



Global Infrastructure Facility

Operating Guidelines

As Adopted by the GIF Governing Council on April 20, 2015
and Amended on December 21, 2016, June 30, 2017, July 19, 2019, and July 1, 2020

Table of Contents

A.	INTRODUCTION	2
B.	GIF PROJECT ELIGIBILITY AND SELECTION CRITERIA	2
C.	GIF PORTFOLIO DIVERSITY TARGETS	5
D.	GIF OPERATIONS	6
	Types of Activities.....	6
	Reimbursement Conditions for Upstream Advisory Window GIF Activities	10
E.	ACTIVITY INITIATION, REVIEW AND APPROVAL PROCESS	12
	Proposing Entities - Applications	12
	Initiation of GIF Application Process	13
	Applications for GIF PRAs.....	14
	Applications for GIF PDAs	14
	Applications for GIF PPSAs.....	14
	Application Templates	15
	Evidence of Support from relevant Government Entities	16
	Management Unit’s Review of Applications.....	17
	GIF Activity Approval.....	17
F.	ACTIVITY IMPLEMENTATION	18
	GIF Activity Implementation Team Role and Responsibilities.....	18
	Inputs from GIF Partners	19
	Completion of Project or Program Stages and Adjustment of GIF Activity Scope during Implementation	20
	Adjustment of GIF Activity Scope due to Implementation Delays	21
	Modifications to the Approved Terms of GIF Support.....	22
	Reporting by Technical Partners.....	22
G.	CONFLICTS OF INTEREST	23
H.	FINANCIAL MANAGEMENT	24
	Uses of GIF Funds for GIF Activities.....	24
	Cost Recovery for Technical Partners	25
	Cost Recovery for the Trustee and the Management Unit.....	26
	Administration of GIF Funds by Technical Partners.....	26
I.	INFORMATION MANAGEMENT	27
J.	RULES AND PROCEDURES FOR THE GIF GOVERNING COUNCIL	29
K.	AMENDMENT TO THE GIF OPERATING GUIDELINES	31
L.	DEFINITIONS	31

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, as set forth by the GIF Partnership Framework adopted by the GIF Governing Council on 20 April, 2015, and 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, and amended by decision of the Governing Council on 21 December 2016, 30 June 2017, 19 July 2019, and 1 July 2020, in accordance with the GIF Partnership Framework (the “**GIF Operating Guidelines**”).

B. GIF PROJECT ELIGIBILITY AND SELECTION CRITERIA

2. The GIF will work with EMDE governments (the “**Governments**”) to support infrastructure projects. A GIF activity may support: (a) the development, rehabilitation or expansion of a standalone infrastructure facility or a series of interlinked assets that together address an identified infrastructure delivery objective (the “**Projects**”), (b) a coordinated program of investment in multiple infrastructure assets (the “**Programs**”), or (c) other undertakings which will mobilize private investment or long-term commercial financing¹ in infrastructure sectors² (the “**GIF Activity**”). GIF activities may also be conducted in relation to the Knowledge, Partnerships and Communications Agenda as set forth in Paragraph 18.
3. **Eligible Countries:** are those 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 Programs related to, and Projects which will be primarily implemented by, privately-operated entities (as under a Public-Private Partnership modality or following a privatization), or by public sector entities

1 “*Financing*” in the context of this GIF Operating Guidelines includes loans or other financial instruments, credit enhancement and risk mitigation tools.

2 A stock take of other donor activities in this space, in the relevant country, should accompany GIF Applications for funding and such applications should justify the GIF niche in reference to these other activities.

3 The joint MDB Climate Finance Tracking Methodology was adopted by MDBs in 2015 to provide a uniform approach in the evaluation of projects delivering positive climate co-benefits and is predicated on two standardized methodologies: “*Common Principles for Climate Change Mitigation Finance Tracking*,” and “*Common Principles for Climate Adaptation Finance Tracking*.” The GIF will make enhancements to its “Climate Smart” definition as needed on a rolling basis and in line with the evolution of the MDB framework from time-to-time.

operating on a commercial basis, provided that in both cases they provide infrastructure as a public service, and that the Project or Program (a) has strong potential to achieve financial viability and sustainability and to attract private capital and/or expertise, or (b) seeks to mobilize private investment or long-term commercial financing in GIF eligible infrastructure sectors.

5. **Eligible sectors:** Following the principle of providing public goods by enabling investment in infrastructure, the GIF may support Projects or Programs across the following sectors (including associated infrastructure):
 - a. **Energy**, which is broken down in the following sub-sectors: electricity generation, electricity transmission or distribution, natural gas (including gas flaring), energy efficiency, and district heating or cooling;
 - b. **Water, sewage and sanitation**, which is broken down in the following sub-sectors: water (including supply, treatment, transportation, and distribution), sewage, wastewater treatment, and irrigation;
 - c. **Municipal solid waste (MSW)**, which is broken down in the following sub-sectors: collection and transport, treatment and disposal, and integrated MSW;
 - d. **Social infrastructure**, which is broken down in the following sub-sectors: healthcare, education, and public facilities;
 - e. **Transport**, which is broken down in the following sub-sectors: airports, ports, railways, mass transit, roads, and inland waterways; and
 - f. **Information and communications technology (ICT)**.
6. This list of eligible sectors may be expanded as necessary 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.

The GIF will support Projects and Programs with regional or global public good characteristics, in demonstrating:

- a. **Climate smart:** Projects or Programs or components thereof that directly contribute to or promote climate change mitigation and/or adaptation in EMDEs that are aligned to

- the joint Multilateral Development Banks (MDB) frameworks.³ Climate change mitigation activities include those that reduce greenhouse gas (GHG) emissions, encourage energy and/or carbon efficiency in the provision of infrastructure services, and are compatible with low-emission development. Adaptation-related infrastructure Projects or Programs demonstrate a commitment to reducing vulnerability to climate change. Climate smart infrastructure Projects that promote climate mitigation and/or adaptation span a variety of sectors that can include, but are not limited to, renewable energy, lower carbon and efficient energy generation, energy efficiency, waste and wastewater, and low-carbon transport⁴; and/or
- b. **Connectivity and Integration:** Projects or Programs that facilitate or enhance physical or technological connectivity, promote efficient commerce across markets, improve the movement and access of people, goods, and services domestically or across borders, and deepen regional integration. Such Projects or Programs link communities, economies, and nations through transport, trade, communications, energy, water networks and other means within and across countries, and support or enhanced such connectivity as in the case of urbanization infrastructure projects. A non-exhaustive list of Projects or Programs that promote connectivity may include electricity and natural gas transmission, freight and passenger rail networks, ports and inland terminals, telecommunication (ICT) networks, airports, and cross-border roads and other road networks.
8. **Project selection criteria:** Projects or Programs proposed for GIF Activities' support will be assessed against the following criteria; based both on expected outcomes and the individual and aggregate degree of risk to those outcomes:
- a. **Development Impact:** Projects or Programs 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, more climate smart modes of service provision and/or catalytic for widespread sectoral reform/improvement.

³ The joint MDB Climate Finance Tracking Methodology was adopted by MDBs in 2015 to provide a uniform approach in the evaluation of projects delivering positive climate co-benefits and is predicated on two standardized methodologies: “*Common Principles for Climate Change Mitigation Finance Tracking*,” and “*Common Principles for Climate Adaptation Finance Tracking*.” The GIF will make enhancements to its “Climate Smart” definition as needed on a rolling basis and in line with the evolution of the MDB framework from time-to-time.

⁴ Qualifying sectors and sub-sectors are drawn from the joint MDB framework's list of agreed activities that are eligible to be classified as climate mitigation finance. Eligible activities are reviewed on an annual basis and are subject to evolutions in definition and scope from time-to-time. Projects promoting climate adaptation fall within the same set of eligible activities, but must also demonstrate an intent to reduce climate change vulnerability applying a three-step approach: (1) setting out the climate change vulnerability context of the project; (2) making an explicit statement of intent of the project to reduce climate change vulnerability, and (3) articulating a clear and direct link between specific project activities and the project's objective to reduce vulnerability to climate change.

