

Proposed Transfer from IBRD Surplus to the Global Infrastructure Facility

Chair Summary*

September 11, 2014

The Executive Directors recommended that the Board of Governors authorize, through a Resolution to be placed on the agenda of the 2014 Annual Meeting, the transfer from surplus in the amount of US\$15 million to the Global Infrastructure Facility, to be drawn down by the IBRD immediately upon the establishment of the GIF Partnership Program.

Directors expressed broad support for the establishment of GIF and appreciated the crucial role it would play in closing the infrastructure gap in emerging markets and developing economies as well as sending a strong signal of the WBG commitment to this sector. They welcomed the GIF's role as a unique global partnership platform that would integrate the efforts of public and private infrastructure stakeholders to find solutions to complex challenges. They recognized that leveraging WBG capital by mobilizing private sector financing into infrastructure was aligned with the WBG's infrastructure strategy.

Directors underlined the transformative potential of this facility and the importance of GIF maintaining a strong link to the WBG global practices and regional/country strategies, and urged strong incentive mechanisms for staff and management to ensure full commitment. However, directors noted that there was potential for reputational risks to the World Bank Group, and in this regard called for strong Board oversight and for the GIF to draw upon the Bank's standards, safeguards and procurement processes. They also underscored the importance of developing a robust GIF results framework.

Directors noted that there was a proliferation of infrastructure initiatives globally and encouraged the GIF to work in collaboration with, and not duplicate, the efforts of Multilateral Development Bank partners and other actors in the infrastructure space. They called for the establishment of a strong GIF partnership based on clear governance guidelines. Directors recognized the nature of this funding proposal to support the establishment and pilot phase of GIF, and look forward to discussing arrangements for further funding in the context of the WBG overall financial and budgetary framework. They also urged the GIF to ensure that a strong and diverse pipeline of projects was selected for the pilot phase that would include a significant proportion of projects from small and poor countries. They were hopeful that GIF would increase in size during or after the pilot phase.

Directors looked forward to the discussion of the GIF partnership program and the opportunity to review the effectiveness of the GIF's operations in the pilot phase and beyond.

*This summary is not an approved record