

CLIMATE INVESTMENT FUNDS

CTF/TFC.8/Inf.2
October 20, 2011

Meeting of the CTF Trust Fund Committee
Washington, D.C.
November 4, 2011

**TRUSTEE REPORT ON THE
FINANCIAL STATUS
OF THE CLEAN TECHNOLOGY FUND**

I. INTRODUCTION

1. This report provides the Trust Fund Committee of the Clean Technology Fund (CTF) with information on the financial status of the CTF Trust Fund. The paper is divided into six sections. Following the introduction in this Section I, Section II presents the status of contributions to the CTF; Section III discusses the endorsed CTF Investment Plans; Section IV reports on the total funding decisions made by the CTF Trust Fund Committee; Section V shows funding availability of the CTF Trust Fund; and Section VI reports on the update of activities undertaken by the Trustee to manage the CTF Trust Fund. Annex 1, prepared based on information provided by the Multilateral Development Banks (MDBs), presents the status of disbursements made by the MDBs.

II. STATUS OF CONTRIBUTIONS

2. Contributions comprise both pledges and commitments from Contributors. Pledges represent a Contributor's expression of intent to make a contribution and form the basis for the endorsement of CTF Investment Plans by the CTF Trust Fund Committee, as further discussed in the next section. Pledges are converted to "commitments" by way of a countersigned Contribution or Loan Agreement/Arrangement. Table 1 presents the contributions to the CTF, broken down into pledged and committed amounts in the pledge currency. The contributions to the CTF amount to USD eq. 4.5 billion, valued at the exchange rates available on the date of the Climate Investment Funds (CIF) pledging meeting. The current value of the contributions amounts to USD eq. 4.4 billion as of September 30, 2011 (a difference of USD eq. 110 million).

CLEAN TECHNOLOGY FUND									
Table 1: Contributions									
as of September 30, 2011									
(in millions)									
Contributor	Contribution Type	Currency	Contribution Amounts			Historical Value of	Current Value of	FX changes (3) = (1) - (2)	Receipts in USD eq. b/
			Pledged	Committed	Total	Total Contribution in USD eq. a/ (1)	Total Contribution in USD eq. b/ (2)		
Australia	Grant	AUD	-	100	100	84	86	2	86
France	Loan	EUR	-	203	203	300	274	(26)	274
Germany c/	Loan	EUR	-	500	500	739	615	(124)	615
Japan d/	Grant	USD	-	1,000	1,000	1,000	1,166	166	774
Spain	Capital	EUR	-	80	80	118	110	(8)	70
Sweden	Grant	SEK	-	600	600	92	80	(13)	65
United Kingdom e/	Capital	GBP	-	385	385	716	610	(106)	610
United States f/	Grant	USD	1,007	485	1,492	1,492	1,492	-	485
						4,543	4,433	(110)	2,979

a/ Represents pledges valued on the basis of exchange rates as of September 25, 2008, the CIF official pledging date.
b/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of September 30, 2011.
c/ The EUR 500 million pledge was committed in USD in the amount of USD eq. 615 million.
d/ The USD 1 billion pledge was committed in JPY in the amount of JPY eq 93 billion.
e/ Amount pledged under the Strategic Climate Fund and allocated to the Clean Technology Fund.
f/ The total pledge made by the United States to the CIFs is USD 2 billion; the allocation across the programs is indicative.

3. Contributors may make a contribution to the CTF in the form of a: (i) Grant Contribution, (ii) Capital Contribution, or (iii) Loan Contribution. Grant or Capital Contributions to the Trust Fund may be paid by cash or, with the Trustee's agreement,

promissory notes payable on demand or similar obligations in a form acceptable to the Trustee in accordance with the terms of the Contribution Agreements/Arrangements with the Trustee. Loan Contributions are paid in cash in accordance with the terms of the Loan Agreement with the Trustee.

4. Table 2 shows the receipts on committed amounts from Contributors to the CTF Trust Fund as of March 31, 2011 and September 30, 2011. The Trustee had received USD 3 billion in total from the Contributors as of September 30, 2011.

