources.

The PMU will appoint technical climate change specialists to lead the development and management of CSF programs and trust funds and facilitate technical dialogue and engagements. The PMU will draw on World Bank expertise to ensure technical quality, enable innovation in the development of project proposals, and strengthen coordination and linkages to other World Bank projects and programs.

The roles and responsibilities of the PMU can be categorized in four functions:

1. Secretariat to the Partnership Council and Advisory Committees

- a. Convene the PC and AC.
- b. Support the organization and deliberations of PC and AC meetings.
- c. Manage relationships with existing donors and build relationships with potential donors
- d. Support engagement and coordination across World Bank Umbrella Programs and other external funding modalities to leverage synergies and complementarities.
- e. Coordinate activities with relevant external partners (e.g., NGOs, IFIs, UN agencies, research and academic institutions, and private sector organizations, etc.) and coalitions, including the NDC Partnership and the Coalition of Finance Ministers for Climate Action.

2. Program Management and Technical Coordination

- a. Prepare and submit key strategic documents, including the CSF Strategy and Work Plan, Operations Manual, and Annual Report.
- b. Prepare and submit financial and progress reports to the PC and AC.
- c. Prepare administrative agreements (AAs) for donors seeking to contribute to the CSF.
- d. Develop and share guidance for the preparation of grants, evaluate and approve grant funding requests that fit with the CSF's development objective and climate needs of WBG's clients.
- e. Collaborate with teams in CCG and across the World Bank, providing technical guidance and operational support for CSF-funded activities.
- f. Support tasks teams on project development, processing of grant funding, and implementation of CSF-funded activities.
- g. Coordinate with tasks teams in different units within the Bank on technical issues and alignment with strategy and donor agreements for program development.

3. Monitoring and Evaluation (M&E)

- a. Develop and implement a M&E framework, and a M&E platform for tracking results.
- b. Collect and analyze data on CSF-funded activities, conduct quality control of the portfolio, and manage project evaluation documents.
- c. Provide inputs and assist in the preparation of the CSF Annual Report, including reporting of achievements based on the results frameworks, and other evaluation documents.
- d. Support development of impact stories to be used for reporting and communications purposes
- e. Provide inputs as needed on any independent evaluations commissioned by the PC.

4. Communications and Knowledge Management

- a. Implement the CSF's Communication and Visibility Plan and conduct public outreach and information dissemination on behalf of the CSF.
- b. Develop and produce branding materials and online products, including a website, newsletters, blogs, feature stories, press releases, etc.
- c. Disseminate knowledge products and lessons learned from CSF activities through reports, feature stories, events, and webinars, etc.
- d. Manage regular high-level events, including, in the first year of CSF operations, a high-level dialogue platform on green recovery on the margins of the WBG Spring and Annual Meetings – the Green Recovery Dialogue – featuring the CSF and ensure visibility and attribution of grant activities to the CSF
- e. Foster partnerships, including with NGOs, IFIs, UN agencies, research and academic institutions, and private sector organizations, etc.

3.2 RESOURCE ALLOCATION AND IMPLEMENTATION

3.2.1 Allocation of Resources

The Annual Work Plan will be the basis for annual resource allocation and will outline the priorities, indicative budget, and types of activities that are envisaged to be implemented, as aligned with the CSF strategy, during the forthcoming World Bank fiscal year (which is from July 1 to June 30th each calendar year). The PMU will prepare the Annual Work Plan and submit it to the PC for approval during PC meetings.

CSF resources will be allocated to World Bank implementing units in the form of a 'Block Grant'. A block grant refers to an amount of resources for which general objectives and activity types are defined and which determine the subsequent preparation and execution of activity-level grants. With the concept of block grants, implementing units will have certainty on the size of the resources which could be executed in a programmatic way.

The allocation of resources is based on program needs and sustainability, progress with execution of resources, and donor priorities. Activities will be based on demonstrated readiness to undertake and implement activities aligned with CSF priorities, the size of the World Bank lending portfolio, and country demand. World Bank implementing units receiving CSF grants will also coordinate their country-level engagement with relevant Country Management Units (CMUs) with a view to considering country and regional priorities and needs, ensuring complementarity and avoiding duplication or overlaps. Implementing units will also be encouraged to coordinate projects with development partners' activities in recipient countries.