- b. **Alignment with Country Priorities:** Projects or Programs 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 or Program, 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 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).⁵
- d. **Mobilization of Private Capital and Expertise:** Projects or Programs that have significant potential to leverage public funds by attracting sizeable capital investment from the private sector, or by attracting private expertise through transfer of performance risk to private partners. Operation and Maintenance or Management Contracts may be considered when a Project supports operating entities to improve their governance and management as well as operations and financial performance in a way that increases access to private finance on a more systematic basis in the long run.
- 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, credit enhancement 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 localities or 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. Projects and Programs will be selected to achieve diversity in the overall portfolio of GIF Activities, according to the following targets (calculated on a rolling basis (expressed in a percentage) on US\$ value of GIF Activities approved during the immediately preceding thirty-six (36) months (net of cancelled amounts)):
 - a. **Sectors:** No more than 35 % of GIF Activities in any one sub-sector, as defined under Paragraph 5.

⁵ The information available to demonstrate the expected viability of a Project or Program proposed for GIF support will depend on the stage of development of the Project or Program; the assessment of a proposed Project or Program will be adjusted accordingly. GIF Activities will be designed to ensure that viability and value for money guide Project or Program preparation and structuring, and are appropriately appraised at each stage.

- b. **Regions:** No more than 30% of GIF Activities in any one region (herein defined as Sub-Saharan Africa, Middle East/North Africa, Latin America and the Caribbean, Europe and Central Asia, and South Asia and East Asia, based on World Bank regional breakdown).
 - c. **Country income level:** A minimum of 50% of GIF Activities in Low-Income or Lower Middle-Income Countries, of which a minimum of 20% of GIF 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 or Programs, GIF Activities exceeding this target may be considered.
10. These diversity targets will be used to guide the Management Unit’s submissions for approval to the voting Funding Partners of GIF Activities Applications (the “**Applications**”), with a view to achieving an adequate level of portfolio diversity at the end of the replenishment period, while allowing fluctuations in actual level of diversity during the course of the replenishment period so as to help facilitate the pipeline management. When (a) an approval of any GIF Activity will result in exceeding more than 10% over any of those targets at the time of approval of Application, and (b) in the Management Unit’s judgment, such situation is likely to continue for longer than six (6) months, the Management Unit will seek voting Funding Partners approval of the Application, regardless of size of proposed GIF Activity. Submission of such Application will be done on a case-by-case basis and include justification of such exception in the Application.
11. Additional diversity factors may be considered, as necessary, 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 first replenishment period, and to ensuring that the set of Projects includes activities across a range of Project development stages. Portfolio diversity targets will be monitored by the Management Unit as part of its portfolio monitoring and reporting responsibilities.

D. GIF OPERATIONS

Types of Activities

12. The GIF’s Operations will include GIF Activities (those carried out under the *Upstream Advisory Window*, the *Downstream Financing Window*, and other types of assistance and financing support to EMDE infrastructure Programs and Projects), as well as activities under the *Partnerships, Knowledge and Communications Agenda*.

In support of GIF Activities, the Management Unit's responsibilities include:

- a. Facilitating the formation of GIF Activity Implementation Teams from among the Technical Partners, which includes providing assistance in scoping and refining the scope of a particular GIF Activity and helping GIF Activity Implementation Teams solicit non-binding input and feedback from Advisory Partners, as appropriate;
- b. Providing subject matter expertise and technical support to GIF Activity Implementation Teams and Governments at their request;
- c. At key stages of the implementation of a GIF Activity, reviewing and approving any proposed changes in scope of the activity in light of work completed, and updating the Governing Council on the status of the GIF Activity;
- d. Ensuring best practices cycle into and out of GIF Activities;
- e. Undertaking outreach activities with prospective EMDE governments to identify potential GIF Activities in conjunction with Technical Partners, as appropriate and in particular as needed to support compliance with the GIF portfolio diversity targets; and
- f. Developing the pipeline of GIF Activities in consultation with Technical Partners.

I. The Upstream Advisory Window:

13. Upstream GIF Activities comprise GIF Project Readiness Assessments, GIF Project Definition Activities, GIF Project Preparation and Structuring Activities, and Go Deep.

Other types of technical assistance activities may be submitted by the Management Unit to the voting Funding Partners for approval to help Governments mobilize private investment or long-term commercial financing in infrastructure Projects or Programs. Any such activities shall comply with the provisions of the GIF Partnership Framework and these GIF Operating Guidelines.

14. **Project Readiness Assessments (“PRA”).** The PRA will comprise a standardized tool financed and managed by the GIF and similar activities, which assess the completeness and quality of Project or Program preparation to date, identify key information gaps, and recommend actions that Governments (including governmental entities) can take to foster robust Project or Program preparation, maximizing the probability of reaching Project financial close or Program completion and ultimately attaining long-term sustainability. The scope of a PRA will be determined based on Project or Program progress with two main standard variations, corresponding to a pre-feasibility stage (Stage 1), and a more detailed feasibility stage (Stage 2), while also allowing flexibility for optional and customizable tasks.

The PRA will be used by the Management Unit to help inform subsequent decision over the eligibility of the Project or Program for further GIF Project or Program preparation funding, and support Government Counterparts⁶ with high-level strategic advice.

15. **Project Definition Activities (“PDA”).** The PDA will comprise technical assistance to Governments in identifying and defining infrastructure Projects or Programs intended for private investment, and in planning for detailed Project or Program preparation work. The PDA may be carried out with the objectives of: (a) bringing PDA-supported Projects to the PPSA stage, or (b) enabling Governments to mobilize private investment or long-term commercial financing in infrastructure Projects or Programs, including by providing technical assistance to state-owned enterprises (SOEs) to build their capacities or filling a gap in Project preparation and structuring activities that are carried out by Governments without GIF funding support.
16. **Project Preparation and Structuring Activities (“PPSA”).** The PPSA will comprise technical assistance to Governments for project preparation and structuring of selected infrastructure Projects and Programs. This may include advisory support through the following project preparation stages:
 - **Stage A - project preparation and investment feasibility assessment stage:** to support the full range of project preparation and appraisal activities needed to bring a project to the point where the Government is able to make a well-informed decision to proceed with a transaction.
 - **Stage B - transaction design and implementation stage (i.e., transaction support to commercial close):** to support the Government in managing all aspects of the transaction process, as needed, to successfully reach commercial close.
 - **Stage C - financing stage (i.e., support from commercial close to financial close):** to support the Government, as needed, in connection with finalizing financing packages and achieving financial close.

In addition, the PPSA may include:

- **Stage 0 - project definition works:** to supplement the project definition works already carried out prior to PPSA; and
- **Capacity-Building and Institutional Strengthening support:** provided to Governments in parallel with the above stages to help Governments build capacity and strengthen institutions as required to enable successful Project or Program development and implementation during the project preparation stages described above.

⁶ "Government Counterpart" is defined in Section E as a ministry, department agency, or SOE that will act as the primary counterpart in the implementation of a GIF Activity and who submits or confirms an Application on behalf of the national or sub-national Government, as the case may be, of an eligible country.

17. **Go Deep.** Go Deep will provide intensified and more flexible support in countries/sectors that exhibit strong potential to achieve accelerated impacts in terms of scalable and programmatic investment opportunities. In collaboration with Technical Partners and complementing other funding resources, Go Deep moves beyond individual Projects and Programs for which deeper development impact is generated at the country or sector level in both infrastructure delivery and mobilization of private capital into the sector, as well as leveraging the GIF's financial and in-house technical resources along with the expertise of Technical and Advisory Partners to develop a series of innovative transactions.