CLEAN TECHNOLOGY FUND						
Table 2: Status of Contributions and Receipts						
as of September 30, 2011						
(in millions)						
Contributor	Contribution Type	Currency	As of September 30, 2011		As of March 31, 2011	
			Committed	Receipts	Committed	Receipts
Australia	Grant	AUD	100	100	100	100
France	Loan	EUR	203	203	203	203
Germany	Loan	USD	615	615	615	615
Japan	Grant	JPY	92,655	62,542	92,655	32,429
Spain	Capital	EUR	80	50	80	50
Sweden	Grant	SEK	600	500	600	500
United Kingdom	Capital	GBP	385	385	385	385
United States	Grant	USD	485	485	427	427

III. CTF Investment Plans endorsed by the CTF Trust Fund Committee

5. CTF Investment Plans, developed under the leadership of the relevant government, outline the proposed use of CTF resources in recipient countries through a joint MDB program. The Investment Plan is agreed between and owned by the government and the MDBs.¹ Investment Plans are submitted to the CTF Trust Fund Committee to endorse the further development of activities for CTF financing and to facilitate prioritization of projects in the pipeline. The value of the amounts pledged to the CTF forms the basis for endorsement of Investment Plans by the CTF Trust Fund Committee. As noted in Table 1, the current value of CTF contributions as of September 30, 2011 is USD eq. 4.4 billion.

6. To date, the CTF Trust Fund Committee has endorsed 14 Investment Plans for a total amount of proposed CTF funding of USD 4.6 billion (see Table 3). The endorsed amount exceeds the value of the pledges by USD eq. 162 million. The Investment Plan for Nigeria was endorsed at the November 2010 CTF Trust Fund Committee meeting, with the recognition that the resources pledged to the CTF have already been allocated to earlier Investment Plans and thus funding of the projects and programs in the Investment Plan for Nigeria will be contingent upon the availability of funds beyond what is planned for in the current pipeline. Since November 2010, no additional pledges to the CTF have been received to support the funding of the projects in the Investment Plan for Nigeria.

¹ "CTF Guidelines for Investment Plans" August 6, 2009

CLEAN TECHNOLOGY FUND
Table 3: Investment Plan Balance
as of September 30, 2011
(in USD millions)

Total Pledged Amount a/	4,433
(-) Investment Plans Endorsed	4,600
(-) Budgets Approved	25
(+) Investment Income	31
Balance for new IPs	(162)

Country/Region	As of September 30, 2011		As of March 31, 2011	
	Amount Endorsed	Projects Approved	Amount Endorsed	Projects Approved
Colombia	150	38	150	18
Egypt	300	151	300	151
Indonesia	400	125	400	125
Kazakhstan	200	66	200	42
Mexico	500	343	500	319
Middle East and North Africa	750	198	750	-
Morocco	150	-	150	-
Nigeria	250	-	250	- b/
Philippines	250	30	250	30
South Africa	500	450	500	450
Thailand	300	70	300	70
Turkey	250	172	250	172
Ukraine	350	28	350	28
Vietnam	250	31	250	30
Total	4,600	1,701	4,600	1,434

a/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of September 30, 2011.

b/ Endorsed subject to the availability of funds beyond what is planned for in the current pipeline