In developing block grants, World Bank implementing units must ensure that activities to be funded by the CSF:

- a. Align with the objectives of the Paris Agreement;
- b. Are science-based; guided by robust and widely accepted assessments of emissions and emission trends; climate scenarios and expected impacts; net-zero CO₂ emission scenarios and pathways; technology roadmaps and other relevant materials;
- c. Respond to the priorities and objectives outlined in the regional climate action plans, WBG regional climate change strategies, SCDs, CPFs, or lending operations, including a balanced set of activity-level grants for International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) countries.
- d. Enable client countries to advance climate action in the context of the COVID-19 crisis and facilitate a green recovery;
- e. Enable innovative ideas and new approaches for climate-informed policies, regulatory measures and investments; and
- f. Foster cooperation and engagement within World Bank technical units and programs.

3.2.2 Coordination with other Umbrella Programs

The PMU will work to strengthen engagement and coordination across Umbrella Programs and other external funding modalities and identify areas of complementarity and synergies with the CSF. The PMU will work to ensure clear and coordinated messaging across business units and development partners to help maximize opportunities and avoid risks, where possible, to leverage efforts for scaled-up transformation. The PMU will participate in a CCG coordination effort across climate-related Umbrellas under the leadership of CCG management and in coordination with other support units within the Bank (e.g., Development Finance, External and Corporate Relations).

3.2.3 Eligibility Criteria and Country Prioritization

All IBRD and IDA countries are eligible for grant support under the CSF. General criteria for country prioritization include:

- a. The political environment in the country is conducive to the advancement of climate-related medium- and long-term goals;
- b. The government has set up, or is in the process of setting up, policy and regulatory frameworks which ensure that CSF resources will generate a positive impact for advancing climate action;
- c. With regard to low-emissions development, priority will be given to the largest emitters and largest prospective emitters from each region;²
- d. With regard to climate resilience, priority will be given to highly vulnerable countries from each region.³
- e. Membership in strategic programs such as Coalition of Finance Ministers for Climate Action, Carbon Partnership Leadership Coalition or others;
- f. The country in which the project is located is a member of the NDC Partnership (see <http://ndcpartnership.org/partners>) and in the process of submitting a Partnership Plan (or similar)/support request.
- g. Requests must be multisectoral, demonstrating integration of key sectors prioritized in the NDCs, Partnership Plans, or Request for Support Letter.

There may, in addition, be more specific criteria developed around strategic issues or themes, such as COVID-19 recovery and NDC and LTS development support. Donors to the CSF provide input on prioritization through their participation in CSF Advisory Committees, guided by the Terms of Reference of those committees.

3.3 GRANT PREPARATION, REVIEW, AND APPROVAL

The grant proposal process – including preparation, review, and approval – is designed to ensure consistency of proposed activities with the approved CSF Strategy, Annual Work Plan, and Results Framework. The process, outlined below, is applicable to all proposed grants. The review and approval of grant proposals will be in conformity with the Block Grants criteria (as defined above in Section 3.2.1).

Recipient-executed projects will follow the World Bank’s ‘Procedures for Small Recipient-Executed Trust Fund Grants.’ World Bank-executed technical assistance grants will follow standard World Bank policies and procedures.

Preparation: The grant proposal process is initiated through completion of a project proposal by World Bank task teams using the Grant Proposal Template. The template is designed to capture key information that describes the objective(s) and activities of the proposed grant and how will contribute to achievements of CSF objectives. The PMU will conduct an initial review of all grant proposals submitted by the task teams to assess grant eligibility. When needed, the PMU will also recommend task teams ways to improve a draft proposal.

Review and Approval: Task teams will submit draft grant proposals to the PMU. The PMU will conduct a technical review and provide inputs and feedback to the task team within 10 business days from the time of receipt of the request. The PMU will share the draft proposal or concept with relevant focal points in CCG or technical experts for feedback. Based on the consultation discussions, task teams will incorporate feedback received from the PMU and resubmit final proposals. After receipt of the final proposals the PMU will notify task teams of the approval of the proposal within five business days. Task teams will submit the proposal in the World Bank grant processing system.