II. The GIF Knowledge, Partnerships and Communications Agenda:

18. Consistent with the GIF Partnership Framework principles, the Management Unit will develop and carry out interventions related to knowledge, partnerships and communications in ways that contribute to the GIF's objectives of increasing private investment in EMDE infrastructure projects and expanding the market for infrastructure financing in EMDEs. In this endeavor, it will undertake activities to address issues that are common across GIF-supported Projects and Programs and of interest to GIF Partners which will help, among other things, encourage innovation in design and use of financial resources to fill specific financing gaps. Knowledge and partnership-oriented activities will be supported by enhancing the GIF's brand through targeted, impactful communications activities focused on raising awareness of the GIF, GIF Partners and GIF Activities, and strengthening engagement of the global collaboration platform to develop and foster knowledge-sharing, partnerships and coordination among partners.
19. Activities will include convenings, the development of knowledge products (drawn from the GIF's portfolio and Upstream Advisory Window and Downstream Financing Window, GIF Activities, as well as through feedback solicited from the GIF Partners), special initiatives, best and emerging practices, trends and other topics germane to the GIF Partners.

III. The Downstream Financing Window:

20. The Downstream Financing Window will include GIF Activities to (a) encourage the use of financial resources to fill specific financing gaps, and (b) facilitate financial arranging and the provision of credit enhancement and risk mitigation products and packages, which will serve GIF objective of helping to expand the market for private financing support to investments in EMDE infrastructure programs and projects. Upon creation of the GIF Downstream Financing Window, its governance framework and operational rules will be established in agreement with donors and trustee, as appropriate.

Reimbursement Conditions for Upstream Advisory Window GIF Activities

21. A portion of GIF Activities may be undertaken *on a reimbursable basis*, with a view to sharing Project or Program preparation cost and risk with Government Counterparts, and ultimately with investors. GIF Activities may also be undertaken *on a grant basis* in order to enable and incentivize Governments to: (a) make well-informed decisions when initiating a Project or Program and plan adequately for successful implementation (i.e., at PRA and PDA stages), or (b) support piloting innovative, scalable, programmatic or replicable approaches with a potential to be catalytic and/or build necessary inhouse expertise (i.e., at PPSA stage).
22. Terms and level of reimbursement for an individual GIF Activity will be included in each Application and reviewed and approved by the Management Unit or the voting Funding Partners, as the case may be, on a case-by-case basis, as part of an Application process as set forth in *Section E. "Activity Initiation, Review and Approval Process"*. Greater flexibility will be given to the low income countries, and fragile, conflict and violence (FCV) affected states (based on the World Bank's classification) for reduction of the reimbursement ratio or use of grants.
23. The following guidelines will be used in determining proposed terms and level of reimbursement for GIF Activities:
 - a. PRA and Go Deep will be undertaken on a *grant basis*;
 - b. PDA will be undertaken on a *grant basis*, except that it may be considered on a *reimbursable basis* in cases where specifics of the Project or Program warrant it. In such cases, reimbursement may be required on a stand-alone basis or may be rolled over and added to a subsequent PPSA when the concerned Project or Program moves to that stage; and
 - c. PPSA will normally be undertaken (a) on a *reimbursable basis*, in EMDEs that are not low income or FCVs; and (b) on a *grant basis*, in low income countries and FCVs. In exceptional cases as recommended by the Management Unit, a PPSA may be proposed on a grant basis in countries other than low income countries and/or FCVs, in which case the Application will be submitted to the voting Funding Partners for approval regardless of the GIF Activity amount.
24. In determining the proposed reimbursement terms for a particular GIF Activity, Technical Partners will make reference to the guidelines described in Paragraph 25. Where a deviation from these guidelines is proposed, the Application should include an explanation for such deviation so as to assist the voting Funding Partners or the Management Unit, as the case may be, with their review of the Application and justification for such deviation.

25. Technical Partners may use the following guidelines in determining proposed reimbursement terms concerning costs (as described in Section H. “*Financial Management*”), for any GIF Activity:
- a. **Reimbursement level:** It may be set up to a maximum of 100% of a GIF Activity costs, or a higher percentage may be considered where specifics of the Project or Program so warrant.
 - b. **Guidelines in absence of standard advisory services agreements:** The following principles may be used where Technical Partners do not have established standard advisory services agreements and associated pricing policies for Project or Program preparation and structuring support that are based on a "success fee" structure:
 - i. **When (x) a Project successfully reaches commercial or financial close, (y) a Program has been successfully completed, or (z) any other such payment milestone has been accomplished** in the terms of the advisory services agreement between the Technical Partner and the Government Counterpart, as the case may be, the agreed level of the GIF Activity costs should be reimbursed to the GIF. The mechanics of such reimbursements will be determined by the relevant Government Counterpart and the Technical Partner and may include requiring payment from the successful project sponsor, such requirement to be built into the transaction documentation.
 - ii. **Project Failure:** If the GIF Activity is terminated at any stage because the Project or Program is found to be non viable or relevant, and hence cancelled, no reimbursement should be required, but if required, reimbursement to GIF should follow the process set forth in (iii) below.
 - iii. **Activity Cancellation:** If the GIF Activity is terminated by the Government Counterpart prior to reaching commercial or financial close, as the case may be, without cause or is terminated by the Technical Partner due to failure of the Government Counterpart to comply with the terms of the GIF Activity engagement, the agreed level (normally 100%) of incurred costs should be reimbursed by the Government Counterpart.
 - c. **Guidelines when the Technical Partner has established standard advisory services agreements** and associated pricing policies for Project or Program preparation and structuring support that are based on recovering costs through a "success fee" charged to the Government Counterpart are in place when the Project reaches commercial or financial close, or the Program has been successfully completed, or any other such payment milestone (which may also include a “penalty payment” in case of cancellation of the advisory service agreement), those standard agreements and associated pricing policies may form the basis for the proposed reimbursement terms

for a GIF Activity. In such cases, the Technical Partner may use the following guidelines in determining proposed reimbursement terms for any GIF Activity:

- i. **When (x) a Project successfully reaches commercial or financial close, or (y) a Program has been successfully completed, or (z) any other such payment milestone has been accomplished** in the terms of the advisory services agreement between the Technical Partner and Government Counterpart, the reimbursement to GIF will be defined as a percentage share of the “success fee” calculated as the total financial contribution of GIF as a proportion of the total incurred costs of the Technical Partner, up to the agreed level (i.e., percentage or amount) of reimbursement of the relevant GIF Activity costs. This calculation is made by the Technical Partner after the payment milestone has been reached and the Technical Partner has received payment from the Government Counterpart; information supporting the calculation, including the total incurred costs of the Technical Partner, will be shared with the Management Unit.
- ii. **Project Failure:** If there is an event of Project Failure, no reimbursement should be required, but if required, reimbursement to GIF should follow the process set forth in (iii) below.
- iii. **Activity Cancellation:** If there is an event of Activity Cancellation, the reimbursement to GIF will be defined as a percentage share of any penalty or reimbursement payment, calculated as the total financial contribution of GIF as a proportion of the total incurred costs of the Technical Partner, up to agreed level (normally a maximum of 100%) of the GIF Activity costs incurred. This calculation is made by the Technical Partner after cancellation occurs and the Technical Partner has received payment from the Government Counterpart; information on the basis for the calculation, including the total incurred costs of the Technical Partner, will be shared with the Management Unit.

E. ACTIVITY INITIATION, REVIEW AND APPROVAL PROCESS

Proposing Entities - Applications

26. Applications for GIF support will be submitted to the Management Unit jointly by a national or sub-national government entity from an eligible country as defined in Paragraph 3, and by one or more Technical Partners as described further in the following paragraphs, except for Projects and Programs described in Paragraph 39, for which only one or more Technical Partners should submit an Application. In the case of regional or cross-border Projects or

Programs, Applications may be jointly submitted by government-recognized entities of the concerned countries.

27. Applications may be submitted on behalf of a national or, as the case may be, sub-national Government by the ministry, department, agency, or SOE that will be the primary counterpart for the GIF Activity (the “**Government Counterpart**”), except for Projects and Programs described in Paragraph 39. The Application will also include evidence of support for the Project or Program and the proposed GIF Activity from relevant government entities, as described in Paragraphs 37 and 38.

