

CLIMATE INVESTMENT FUNDS

December 15, 2016

Summary of the Co-Chairs
Meeting of the Clean Technology Fund (CTF) Trust Fund Committee
Washington, DC

December 5, 2016

Co-Chairs

Mr. Saurabh Vijay, India
Ms. Abigail Demopulos, United States

AGENDA ITEM 1. OPENING

1. The meeting of the CTF Trust Fund Committee meeting was opened by the Co-Chairs, Mr. Saurabh Vijay from India, representing the recipient countries, and Ms. Abigail Demopulos from the United States, representing the contributor countries.

AGENDA ITEM 2. ADOPTION OF AGENDA

2. The Trust Fund Committee adopted the provisional agenda set forth in document CTF/TFC.18/2.

AGENDA ITEM 3. CTF SEMI-ANNUAL OPERATIONAL REPORT AND RESULTS REPORT

3. The Trust Fund Committee reviewed document CTF/TFC.18/3, *CTF Semi-Annual Operational Report*, and welcomes the progress that has been made in advancing the work of the CTF.

4. The Committee appreciates the analysis conducted by the CIF Administrative Unit, in collaboration with the MDBs, on resource availability, pipeline review, and portfolio updates.

5. The Committee requests the CIF Administrative Unit and the MDBs to continue to review projects and programs for which funding has been approved by the Committee, but not yet approved by the MDBs, with a view to continuing to identify stalled projects and sub-projects under programs and the amount of funding that could be released and reallocated to the active projects and programs in the pipeline, in accordance with the pipeline management and cancellation policy approved by the Trust Fund Committee.

6. The Trust Fund Committee reviewed document CTF/TFC.18/4, *CTF Results Report*, and welcomes the progress that has been made in implementing CTF-financed activities leading to results on the ground.

7. The Committee encourages the MDBs to continue to work towards harmonizing methodologies for estimating and reporting results, especially related to GHG emissions reduction and co-financing. The Committee also welcomes the steps taken by the CIF Administrative Unit to migrate the results data and reporting to an online platform to ensure quality control and convenient access to Committee members and other users to serve their individual analytical needs.

AGENDA ITEM 4. PROPOSAL FOR CTF 2.0

8. The Trust Fund Committee,

9. Acknowledging the urgency of mitigating climate change and recognizing the continued demand for CTF resources from the recipient countries,

10. Reaffirming its collective resolve to pursue, as soon as possible, options for maximizing the impact of the CTF through the development of new financing modalities to leverage existing contributions by mobilizing and accessing finance in the private capital markets, in accordance with the principles approved at its meeting in June 2016, including to:

- a) Retain the strengths of the CTF, namely, the flexibility of the financing instruments, the ability to mobilize private sector financing, and its level of risk appetite;
- b) Make use of efficient, targeted and appropriate levels of concessionality;
- c) Adopt an enhanced programmatic approach focusing on themes with transformational impact while maintaining the principle of country ownership;
- d) Engage in priority investment areas and new frontiers; and
- e) Explore new financing modalities, with the potential to increase the CTF's self-sufficiency,

11. Noting that significant progress has been made among the contributors to reach a common understanding ahead of this Trust Fund Committee meeting of the necessary actions and measures that each of the loan, capital and grant contributors would need to take, as decided with the Trustee, to make available the reflows and return of other funds upon and subject to approval of new financing modalities,

12. Further noting the progress made in exploring new financing modalities in document CTF/TFC.18/5, *Proposal for CTF 2.0*,

13. Acknowledging that further work pertaining to new financing modalities is required for individual contributors to seek their respective internal approvals with regard to making available the reflows and return of other funds upon and subject to approval of new financing modalities,

14. Agrees to meet as soon as possible in 2017, tentatively in March 2017, to decide on how to proceed on the new financing modalities based on the following information:

- a) Feedback received from rating agencies on the proposed financing modalities;
- b) Outline of the legal structures of each financing modality; and
- c) Key elements of governance and operational policy framework, including programming approaches and investment criteria, for each financing modality.

15. The Trust Fund Committee also requests that, in further developing the financing modalities, the CIF Administrative Unit, working with the Trustee and the MDBs, focuses on approaches most likely to provide the greatest potential for CTF to support priority projects in the near to medium term while making as efficient use as possible of the public resources provided by contributors.

16. The Trust Fund Committee members from the eligible recipient countries requested to record the following statement in the Co-Chairs' Summary:

The CTF has proved over the past eight years to be supportive of and empowering CTF developing countries in making the transition to low emission development. CTF

recipient countries recognize the major financing needs of developing countries to address the climate challenge and urgency to act. We also recognize that the CTF has currently the ability to utilize its own resources to leverage new finance that can be deployed to enhance climate action in CTF developing countries. We note, however, that in order to enable the CTF to implement new financing modalities, the approval of contributor countries to utilize the reflows is required. We also note the comments from contributor countries that further clarity on the legal and technical requirements of the new financing modalities is required in order for them to take a decision on the use of reflows. Recognizing the sense of urgency to act, the CTF recipient countries members of the CTF Trust Fund Committee urge contributor countries to show leadership and conclude the necessary consultations speedily in order for the CTF to implement the new financing modalities.

AGENDA ITEM 5. OTHER BUSINESS

17. No other decision items were raised by the CTF Trust Fund Committee.

AGENDA ITEM 6. CLOSING

18. The meeting was closed on Monday, December 5, 2016.