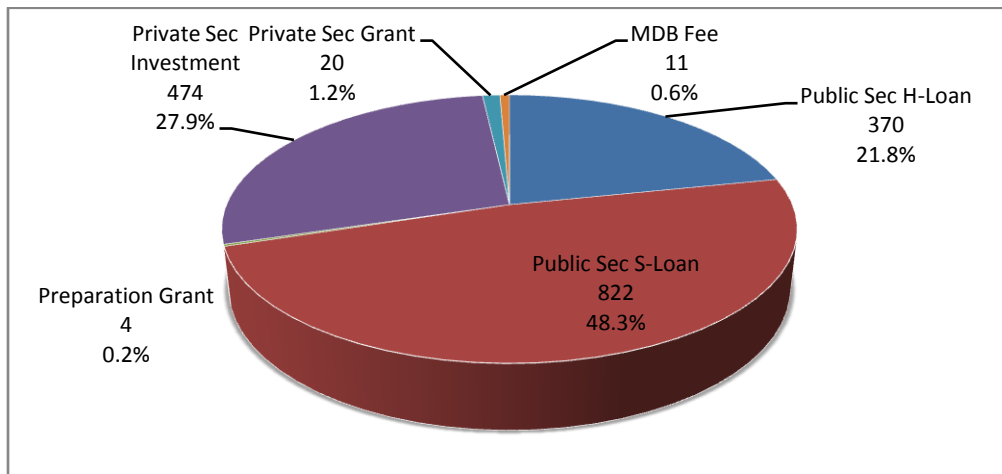
IV. Funding Decisions

7. The cumulative funding decisions for projects included in the endorsed Investment Plans and administrative budgets made by the CTF Trust Fund Committee as of September 30, 2011 amount to USD 1.7 billion, an increase of USD 274 million since March 31, 2011 (see Tables 3 and 4). Of the amount of endorsed Investment Plans of USD 4.6 billion, the CTF Trust Fund Committee approved funding for 28 projects totaling USD eq. 1.7 billion, representing 37% of the total endorsed amount. Table 4 also shows the breakdown of the project approvals by MDB. The project proposals pending approval as of September 30, 2011 or submitted to the CTF Trust Fund Committee after

September 30, 2011 are not included in the table. The breakdown of the cumulative funding decisions by financing type² is shown in Chart 1.

CLEAN TECHNOLOGY FUND		
Table 4: Cumulative Funding Decisions		
Inception to September 30, 2011 (in USD millions)		
	<u>As of September 30, 2011</u>	<u>As of March 31, 2011</u>
Projects and Fees	<u>1,701</u>	<u>1,434</u>
ADB	1	-
AfDB	252	151
EBRD	143	120
IBRD	972	875
IDB	104	59
IFC	229	229
Administrative Budget	<u>25</u>	<u>19</u>
Total	1,726	1,453

Chart 1: Funding Decisions by Financing Type (USD millions)



² Public sector harder concessional loan (H-Loan) has terms of 0.75% interest, 20 years maturity and 10 years grace on principal repayments; public sector softer concessional loan (S-Loan) has terms of 0.25% interest, 40 years maturity and 10 years grace on principal repayments.

V. Funding Availability

8. Table 5 shows the Funds held in Trust for the CTF as of March 31, 2011 (USD eq. 2.3 billion) and September 30, 2011 (USD eq. 2.6 billion), based on the cumulative receipts and cash transfers since inception. This amount is brought forward to Table 6 to calculate the Funding Availability for the CTF Trust Fund. Funding Availability for the CTF Trust Fund refers to Funds held in Trust with no restrictions less (i) funding decisions pending cash transfers; and (ii) amounts pending decision by the CTF Trust Fund Committee. Accordingly, the net funding availability in the CTF Trust Fund as of September 30, 2011 amounts to USD eq. 1.1 billion.

CLEAN TECHNOLOGY FUND			
Table 5: Schedule of Receipts and Cash Transfers			
Updated as of September 30, 2011			
(in USD eq. millions)			
	<u>As of September 30, 2011</u>	<u>As of March 31, 2011</u>	
<u>1. Cumulative Receipts</u>	3,010	2,559	
a. Cash receipts and encashed promissory notes	2428	2,385	
b. Unencashed promissory notes a/	551	164	
c. Investment income earned on undisbursed balance	31	10	
d. Reflows	0	-	
<u>2. Cumulative Cash Transfers</u>	384	283	
a. Projects	349	260	
b. Project Fees	8	6	
c. Administrative Budget	22	15	
d. Principal Repayments and Interest Payments	6	2	
<u>3. Funds held in Trust (3 = 1 - 2)</u>	<u>2,626</u> a/ c/	<u>2,277</u> a/ b/	

a/ Valued on the basis of exchange rates as of September 30, 2011
b/ Includes a balance of EUR 184 million
c/ Includes a balance of EUR 181 million