Initiation of GIF Application Process

28. Government representatives from eligible countries and/or a Technical Partner team on behalf of a prospective Government Counterpart, may initiate an Application process for a Project or Program by submitting an overview of the Project or Program to the Management Unit (“**Project Lead**”). This Project Lead will follow a template provided by the Management Unit and include sufficient Project or Program details to confirm potential eligibility, as well as brief information on current Project or Program status and expected preparation and structuring needs. Only one Project Lead per GIF Activity will be submitted. In certain cases, such as when a Project or Program is advanced and there is enough information for the Management Unit to assess its potential consistency with GIF eligibility and selection criteria and with GIF portfolio diversity targets, the Management Unit may directly proceed to invite candidates to submit an Application for a PRA, PDA or PPSA as set forth in Paragraphs 32 through 35.
29. The Management Unit will review the Project Lead to assess the potential consistency of the Project or Program with GIF eligibility and selection criteria and with GIF portfolio diversity targets, inform the submitting entity of the result of this review, and invite potentially eligible candidates to submit an Application.
30. If the Management Unit determines, after consultation with the Technical Partner that initiated the Project Lead, that there is a need to seek support and/or coordinate with other Technical Partner(s) for the performance of the GIF Activity, taking into account the nature of information (i.e., confidentiality), the Management Unit will circulate the Project Lead to relevant Technical Partners to ascertain their interest in supporting the Project or Program, given their respective mandates, investment strategies, and engagements in the relevant EMDE country and sector(s). In such a case, concerned Technical Partners will convene (in person or remotely) to agree on the approach for preparing the Application, including:
 - a. responsibility for leading preparation of the proposal, in coordination with the prospective Government Counterpart. It is expected, although not required, that

where the Application has been initiated by a Technical Partner, that Technical Partner will lead the preparation of the proposal;

- b. interest and capacity in participating in the GIF Activity Implementation Team, as defined in Paragraphs 47 and 48; and/or in participating as a GIF Activity Input Provider as defined in Paragraph 49 for the GIF Activity; and
 - c. approach to information-sharing and communication among interested Technical Partners during the process of preparing the Application.
31. The Management Unit will facilitate this discussion as necessary. Decisions will be reached by consensus among the interested Technical Partners, following the GIF objectives and core principles of being an open platform for collaboration, and guided by consultation with and subject to agreement by the prospective Government Counterpart.

Applications for GIF PRAs

32. Subject to submission and review of a Project Lead, unless excepted as set forth in Paragraph 28, potentially eligible candidates may be invited to submit an Application for PRA. Unless otherwise agreed by the Management Unit, the Management Unit will conduct the PRA in collaboration with the Government Counterpart and relevant Technical Partner, as applicable.
33. Applications for a PRA will be either submitted or confirmed by the prospective Government Counterpart by means of a letter as set forth in Paragraphs 37 and 38. Should a GIF Technical Partner lead implementation of a PRA in coordination with the Management Unit, then the Application will be submitted jointly with such Technical Partner.

Applications for GIF PDAs

34. Subject to submission and review of a Project Lead, unless excepted as set forth in Paragraph 28, potentially eligible candidates will be invited to submit an Application for PDA. Applications will be submitted jointly by the prospective Government Counterpart and the Technical Partner(s) that will be responsible for implementing the PDA.

Applications for GIF PPSAs

35. Subject to submission and review of a Project Lead, unless excepted as set forth in Paragraph 28, potentially eligible candidates will be invited to submit an Application for a PPSA. Such Applications will be submitted to the Management Unit jointly by the prospective Government Counterpart and the Technical Partner(s) that will be responsible for implementing the PPSA.

Application Templates

36. Applications will follow a template provided by the Management Unit for the respective type of GIF Activities, and include as relevant:

- a. ***For all GIF Activities-*** Description of the Project or Program, with sufficient information to demonstrate consistency with GIF eligibility and selection criteria;
- b. ***For all GIF Activities-*** Status of Project or Program development and work completed to date (including any sector reforms in process and/or related public infrastructure under development);
- c. ***For PDA and PPSA-*** Identities and roles of public, multilateral and private entities that have been involved in the Project or Program to date (e.g., donors, consultants, government entities, multilateral agencies), as well as government staff responsible for project implementation;
- d. ***For PPSA-*** Scope of Project or Program development activities already underway or planned (including those already completed under a PDA and any further work completed without GIF support), with estimated timeline, budget, funding sources, and implementation arrangements;
- e. ***For all GIF Activities-*** Project or Program stages in which GIF Activities are carried out, along with (i) scope and estimated cost of proposed GIF Activity at each Project or Program stage—that is, the set of Project or Program support GIF Activities to be implemented, defined in accordance with the principles established above, and (ii) indicative schedule of GIF funds transfers from GIF to Technical Partners. The scope of work for all but the first stage as well as the total cost of proposed GIF support, will be considered indicative and may be revised as the Project or Program progresses according to the results of the work undertaken. Milestones should be identified, corresponding to the completion of GIF Activities at each stage, at which time the scope will be reviewed and may be revised in consultation with the Management Unit and with approval of the voting Funding Partners if so required as set out in Paragraph 56. In exceptional cases where funding is required upfront for multiple Project or Program stages, rather than on a milestone basis at the completion of each Project or Program stage, this requirement and its rationale should be specified in the Application;
- f. ***For PPSA-*** Scope of any support to Governments in building capacity and strengthening institutions, as required to enable successful Project or Program development and implementation. Capacity building and institutional strengthening support may span the Project or Program preparation stages described above;
- g. ***For all GIF Activities-*** Contact information, as applicable, of: (i) each the Technical Partner(s) that: (x) submits the Application to the GIF, and (y) the GIF Activity Implementation Team, including the person(s) responsible for leading the proposed GIF Activity from the respective Technical Partner, and/or (iii) the Government or Government Counterpart;

- h. ***For all GIF Activities-*** Information on any perceived, potential or actual conflict of interest arising from the Technical Partners' participation in the GIF Activity Implementation Team, and mitigation mechanisms to be employed, as set forth in Paragraphs 60 to 64;
- i. ***For PDA and PPSA-*** Indicative scope of work for any external consultant at each Project or Program stage;
- j. ***For PDA and PPSA-*** Proposed reimbursement arrangements and terms, if applicable; and
- k. ***For all GIF Activities-*** Amount requested by each Technical Partner to cover Technical Partner Activity Administration and Support Fees, if applicable.

Evidence of Support from relevant Government Entities

37. All Applications will be accompanied by a letter of support for the Project or Program and the proposed GIF Activity from a representative of the national Government, or in the case of a sub-national Project or Program, the sub-national Government, except for certain Projects or Programs as set forth in Paragraph 39. The objectives of such letter are to ascertain that the Government: (a) supports the Project or Program and the proposed GIF Activity; (b) coordinates among relevant ministries or other bodies or entities of the Government; and (c) acknowledges the reimbursable nature of GIF support, if applicable. Such letter will be provided in a form acceptable to the Management Unit, by either: (i) the ministry or ministries (or equivalent at subnational level, as applicable) responsible for planning and/or financing of public investments; (ii) the line ministry (or equivalent at subnational level, as applicable) responsible for the planning/implementation of the proposed infrastructure investments; (iii) for the PPSA, other Government agency with designated authority or responsibility for providing relevant infrastructures services or project development; or (iv) in exceptional cases where any of the above is not appropriate for the circumstance, any other Government entity with relevant authority or responsibility if the Management Unit determines that a letter from such agency or entity satisfies the objectives set out above. This letter will identify the Government Counterpart, confirm support for the Project or Program, and designate contact points for any additional ministry or ministries (or equivalent at subnational level, as applicable) with responsibility for the relevant sector(s), where such entities are not the primary counterpart for the GIF Activity.

38. For Applications submitted by Government Counterparts at the sub-national level, in addition to the letter of support from the sub-national Government referred to in Paragraph 37, evidence should be submitted showing that the national Government does not have any objection to the Project or Program, (i) in a form of a no-objection letter from the ministry responsible for planning and/or financing of public investments at the national government level; or (ii) in such other form which the Management Unit determines satisfies this requirement. A no-objection letter is typically used in cases where the sub-national Government needs an

authorization or financial support from the national Government to undertake the Project or Program.

