



Meeting of the CTF Trust Fund Committee  
Washington D.C. (Virtual)  
Thursday, June 24, 2021

**CTF SEMI-ANNUAL OPERATION REPORT (SUMMARY)**





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CTF/TFC.26/3  
June 1, 2021

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## **PROPOSED DECISION**

The Trust Fund Committee reviewed document CTF/TFC.26/3, CTF Semi-Annual Operational Report, and CTF/TFC.26/3.1, CTF Results Report, and welcomes the progress that has been made in advancing the work of CTF.

The Trust Fund Committee notes the proposal in the CTF Semi-Annual Operational Report, to use any future cancelled resources for a CTF Futures Window as part of the Dedicated Private Sector Program III (DPSP III) and approves the proposal.

The Committee requests the CIF Administrative Unit and the MDBs to continue to monitor the projects and programs for which CTF funding has been approved, including those that are stalled and whose funding could be made available for future CTF programming.

## **1. Introduction**

1. This document provides an update on the status of the Clean Technology Fund (CTF), a snapshot of the portfolio of CTF-funded programs and projects, and related activities. It also covers strategic issues that demand attention from the Trust Fund Committee (TFC). This report covers the programming period from July 1 to December 31, 2020 and strategic updates through the end of May 2021.

## **2. Strategic Issues**

2. The CTF was established in 2008 to provide concessional financing, channeled through six partner multilateral development banks (MDBs), to large-scale, country-led projects and programs in renewable energy, energy efficiency, and sustainable transport. Starting with USD 4.5 billion in pledges and contributions and twelve country investment plans (IPs) and a regional program, CTF has grown to USD 5.7 billion in resources while the programs now involve fifteen country IPs, one regional program (Concentrated Solar Power in the Middle East and North Africa (MENA-CSP)), and three completed phases and one on-going phase of DPSP.
3. As of December 31, 2020, the TFC has approved USD 5,357 million in funding for 155 projects and programs. During the second half of 2020, the TFC approved five CTF operations, four of which were DPSP III projects submitted before the June 30th deadline. The TFC approved the first MDB operation under the Global Energy Storage Program (GESP) in December 2020.

### **2.1. Proposal on Use of Cancelled Resources – CTF Futures Window**

4. At its last meeting in November 2020, the TFC considered three options for using CTF cancelled resources. TFC members opted not to take a decision and asked the CIF Administrative Unit (CIF AU), in cooperation with the MDBs, to develop a more detailed proposal for consideration at the June 2021 meeting.
5. While the current amount of available resources (USD 92 million) is insufficient to establish a new CTF program, it presents an opportunity to demonstrate the increased ambition of CTF as it transitions into a new phase of operations. With the support of the MDB Committee, CIF AU proposes using existing and additional cancelled resources that become available over the next three years (June 2021 to June 2024) to support the “CTF Futures Window.”
6. The CTF Futures Window would be an extension of DPSP III combined with the option to fund projects from the pipeline of other CTF windows. The specific aspects of DPSP III that the CTF Futures Window would extend are as follows: 1) objective and principles; 2) country access; and 3) first three thematic investment areas – energy efficiency, renewable energy plus, and sustainable transport. In addition, MDBs could choose to submit projects from other CTF funding windows, potentially drawing from the existing GESP pipeline or projects that could be eligible for funding from the Accelerating Coal Transition (ACT) Investment Program.

Following the approval of use of cancelled resources, MDBs will need to send the TFC a notional pipeline of projects for the CTF Futures Window before submitting their projects.

## **2.2. Update on Business Development Facility**

7. The Business Development Facility (BDF) was established under DPSP III as one of its four funding windows with a one-time allocation of USD 13.82 million. The BDF was designed to allow MDBs to apply for project preparation grants (PPGs) for operations that would be complementary to existing CTF projects, but that focused on new technologies which CTF had not yet funded, e.g., floating solar PV, energy storage, e-mobility, and urban development. Many of the concepts proposed under the BDF helped inform the development of CIF's new programming suite. In February 2018, four MDBs submitted 18 proposals for TFC approval, with an expectation that BDF operations would be implemented within 24 months or less. Sixteen were eventually approved, with two operations being fully cancelled and two more cancelling a portion of their original allocation.