CLEAN TECHNOLOGY FUND			
Table 6: Schedule of Funds Available			
Updated as of September 30, 2011			
(in USD eq. millions)			
	<u>As of September 30, 2011</u>	<u>As of March 31, 2011</u>	
<u>1. Funds held in Trust</u>	2,626	2,277	
a. Cash and Investments	2,075	2,112	
b. Unencashed Promissory Notes	551	164	
<u>2. Financial Reserve</u> a/	100	44	
<u>3. Funds held in Trust with no restrictions (3 = 1 - 2)</u>	2,526	2,233	
<u>4. Funding decisions pending cash transfers</u>	1,347	1,447	
a. Projects and Fees	1,343	1,437	
b. Administrative Budget	4	11	
<u>5. Amounts pending CTF Trust Fund Committee funding decisions</u>	73	25	
<u>6. Funds available to support CTF Trust Fund Committee funding decisions (6 = 3 - 4 - 5)</u>	<u>1,107</u> b/ d/	<u>760</u> b/ c/	

a/ Represents amount reserved to cover foreign exchange fluctuations and minimum liquidity requirements.
b/ Valued on the basis of exchange rates as of September 30, 2011
c/ Includes funds available of EUR 174 million.
d/ Includes funds available of EUR 172 million.

VI. Update on Trustee Activities

9. **Investment Management:** Table 7 illustrates the composition of instruments in which the CTF Trust Fund portfolio was invested as of September 30, 2011. Cash assets held in trust by the World Bank (as the Trustee) are maintained in a commingled investment portfolio (the “Pool”) for all trust funds administered by the World Bank. The assets in the Pool are managed in accordance with the investment strategy established for all trust funds administered by the World Bank. The Pool is actively managed so that the probability of incurring negative returns is no more than 1% over the applicable investment horizon.

CLEAN TECHNOLOGY FUND	
Table 7. Asset Mix of the Trust Fund Portfolio	
as of September 30, 2011	
<u>Asset Class</u>	<u>Percentage</u>
Govt	26%
Mortgage-backed Security	20%
Asset-backed Security	4%
Agency	4%
Sovereign/Govt Gtd	10%
Money Markets/Fin. Inst	29%
Corporates	3%
Swap/FX Swap	5%
	<u>100%</u>

10. As of September 30, 2011, the CTF Trust Fund has earned investment income of approximately USD 31 million on the undisbursed balance of the Trust Fund. The investment income return since inception was approximately 2.62%.

11. **Accounting and Reporting:** The external audit of the Trustee's CY10 financial statements is now completed. The audited financial statements along with the external auditor's report will be distributed to the CTF Trust Fund Committee members when available. The CIF MDB Financial Consultation meeting was hosted by EBRD in London from Tuesday October 4 through Thursday October 6, 2011. All CIF partner agencies were represented by the relevant finance and accounting staff. Discussions centered on creating more efficiencies in the process flows across the partnership, simplifying the reporting requirements of the MDBs to the Trustee in accordance with the Financial Procedures Agreements, and coordinating the accounting and audit arrangements between the Trustee and the MDBs. It was agreed that all MDBs will apply special purpose accounting basis in preparing the financial statements for the CIFs. It was clarified that the Trustee would not consolidate the data of the MDBs to produce a single financial statement, but rather would present all financial statements independently to the CTF Trust Fund Contributors and Committee members but in a single package. It was also agreed that each MDB will prepare special purpose financial statements for the December 31, 2011 year-end and conduct an external audit for the statements if the MDB has received more than US\$ 10 million.

12. **Systems Development:** In FY10, the Trustee began the development of an automated and secure systems platform to manage the Clean Technology Fund and Strategic Climate Fund Trust Funds. The system will support Trustee financial operations as well as CIF operations, specifically pipeline management and related workflow between the MDBs, CIF Administrative Unit, and the Trustee. The system platform will leverage other existing platforms owned by the World Bank. Several critical Trustee applications were delivered in FY11, as reported to the Trust Fund Committees in previous Trustee reports. The plans for FY12 include close collaboration with the CIF Administrative Unit to develop an SAP platform for storing and managing CIF project pipeline and creating a management dashboard to facilitate program planning and communications to the Trust Fund Committees and the MDBs. In addition, the Trustee will develop applications to store and manage (i) scheduled interest and principal repayments as provided by the MDBs; (ii) scheduled interest and principal repayments to the Loan Contributors; (iii) scheduled refunds received from the MDBs; and (iv) contribution transfers across SCF windows or to the CTF Trust Fund.