39. For Projects or Programs in which, at the time an Application is submitted, a recipient country cannot be identified by virtue of the nature of the Programs or Projects, such as in the case of upstream programmatic multi-country projects, a letter of support will not be required.

Management Unit's Review of Applications

40. The Management Unit will review each submitted Application and will screen the Application for:

- a. **Consistency with GIF requirements:** consistency of the Project or Program 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; and
- b. **Completeness:** whether the Application contains all pertinent information or additional information is required.

41. Depending on the result of the review, the Management Unit will respond as follows:

- a. If an Application is not consistent with GIF requirements, the Management Unit will return the Application with an explanation of its rationale for its rejection. An Application may be re-submitted if changes to the GIF Activity or Application can be made that would make it consistent with GIF requirements.
- b. If an Application appears potentially consistent with GIF requirements but is not complete, the Management Unit may support the process of completing the Application by providing feedback or assistance to the submitting Government entity and/or Technical Partner(s) on the additional information needed.
- c. If an Application is complete and consistent with GIF requirements, the Management Unit will inform the submitting entities and proceed to the approval stage.
- d. The Management Unit will handle any information received by it during the Application process in accordance with Paragraph 78.

GIF Activity Approval

42. Approval of the voting Funding Partners will be sought on a no-objection basis in accordance with the no-objection approval procedures set out in Paragraphs 85 through 90, for any GIF Activity: (a) with an estimated total GIF funding (excluding Technical Partner Administration and Support Fees) of over \$500,000, (b) which results in significantly exceeding the diversity target as set out in Paragraph 10, (c) which proposes a PPSA on a full grant basis in countries other than low income countries and/or FCV states as set out in Paragraph 23, or (d) when the

Management Unit determines it is warranted. The Management Unit will recommend Applications for approval to the voting Funding Partners as set out in Paragraph 43.

43. The Management Unit will submit the Application to the voting Funding Partners via email, together with a summary containing (a) a description of the Project or Program and the stage of development, including indicative potential private sector involvement, (b) a discussion of its consistency with the selection criteria, (c) a description of the proposed GIF Activity, estimated budget, reimbursement arrangements, and composition of GIF Activity Implementation Team; and (d) a discussion of the implications of the proposed GIF Activity for compliance with portfolio diversity targets.
44. In approving an Application for a GIF Activity, the voting Funding Partners will approve the allocation of GIF funding for implementation of the full scope of the GIF Activity as set out in the Application, subject to adjustments according to Paragraphs 54 to 59.
45. For GIF Activities with a total expected GIF funding of \$500,000 or less, approvals will be the responsibility of the Management Unit on the basis of consistency of the completed Application with the project eligibility and selection criteria, GIF Partnership Framework principles and GIF Operational Guidelines, portfolio diversity targets, and implementation team requirements. Once an Application is found to be consistent with these requirements, the Management Unit will approve the Application, and send a summary to the Governing Council for notification.
46. Following approval of an Application, the Management Unit will send to the responsible Technical Partner(s) an award letter notifying it has been approved (an “**Award Letter**”).

F. ACTIVITY IMPLEMENTATION

GIF Activity Implementation Team Role and Responsibilities

47. A **GIF Activity Implementation Team** may consist of technical staff from one or more Technical Partners, which may have different roles at different stages of the Project or Program according to the Project or Program requirements. A team should be constituted as best meets the needs of the GIF Activity, namely, ensuring the appropriate skills, knowledge, and expertise is deployed at each stage of the Project or Program, while maintaining efficient implementation arrangements. An overall **Team Leader(s)** will be designated by the respective Technical Partner(s) to coordinate the GIF Activity: (a) through all stages, and (b) between or among the Technical Partners where an Application involves more than one Technical Partner.

48. 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 or Program; providing strategic guidance to Government Counterparts throughout the GIF Activity and, in doing so, coordinating with other Project- or Program-related activities such that the overall 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 a 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, in accordance with the policies and procedures of those Technical Partners and following the guiding principle of enabling broad participation in the final financing structure as best meets the needs of the Project or Program;
- c. Providing periodical brief progress reports on GIF Activity implementation to the Management Unit as set out in Paragraph 59;
- d. Soliciting non-binding input and feedback from GIF Activity Input Providers, supported by the Management Unit, as necessary, as described in Paragraphs 47 to 51; and
- e. At the end of each Project or Program stage, reviewing as applicable, Project or Program definition, preparation, structuring, and appraisal work undertaken to date, and in consultation with the Management Unit, (i) advising the Government Counterpart with respect to continuing Project or Program development in light of available information on Project or Program viability; (ii) adjusting the proposed scope of the GIF Activity accordingly; and (iii) reporting to the Management Unit on outcomes of relevant Project or Program stages and any proposed adjustments to the GIF Activity scope as set out in Paragraph 56, subject to the review and approval requirements described in Paragraphs 57 and 58.

Inputs from GIF Partners

49. The GIF Activity Implementation Team may seek support of the Management Unit as necessary, to solicit non-binding input and feedback on the GIF Activity from Government Counterparts, interested Advisory Partners and Technical Partners (each such party, “**GIF Activity Input Provider**”), which may be selected by the Team Leader in consultation with

the Management Unit based on Project or Program needs. The Management Unit may assist the GIF Activity Implementation Team to obtain from GIF Activity Input Providers, either in person or remotely, at key Project or Program stages, non-binding input and feedback, including on preparation approach and structuring options, reflecting current market and financial trends. The input and feedback will be reviewed and, as appropriate, taken into consideration by the GIF Activity Implementation Team in the preparation of the GIF Activity with the objective of enhancing its sustainability and/or bankability, as applicable.

50. Advisory Partners and Technical Partners providing non-binding feedback in their role as GIF Activity Input Providers should inform the Team Leader and Management Unit at inception or throughout the duration of the GIF Activity of any actual, potential or perceived conflicts of interest with respect to the Project or Program, as set forth in Section G. “*Conflict of Interest*”.
51. The input and feedback being sought from the GIF Activity Input Providers may depend on partner role as follows:
 - a. **Private Advisory Partner members:** provide non-binding input and feedback on their perception of Project or Program 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 GIF Activity Implementation Team and the Government Counterpart.
 - b. **Technical Partner and Development Finance Advisory Partner members:** provide non-binding feedback on Project or Program risks as well as risk mitigation approaches, and specifically, interest and capacity to provide financing or credit enhancements or otherwise support the Project or Program according to the needs identified by the GIF Activity Implementation Team.
52. The GIF Activity Implementation Team will manage all interactions with the GIF Activity Input Providers such as to avoid creating conflicts of interest or the perception of conflicts of interest and with the intent of maintaining a level playing field, as described in Paragraph 64.
53. The GIF Activity Implementation Team may, from time to time, amend the composition of the GIF Activity Input Providers to ensure its relevance to the GIF Activity’s stage of development, and to manage actual, potential and/or perceived risks of conflicts of interest as described in Paragraph 64.

Completion of Project or Program Stages and Adjustment of GIF Activity Scope during Implementation

54. GIF Activities and transfers of GIF funding to Technical Partners may be carried out in stages, as set out in the respective approved Applications and Award Letters. Where a GIF Activity is carried out in stages, upon completion of each stage and at milestones defined in the Application, the responsible GIF Activity Implementation Team will report to the Management Unit. This report will follow a format provided by the Management Unit, and include information sufficient to demonstrate that the planned scope of work for that stage has been completed and that the Project or Program remains consistent with GIF criteria, set out any proposed adjustments to the scope, cost, or implementation arrangements for subsequent stages of the GIF Activity arising from Project or Program development and appraisal outcomes, and associated implications for reimbursement arrangements (if any). The Management Unit will review the information received from the GIF Activity Implementation Team to check the GIF Activity remains consistent with the requirements of the GIF Partnership Framework and GIF Operating Guidelines.
55. Based on the results of that review, provided the GIF Activity remains consistent with GIF requirements, within a maximum of fifteen (15) working days since receipt of the information provided by the GIF Activity Implementation Team, the Management Unit will proceed as follows:
- a. If a proposed adjustment in scope (if any) would result in an increase in the total GIF funding for GIF Activity, the Management Unit will take steps to seek approval in accordance with Paragraph 58.
 - b. Following approval of increase in the total GIF funding in accordance with Paragraph 58, where applicable, the Management Unit will notify the Trustee of advancement to the next Project or Program stage and of increased allocation of GIF resources required, if any. This notification will trigger the release of the Technical Partner Activity Administration and Support Fees and disbursement of GIF Activity funds for that stage to the relevant Technical Partners, in accordance with the Financial Procedures Agreements. The Management Unit will send a summary of the results of the work undertaken and ensuing adjustments to the Governing Council for notification.