[A diagram of the Grant Approval Process is included in Annex 1.](#)

3.4 SUPERVISION, PORTFOLIO MANAGEMENT, AND REPORTING

Supervision: World Bank task team leaders act as the principal implementers of CSF grant projects, including supervision activities. All activities funded by the CSF will be monitored to ascertain whether the development objectives of the activities are being achieved, and whether the funds are being used in conformity with CSF's requirements. PMU staff or other experts commissioned will conduct regular in-country monitoring missions. They will do so to support World Bank task teams and countries, and ensure expertise and knowledge are best utilized to strengthen interventions.

Portfolio Management: The PMU will utilize a M&E Platform to monitor grant performance. The Platform will track the status of each funded grant using financial and results (qualitative and quantitative data) information available through World Bank-managed systems (e.g. financial disbursements, procurement commitments, available budget). If a grant is determined to be non-performing, corrective measures can be taken as applicable (e.g. restructuring grant and activities, extend the timeframe of the grant, etc.). In exceptional cases, funds may be recalled and reallocated to address other needs within the portfolio.

Reporting: Progress updates on the performance of grant activities funded under the CSF will be reported annually to the donors through the CSF Annual Report. The Annual Report will include: a financial overview of resource allocations and expenditures (cumulative and for reporting period); a technical overview of completed and ongoing projects; output and outcome level results; and, report on progress towards achievement of CSF's objectives.

In addition to the annual report, the PMU will provide donors with regular informal updates. The progress reports will be provided with reference to the results framework agreed by the PC, which may also be reviewed from time to time. Additional financial reporting information will be made available through the World Bank's Trust Fund Donor Center secure website (also referred to as the Donor Portal or Client Connection).



SECTION 4: MDTF FUNDING STRUCTURE AND MANAGEMENT ARRANGEMENTS

The CSF will be implemented through an anchor MDTF established in December 2020, and the Climate Resilient Low-Carbon Development MDTF, an existing trust fund, which supports the NDC Support Facility (NDC-SF) for NDC enhancement and implementation-related activities.

4.1 CONTRIBUTIONS

All contributions to the CSF MDTF are in the form of grants. Contributions will be made in cash in any freely convertible currency, in one-time payments or installments. World Bank member countries and intergovernmental entities are eligible to contribute. The CSF will evaluate the suitability of contributions from non-governmental entities on an as-needed basis. Contributions are subject to acceptance and due diligence by the World Bank. They will be pooled for allocation by the CSF PC, based on Work Plans that take into account donor preferences.

4.2 FUNDING WINDOWS

The PMU will establish Programmatic Windows to manage allocations from the trustee-level account for the activities identified in Administration Agreements and Work Plans, reflecting strategic priorities and donor preferences. Each window will have a dedicated Climate Change Specialist appointed as Window Manager. Funding windows may be added based upon new contributions to the MDTF, country demand as funds are made available and priorities are determined, or other strategic needs.

4.3 COST RECOVERY

For Bank-executed trust funds, a fee of 17% is applied to the cost of personnel at the time of disbursement. Bank staff includes extended-term consultant (ETC), short-term consultant (STC) and short-term temporary (STT) staff. The BETF rate is based on actual personnel costs including salary, benefits (excluding field benefits such as extended or short-term assignment/global mobility benefits), and consultant fees.

4.4 DURATION OF THE MDTF

The CSF MDTF became operational in December 2020. It is expected that operations will continue through World Bank fiscal year 2030 (FY30), bound by three dates: Trust Fund Closing Date, End of Disbursement Date, and the end of all project implementation periods. The Trust Fund Closing Date represents the final date after which no new projects are expected to be approved; the World Bank may receive contributions to the Trust Fund up to the Closing Date. No new fund transfers to implementing entities are expected from the Trust Fund after the End of Disbursement Date.