13. **Launch of Trustee Websites:** In July 2011, as part of the World Bank's Open Data Access Initiative, the Trustee launched a portal for Financial Intermediary Funds (FIFs), which include the CTF and SCF Trust Funds, on the "**World Bank Finances**" website (<https://finances.worldbank.org/>). This website will provide downloadable donor contribution data for each FIF as well as funding approvals, and Trustee commitments and cash transfers to the MDBs. Further, as communicated to the CTF and SCF Committees in the June 2011 meetings, the Trustee is set to launch a second website

catering solely to FIFs, which will disseminate for each FIF (i) financial information and trend analysis; (ii) scheduled reports; (iii) financial statements; (iv) governance documents; and (v) links to helpful resources. Future plans include the addition of interactive capabilities to retrieve, filter, and download 'real-time' financial information. The FIF Trustee website (www.worldbank.org/fiftrustee) is scheduled to be launched in November 2011.

Disbursement Report as of June 30, 2011

1. The attached CTF Disbursement Report was prepared by the Trustee based on the information provided by the MDBs as of June 30, 2011, and was circulated to the Trust Fund Committee by mail on September 2, 2011.
2. The next report will be prepared as of December 31, 2011, and circulated to the Trust Fund Committee by mail.

CLIMATE INVESTMENT FUNDS

September 2, 2011

CLEAN TECHNOLOGY FUND (CTF): DISBURSEMENT REPORT

(as of June 30, 2011)

Introduction

1. This *CTF Disbursement Report* was prepared by the Trustee based on the information provided by the MDBs as of June 30, 2011, and is being disseminated and posted on the CIF website as agreed by the CIF governing bodies in November 2010.
2. As agreed in the June 2011 meetings of the CIF governing bodies, the MDBs will make efforts to provide in future reports more detailed information on disbursements, including disbursements by MDBs at the project and country levels for public sector projects and programs and more qualitative information on the nature and progress of disbursing funds under private sector programs when confidentiality requirements do not permit public release of quantitative information.

Table 1: Disbursements by MDB (USD mil) a/

MDBs	Funding Approved by Committee	Trustee Transfers to MDBs	Disbursements by MDB	Disbursement Rate (%)
AfDB	250.1	1.0	-	0%
ADB	-	-	-	-
EBRD	141.0	84.3	41.5	49%
IDB	81.2	30.2	30.1	100%
IFC	223.9	46.3	32.0	69%
IBRD	972.0	109.0	68.5	63%
Total	1,668.1	270.8	172.0	64%

a/ Includes both public and private sector operations.

Table 2: Disbursements by Country a/

Country	Funding Approved by Committee	Disbursements by MDB
Colombia	17.0	1.1
Egypt	151.0	-
Indonesia	125.0	-
Kazakhstan	64.8	-
Mexico	340.3	45.1
Morocco	197.0	-
Philippines	29.1	-
South Africa	448.2	-
Thailand	69.0	-
Turkey	170.4	125.0
Ukraine	27.0	-
Vietnam	29.4	0.9
Total	1,668.1	172.0

a/ Includes both public and private sector operations.

Table 3: Disbursements by Projects - Public Sector a/

MDBs	Country	Projects	Committee Approval Date	MDB Board Approval Date	Effectiveness Date	Funding Approved by Committee (USD mil)	Disbursements by MDB (USD mil)
IBRD	Turkey	Private Sector Renewable Energy and Energy Efficiency Project	3/13/2009	5/28/2009	8/12/2009	100.0	68.5
IBRD	Mexico	Urban Transport Transformation Program	10/14/2009	3/25/2010	12/15/2010	200.0	-
IBRD	Egypt	Wind Power Development Project	5/7/2010	6/15/2010	-	149.8	-
IBRD	Egypt	Wind Power Development Project - Grant	5/7/2010	11/4/2010	-	0.3	-
IBRD	Mexico	Efficient Lighting and Appliances Project	9/2/2010	11/23/2010	-	50.0	-
AfDB	Egypt	200 MW Wind Farm in the Gulf of Suez - Preparation Grant	11/17/2010	-	-	1.0	-
IBRD	Indonesia	Geothermal Clean Energy Investment Project	12/22/2010	-	-	125.0	-
AfDB	South Africa	Eskom Renewables Support Project	5/12/2011	-	-	100.0	-
IBRD	South Africa	Eskom Renewables Support Project	5/12/2011	-	-	250.0	-
AfDB	Morocco	Ouarzazate I Concentrated Solar Power Project	6/22/2011	-	-	100.0	-
IBRD	Morocco	Ouarzazate I Concentrated Solar Power Project	6/22/2011	-	-	97.0	-