Adjustment of GIF Activity Scope due to Implementation Delays

56. In some cases, a Project or Program may be delayed due to reasons beyond the control of the GIF Activity Implementation Team, in such a way that impacts the scope and cost of support required to achieve the GIF Activity objectives. In such cases, and where the delay to the Project or Program exceeds six (6) months, an adjustment to the scope and cost of GIF Activity may be proposed by the GIF Activity Implementation Team. Such adjustment will be subject to Management Unit review based on continued consistency of the GIF Activity with the requirements of the GIF Partnership Framework and GIF Operating Guidelines, and to approval following the processes set out in Paragraph 58.

Modifications to the Approved Terms of GIF Support

57. Technical Partners are required to use GIF funds for GIF Activities according to the approved Application, Award Letter and relevant provisions of this GIF Operating Guidelines, including Paragraphs 60, 61 and 63. If any increase in the total GIF funding amount or any other material modification/adjustment is proposed to an approved GIF Activity for which GIF funds are provided, Technical Partners should inform and consult with the Management Unit with respect to such material modification.
58. GIF approval shall be sought for any increase in the total GIF funding amount or any other material modification/adjustment to a GIF Activity as follows:
- a. Where a proposed modification or adjustment is material but will not result in an increase in the total GIF funding amount:
 - i. if: (x) the Management Unit determines that the proposed modification or adjustment results in substantive or significant change in the GIF Activity's objective and scope of work, and (y) its original Application was approved by the Governing Council or the voting Funding Partners, then their approval, as applicable, will be required on a non-objection basis for any such proposed modification or adjustment to a GIF Activity; and
 - ii. the Management Unit may approve proposed modifications or adjustments to a GIF Activity in all other cases.
 - b. Where a proposed modification or adjustment results in an increase in total GIF funding amount:
 - i. if a proposed modification or adjustment would both (x) increase total GIF funding by more than twenty (20) percent, and (y) result in a total GIF funding exceeding \$500,000 (after the increase), then approval by the voting Funding Partners will be required, prior to notifying the Trustee, as described above. Such approval will be sought on a no-objection basis; and
 - ii. the Management Unit may approve proposed modifications or adjustments to GIF Activity in all other cases.

Reporting by Technical Partners

59. Technical Partners are required to provide the following reporting to GIF:
- a. To be submitted to the Management Unit:

- i. on a six-monthly basis (or such other frequency as the GIF Activity Implementation Team and the Management Unit may agree), brief reports and updates on progress of GIF Activity implementation;
 - ii. if applicable, at the end of each Project or Program stage of GIF Activity, brief reports on the relevant stage of GIF Activity, including with regard to project development and appraisal outcomes, and any proposed adjustment in subsequent stages including with respect to GIF Activity scope, as further described in Paragraph 54; and
 - iii. following completion or cancellation of GIF Activity, brief reports on GIF Activity implementation; and
- b. To be submitted to the Trustee: Annual financial reports and other periodic financial reporting on the Technical Partner GIF account, as set out in the Financial Procedures Agreement.

G. CONFLICTS OF INTEREST

60. The involvement of all GIF Partners, Governing Council members in any GIF Activity, pursuant to their respective roles as described in these GIF Operating Guidelines, will be managed so as to identify and mitigate actual, potential, or perceived conflicts of interest between those partners, with Government Counterparts, and/or with respect to the Program, Project, or ultimate intended beneficiaries of the Project, as described in the following paragraphs.
61. Actual, potential, or perceived conflicts of interest could arise when a GIF Partner or Governing Council member has an interest, including any financial, organizational, or personal interest, that may adversely influence the performance of its, his, or her role as GIF Partner or Governing Council member with respect to GIF Activities. This could include, for example, a situation where a GIF Partner or Governing Council member has a competing interest in a proposed GIF Program or Project, a historical, current or future advisory or financial engagement with any Project stakeholders, any financial interest in a related or potentially competing Project or investment Program, or any other advisory or investment engagements that may be in conflict with the interests of the Government Counterpart and/or the ultimate intended beneficiaries for a proposed Project.
62. Funding Partners, Technical Partners, or recipient country representatives acting in their capacity as Governing Council members should disclose all actual or potential conflicts of interest as soon as they become aware, and avoid participating in decision-making or deliberations in relation to matters where conflicts could arise, including but not limited to reviews and approvals of GIF Activities.

63. Technical Partners participating in GIF Activity Implementation Teams must adhere to their own conflict of interest policies, including for example with respect to separation of in-house advisory and financing functions. Technical Partners indicating interest in a GIF Activity, as described in Paragraph 30, should identify any actual or potential conflict of interest that may arise from their proposed role in the GIF Activity Implementation Team for the GIF Activity and the appropriate mechanisms that will be employed to manage any such conflicts, according to their own conflicts of interest policies. These actual or potential conflicts of interest and proposed mitigation measures should be identified in the Application as described in Paragraph 36.
64. GIF Activity Input Providers will be managed by the GIF Activity Implementation Team to avoid creating conflicts of interest or the perception of conflicts of interest, and with the intent of maintaining a level playing field, including as follows:
- a. Advisory Partners interested in or actively participating as GIF Activity Input Providers should disclose any actual or potential conflict of interest to the GIF Activity Implementation Team as soon as they become aware of it, and may be asked to recuse or should recuse themselves voluntarily from acting as GIF Activity Input Providers accordingly.
 - b. Private Advisory Partners interested in offering financing and/or any other form of support for a Project directly related to a GIF Activity may not continue to participate as a GIF Activity Input Provider once the GIF Activity enters the transaction stage—that is, when the Government Counterpart has approved implementation of the transaction and initiated the transaction preparation process.
 - c. Private and Development Finance Advisory Partners planning on, or possibly interested in, offering financing, credit enhancement or risk mitigation for a Project directly related to a GIF Activity may continue to participate as a GIF Activity Input Provider 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.
 - d. Minutes of GIF Activity Input Providers meetings, if any, will be made available as part of the document package that is provided to bidders during the bidding process of a Project.
65. The Trustee, in the performance of its functions, will also comply with the conflicts of interest rules set out in this Section G.

H. FINANCIAL MANAGEMENT

Uses of GIF Funds for GIF Activities

66. **GIF Activity Costs:** GIF funds may be used for GIF Activities approved by the voting Funding Partners and/or the Management Unit. 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;
 - 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 Project or Program preparation, appraisal, technical oversight and implementation of GIF Project or Program support activities (to the extent that they are not covered by the Technical Partner Activity Administration and Support Fees), as described in Paragraph 68. 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; and
 - c. Costs and expenses incurred by the Management Unit for the delivery of PRAs in regard to third party expenses relating to the engagement of specialized consultants, and staff costs and expenditures of the Management Unit, as such costs and expenses may be included in Management Unit costs under Paragraph 69.
67. **Non-GIF Activity Costs.** Ineligible uses of resources under GIF Activities related to Project or Program definition, design, preparation, structuring or transaction support include, but are not limited to, direct costs of the Government Counterpart’s Project or Program preparation, monitoring, or related 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 are directly associated with (or otherwise 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 Government Counterpart under which fees will be charged to the Government for staff costs and expenses.