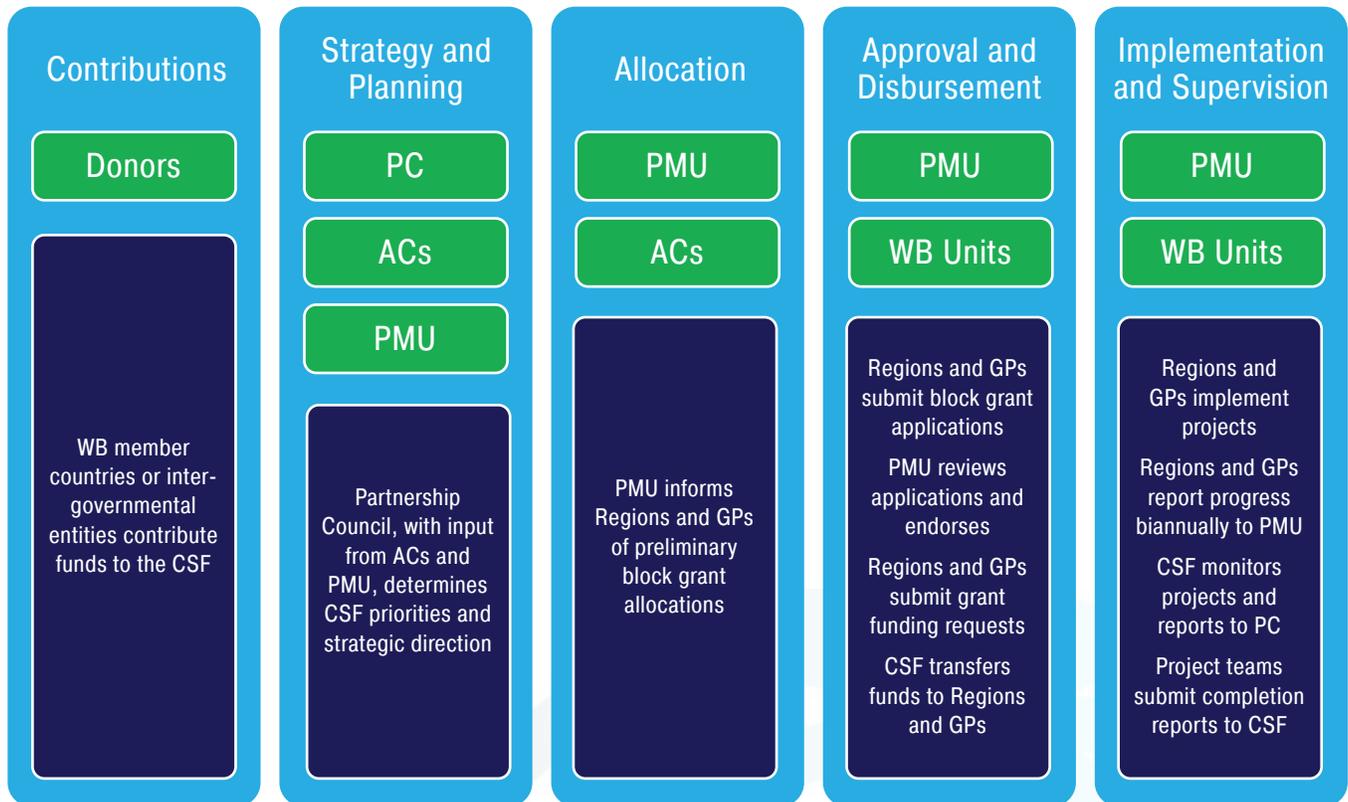
The CSF MDTF's anticipated Closing Date is June 30, 2030, and the anticipated End of Disbursement Date is December 31, 2030. Both dates are subject to change based on PC determination. The end of each project implementation period will be determined according to the specifications of funding requests approved by the PMU and may extend beyond FY30. If projects remain in operation beyond FY30, the PMU will remain operational as needed and agreed by the PC.

4.5 ROLE OF THE WORLD BANK GROUP AS TRUSTEE

The WBG is the Trustee of the CSF. The roles and responsibilities of the Trustee are to: establish and administer trust funds pursuant to WBG policies and procedures and the terms of the administration agreements entered into between the trustee and donors. The flow of funds to and from the MDTF shall be governed by: (a) administration agreements between the WBG/CSF PMU and donors; and (b) grant agreements between the CSF and grant recipients (including both WBG and external recipients). Grant activities funded by the MDTF will be administered under the WBG Operational Policies and Procedures that apply to IBRD and IDA financing, including the WBG's governance and anti-corruption policies.

ANNEX 1: DIAGRAM OF THE GRANT APPROVAL PROCESS

Annex 1: Diagram of the Grant Approval Process



PC = Partnership Council; AC = Advisory Committee; PMU = CSF Program Management Unit



FAST-FORWARD CLIMATE ACTION



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