a/ Private sector project-specific disbursements are not publicly available.

Chart 1: Disbursement Summary by MDB (USD mil)

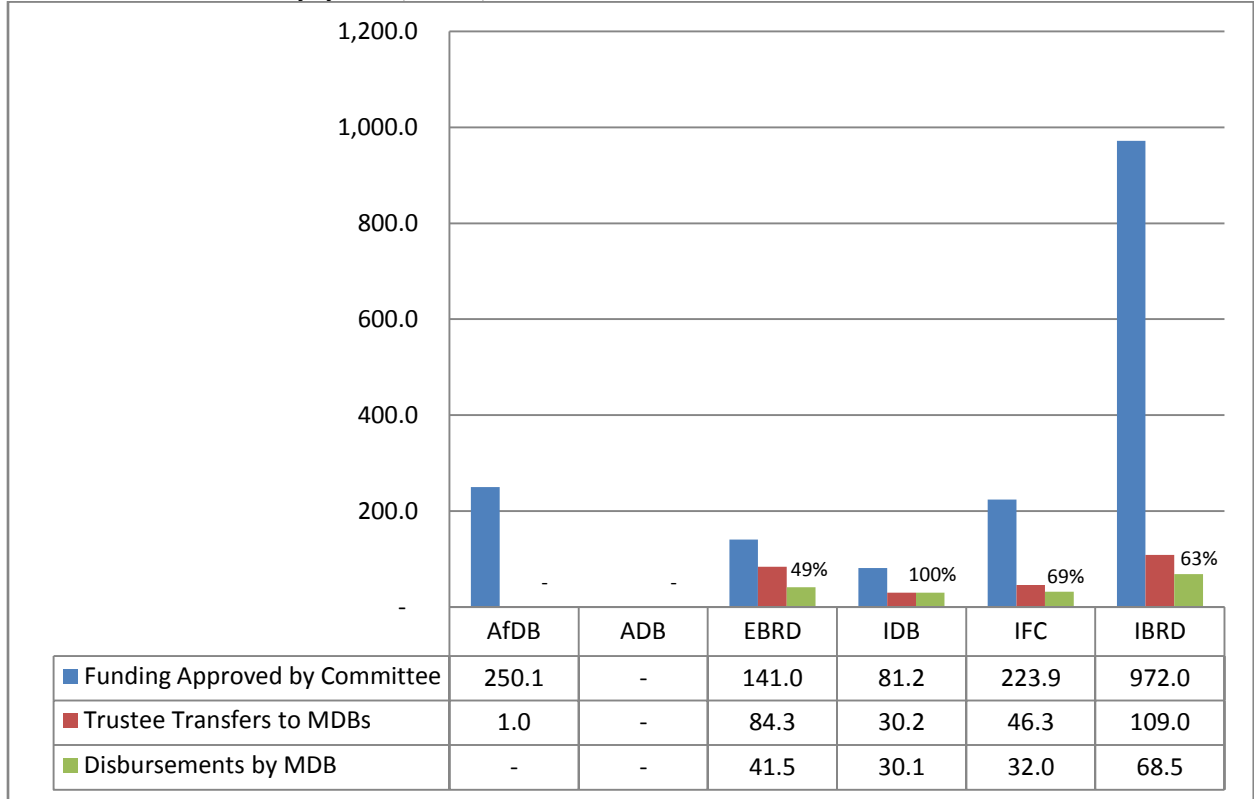


Chart 2: Disbursement Summary by County (USD mil)