Cost Recovery for Technical Partners

68. **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. 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 funds will be transferred and made available to the relevant Technical Partner per

Project or Program stage according to the value of the GIF Activity corresponding to that stage, as further described in Paragraphs 54 and 55, and in accordance with the terms and conditions of each Technical Partner's Financial Procedures Agreement.

Cost Recovery for the Trustee and the Management Unit

69. **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 their roles and responsibilities, costs of hosting Governing Council and Advisory Council meetings of convening GIF partners and other experts for other knowledge-sharing events or activities, and costs related to independent evaluations.
70. **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 voting Funding Partners for approval on an annual basis.

Administration of GIF Funds by Technical Partners

71. **Transfer of GIF funds to Technical Partners:** Following issuance of the Award Letter, the Trustee will commit and transfer GIF funds to Technical Partners in accordance with the Financial Procedures Agreements. Technical Partners will administer the GIF funds received from the Trustee in accordance with their respective Financial Procedures Agreement, approved Application and Award Letter, and the Technical Partners' respective policies and procedures.
72. **Return of GIF Funds from Technical Partners:** In accordance with the Financial Procedures Agreement, Technical Partners will provide the Trustee with periodic financial reports on the GIF funds received, and return to the Trustee for deposit in GIF Trust Funds: (a) the relevant amount of reimbursements (or other reflow of funds) received by Technical Partners from GIF Activities, (b) unused (or refunded) funds that were not used for GIF Activities, and cancelled amount of GIF funding, and (c) investment income on GIF funds balances held by Technical Partners.
73. **Conversion of Currency by Technical Partners:** The Trustee commits and transfers GIF funds to the Technical Partners in United States dollars (the "**Trustee Commitment Currency**"). The Technical Partner will have the right to convert all funds received by it into other currencies to facilitate the administration of the GIF funds received by it. However, unless otherwise agreed by the voting Funding Partners, Technical Partners will not be entitled to receive any additional funding from the GIF if GIF resources received from the Trustee

prove insufficient to complete the relevant GIF Activity as a result of exchange rate fluctuations.

74. If a Technical Partner provides GIF Activity support to Government Counterparts in a currency other than the Trustee Commitment Currency, an Application for that GIF Activity shall specify: (a) the currency that the Technical Partner proposes to use, and (b) arrangements under which the currency will be managed as set forth in Paragraphs 71 and 72.
75. **Foreign Exchange Risk:** Technical Partners may employ hedging tools such as cross currency swaps, as may be appropriate, to mitigate foreign exchange risk with regard to GIF Activity support to Government Counterparts in other currency than the Trustee Commitment Currency. In this case, Technical Partners will return to the GIF, relevant amounts of reimbursements in the Trustee Commitment Currency. If a Technical Partner wishes to seek recovery of any costs incurred in relation to employing such hedging tools from the GIF, the Application for the concerned GIF Activity must include an indication of any applicable hedging costs for managing such foreign exchange risks. The GIF will only cover any such costs up to the amount included in the relevant approved Application and confirmed in the Award Letter issued for that GIF Activity.
76. If a Technical Partner denominates GIF funding support to a Government Counterpart in other currency than the Trustee Commitment Currency without hedging foreign exchange risk, an Application shall specify the currency and amount of expected reimbursements, if applicable, to be received from that GIF Activity. In such cases, unless otherwise agreed with the Trustee, the Technical Partner will, upon receipt of reflows from the GIF Activity, convert such amount into the Trustee Commitment Currency and transfer the converted amount to the Trustee, in accordance with the Financial Procedures Agreement and the Application approved. 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 as a result of exchange rate fluctuations between the currency used for such GIF Activity and the Trustee Commitment Currency.

I. INFORMATION MANAGEMENT

77. **Information created or received by the Governing Council.** The Management Unit shall manage, in accordance with the provisions set forth in this Section I, 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.

78. **Information created or received by the Management Unit.** This is information considered to be 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. On this basis, the Management Unit may disclose the GIF Operating Guidelines and related information on the GIF in accordance with the AI Policy, but may not disclose information in its possession contemplated in the list of exceptions of the AI Policy, including information provided by member countries or third parties in confidence, unless the member country or third party concerned expressly consents to such disclosure. If information related to the GIF is provided to the Management Unit in confidence, the party providing the information will mark the document containing such information as confidential. As long as the information provided to the Management Unit is clearly marked in writing as “confidential information”, the Management Unit will treat it as restricted from public access and will not disclose such information unless it obtains the prior written consent from the party who provided such information. Subject to the conditions set out in this paragraph, the Management Unit will disclose any document or information provided to it for submission to the Governing Council or the voting Funding Partners, as the case may be, in accordance with the AI Policy, except for information and documents that are on the list of exceptions of such 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 of any restrictions that the GIF Partner(s) may wish to impose on the sharing of such information within the World Bank Group and/or the external sharing of such information, the Management Unit will refrain from sharing such information to the extent such restriction is 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.

79. **Information created or received by GIF Technical Partners.** With respect to information on the GIF, a GIF Activity, or a Project or Program directly related to a GIF Activity, Technical Partners that lead or co-lead a GIF Activity shall exercise good judgment and act in accordance with their respective disclosure and/or access to information policies (“**TPs Ais**”). When sharing information obtained or created in relation to a GIF Activity with GIF Implementation Team members, including GIF Activity Input Providers, Technical Partners shall inform these

parties of any restrictions on disclosing and/or sharing such information and secure that all parties comply with TPs AIs.

80. Information received by the Trustee or created by it in its function as Trustee of the GIF.

The Trustee will manage and share information received and created in its role as Trustee of the GIF in accordance with the AI Policy.

J. RULES AND PROCEDURES FOR THE GIF GOVERNING COUNCIL

81. Meetings. The Governing Council will meet at least twice a year. The Governing Council will, prior to the closing of each regular meeting, decide the timing of the next regular meeting. The Governing Council may choose to meet virtually via video or teleconference, except that once a year a meeting will be held in-person. Special meetings as necessary may be held if so decided by the co-chair persons based on the proposal by the Management Unit.

82. Secretary of Meetings. The Management Unit serves as the Secretary for all meetings of the Governing Council and Funding Partners, as the case may be, and will perform such functions as are necessary for the smooth conduct of such meetings. The Management Unit, in consultation with the co-chair persons, will prepare a provisional agenda for each meeting, and will (a) give notice to the Governing Council members or Funding Partners, as the case may be, of the date and venue of each meeting, and (b) send the provisional agenda of the meeting, at least ten (10) working days prior to the date of the meeting.

83. Agenda for a Meeting. The voting Governing Council members or voting Funding Partners, as the case may be (the “**Relevant GC Members**”), will adopt the agenda for the meeting at the beginning of each such meeting.

84. Summary of Meeting. All decisions, waivers, approvals or other actions of the Relevant GC Members will be made by consensus and recorded in a summary of the meetings prepared by the Management Unit under the guidance of the co-chairpersons. Any such summary will be circulated as soon as practicable to the Governing Council members.

85. No Objection Approval Procedures. The Management Unit will request approval by the Relevant CG Members, on a no-objection basis in the following circumstances:

- a. GIF Activities (including any adjustment thereto) for which the voting Funding Partners approval is required, as set out in Paragraphs 42 to 44 and 58; and
- b. If in the judgment of the Management Unit, a decision must be made by the voting members of the Governing Council or voting Funding Partners, as the case may be, that should not be postponed until the next regular meeting of the Governing Council and that does not warrant a special meeting.

86. For no-objection approvals, the Management Unit shall, by email or such other electronic communication media, send an invitation together with the supporting documentation (a) for information purposes, to the non-voting Governing Council members; (b) for review and approval, to (i) the voting Funding Partners, in the case of decisions set forth in 85(a), and (ii) the voting Governing Council members in the case of decisions set forth in 85(b). The Relevant GC Members will have 10 (ten) working days (or such longer period specified in the invitation by the Management Unit on an exceptional basis), to communicate any objection to the proposal. Any objection should be accompanied by an explanation of the rationale for the objection.
87. In case of an objection, the Management Unit may convene, where deemed appropriate, a discussion among Relevant GC Members, to which non-voting members of the Governing Council may be invited (and in the case of a matter related to GIF Activities, the concerned Technical Partner and a representative of the recipient country as appropriate), as to whether and how the reason for the objection can be overcome, in which case the proposal may be re-submitted to the Relevant GC Members.
88. The no-objection approval period prescribed in the invitation by the Management Unit under Paragraph 86 may be extended as follows:
- a. if any Relevant GC Member requests an extension of up to five (5) working days, provided that the total number of working days starting on the first day of the original period will not exceed fifteen (15) working days; and
 - b. if the Management Unit determines that it warrants additional time to address any question raised by any Relevant GC Member in relation to the proposed decision, the Management Unit may, on an exceptional basis, extend the period as it deems appropriate.
89. The Management Unit will notify the Relevant GC Member in writing of any such extension of the period.
90. At the expiration of the no-objection approval period prescribed in accordance with Paragraphs 86 and/or 88, the matter put forward shall be deemed approved, unless the Management Unit has received any objection from any Relevant GC Member, in which case the Management Unit may (a) withdraw the request; or (b) resubmit it after review.
91. **Approval by two-thirds majority.** If all practicable efforts have been made and consensus is not reached among the Relevant GC Members (it being for matters requiring express consent or deemed given on non-objection basis), decisions will be taken by two-thirds majority.

92. Once a decision has been reached in accordance to either Paragraph 90 or 91, the Management Unit will notify of the approval to all the Governing Council members.
93. **Nomination of recipient countries.** In accordance with paragraph 16 of the GIF Partnership Framework, nomination of recipient countries by the Executive Directors of the World Bank that represent IDA and IBRD to participate in the Governing Council may be done either (a) directly, or (b) from a list of recipient countries that the Management Unit may identify as candidates, provided that the Governing Council agrees with such list. Representatives of recipient countries shall be selected taking into account appropriate geographic balance and the experience of the country with respect to private participation in infrastructure.

K. AMENDMENT TO THE GIF OPERATING GUIDELINES

94. The provisions of the GIF Operating Guidelines may be amended with the approval on a non-objection basis of the voting members of the Governing Council, except for the provisions which only the voting Funding Partners will vote also on a no-objection basis, and in agreement with the Trustee, as set forth in the GIF Partnership Framework.

L. DEFINITIONS

95. The following terms will have the meanings set forth below:

“**Activity Cancellation**” means if the GIF Activity is terminated by the Government Counterpart prior to reaching financial close for reasons other than Project Failure, and/or is terminated by the Technical Partner(s) due to failure of the Government Counterpart to comply with the terms of the GIF Activity engagement;

“**Advisory Council**” means the council established pursuant to this GIF Partnership Framework in accordance with paragraphs 25 to 29 of the GIF Partnership Framework;

“**Advisory Partner**” means Private Advisory Partners and Development Finance Advisory Partners which will acknowledge their agreement to this GIF Partnership Framework as set out in paragraph 15 of the GIF Partnership Framework;

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

“**Application**” refers to an application to be submitted or submitted by the Government Counterpart and the Technical Partner(s), as applicable, to the GIF to seek GIF funding in support of a GIF Activity;

“**Award Letter**” refers to any award letter issued by the Management Unit to the relevant Technical Partner for a GIF Activity following approval by GIF of the Application for the GIF Activity;

“**Development Finance Advisory Partners**” means a sub-category of Advisory Partners as further elaborated in paragraph 15 of the GIF Partnership Framework;

“**EMDEs**” means emerging market and developing economies;

“**FCV**” refers to fragility, conflict and violence;

“**Financial Procedures Agreement**” refers to a financial procedures agreement entered into between a Technical Partner and the Trustee;

“**Funding Partners**” means entities that provide financial contributions to any trust fund supporting the GIF as further elaborated in paragraph 15 of the GIF Partnership Framework;

“**GIF**” refers to the Global Infrastructure Facility Partnership Program;

“**GIF Activity**” refers to any activity under the *Upstream Advisory Window* and the *Downstream Financing Window*, and may include other types of assistance and financing support to complex EMDE infrastructure programs and projects in pursuit of its goals and objectives;

“**GIF Activity Costs**” refers to the total cost of a GIF Activity, consistent with eligible use of GIF funds;

“**GIF Activity Implementation Teams**” means the Technical Partner teams responsible for implementing GIF Activities as set forth in subparagraph 14(d) of the Partnership Framework;

“**GIF Activity Input Provider**” refers to Government Counterparties, Advisory Partners and Technical Partners, selected by the GIF Activity Implementation Team, to provide non-binding input and feedback on the GIF Activity;

“**GIF Operating Guidelines**” means the guidelines set forth herein relating to the processes and procedures which are applicable to GIF Activities and operations, and referred to in Paragraph 1 hereof;

“**GIF Partner**” refers to any of Funding Partners, Technical Partners and Advisory Partners;

“**GIF Partnership Framework**” means the governance framework adopted by the Governing Council at its first meeting in 2015, as may be amended from time to time in accordance with its terms;

“**GIF Trust Fund**” means the trust fund held at the International Bank for Reconstruction and Development supporting the GIF;

“**Governing Council**” means the council established to oversee the operations of the GIF in accordance with paragraph 16 of the GIF Partnership Framework;

“**Government Counterpart**” refers to a government’s ministry, department, agency, or state-owned entity, either at national or sub-national level that will be the primary counterpart for the GIF Activity;

“**Management Unit**” means the unit established to provide secretariat services and technical support for day-to-day operations of the GIF, and other services and activities as set forth in paragraph 24 of the GIF Partnership Framework;

“**Private Advisory Partners**” means a sub-category of Advisory Partners as set forth in paragraph 15 of the GIF Partnership Framework;

“**Project Definition Activity**” or “**PDA**” refers to technical assistance activities, funded or to be funded by GIF, in identifying and defining an infrastructure project or program intended for private investment, and planning for detailed project preparation work, as further described in Paragraph 15;

“**Project Failure**” means if the GIF Activity is terminated at any stage by mutual agreement between the GIF Activity Implementation Team and the Government Counterpart because the project is found to be non-viable, based on project preparation, appraisal, and structuring work; 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;

“**Project Lead**” refers to an overview of the project submitted by government representatives from eligible countries, and/or a GIF Technical Partner team on behalf of a prospective Government Counterpart to initiate a GIF application process;

“**Project Preparation and Structuring Activity**” or “**PPSA**” refers to project or program preparation and supporting activities, funded or to be funded by GIF, for an infrastructure project or program intended for private investment, as further described in Paragraph 16;

“**Project Readiness Assessment**” or “**PRA**” refers to a tool, funded or to be funded by GIF, that assesses the completeness of project preparation to date, identifies key information gaps and recommends actions that Governments can take, as further described in Paragraph 14;

“**Sub-Sector**” refers to a sub-sector under any eligible sectors for GIF support;

“**Team Leader**” refers to a team leader of a GIF Activity Implementation Team designated to coordinate the GIF Activity through all project stages;

“**Technical Partners**” means entities who have signed financial procedures agreements with the GIF Trustee and that may lead or participate in teams responsible for implementing GIF Activities as further elaborated in paragraph 15 of the GIF Partnership Framework;

“**Technical Partner Activity Administration and Support Fees**” refers to fees paid or to be paid to a Technical Partner to cover its fees, costs and expenditures related to administering GIF Activities;

“**Technical Partner GIF Account**” refers to a trust fund or account established by a Technical Partner to hold and administer GIF resources received from the Trustee in accordance with the Financial Procedures Agreement;

“**Trustee**” refers to the International Bank for Reconstruction and Development, in its capacity as trustee of the GIF Trust Fund;

“**Trustee Commitment Currency**” refers to the currency in which the Trustee commits and transfers GIF funds to Technical Partners, namely United States dollars;

“**World Bank**” means the International Bank for Reconstruction and Development and the International Development Association; and

“**World Bank Group**” means the International Bank for Reconstruction and Development and the International Development Association, the International Finance Corporation and the Multilateral Investment Guarantee Agency.