## **2.3. Accelerating Coal Transition Investment Program**

8. During 2020-21, the CIF Admin Unit worked closely with the partner MDBs and other key stakeholders to develop the ACT Investment Program, which aims to help countries tackle some of the major challenges they may face as they move away from coal generation. ACT offers, to both public and private sector entities, a one-of-its-kind, holistic toolkit to tackle three critical challenges associated with a transition away from coal: governance, people, and infrastructure. The expected outcomes of focus in these three areas are supporting countries' increased readiness for the transition, new sources of income and skill development for affected communities, and reclamation of land and infrastructure.
9. In its intersessional meeting in March 2021, the Joint CTF-SCF Trust Fund Committees (TFC) welcomed the ACT proposal and approved its establishment under the CTF. The joint meeting of the CTF-SCF TFC also noted the current limitations of receiving different types of contributions beyond grant and capital in the CTF and SCF. The CIF AU, in collaboration with the Trustee, was asked to explore how these limitations could be addressed in the future and submit a proposal with potential options to the Committees. CIF AU will keep the TFC updated on its progress.

### 3. Status of CTF

#### 3.1. Portfolio Overview

10. As of December 31, 2020, the TFC had approved 155 projects and programs from 16 endorsed IPs, , and four phases of DPSP<sup>1</sup>, totaling USD 5.36 billion in CTF funding (see Table 1 below)<sup>2</sup>.

**Table 1. Overview of CTF Portfolio as of December 2020**

|                      | Approved funding |       | Disbursement |
|----------------------|------------------|-------|--------------|
|                      | Committee        | MDB   |              |
| CTF Funding (in \$M) | 5,357            | 4,780 | 2,643        |
| Number of projects   | 155              | 133   | 90           |

#### 3.2. Portfolio Updates

11. Investment plans: During the current reporting period (July 1 to December 31, 2020), no new or revised CTF IPs were submitted for endorsement.
12. CTF TFC approvals: FY21 is forecast to have eight project approvals (four from DPSP III, four from GESP). This amount may change if more GESP projects are brought forward for approval between the writing of this document and the end of June. During the current reporting period, five projects and programs (four from DPSP III and one from GESP) were approved by the TFC for a total of USD 89.54 million in funding.
13. MDB approvals: During the current reporting period, three projects were approved by IDB Group, one by AfDB, one by IBRD, and one by IFC for a total of six projects with USD 100.49 million in funding.
14. Co-financing: The USD 5.36 billion TFC-approved funding is expected to mobilize around USD 55 billion in co-financing from private and public sectors, MDBs, bilateral, and other sources. The private sector is the largest source of co-financing with around USD 19 billion and a CTF leveraging ratio of 1:3.5, followed by MDBs (1:2.8), bilateral and other sources (1:2.7), and governments (1:1.3).
15. Funding by Region, MDB, and sector/ technology: Asia receives the largest share of TFC-approved funding (34 percent), followed by Africa (21 percent), Europe and Central Asia (19 percent), Latin America and the Caribbean (15 percent), and the Middle East (9 percent). The World Bank Group share reduced from 50 to 48 percent, while proportions for ADB, AfDB, and IDB Group remained roughly the same at 19, 12, and 10 percent, respectively, and EBRD

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<sup>1</sup> Includes 16 proposals approved under DPSP III Business Development Facility (BDF).

<sup>2</sup> Figures are net of cancelled funding.

increased from 8 to 11 percent. Renewable energy accounts for almost two-thirds of TFC-approved funding. Combined renewable energy and energy efficiency projects, including investments in smart grids, accounts for 15 percent, while standalone energy efficiency is 14 percent, and sustainable transport is 7 percent. Of renewable technologies, solar accounts for 45 percent, followed by geothermal (17 percent), mixed renewables (14 percent), and wind (11 percent). The remaining five percent is comprised of hydropower, bioenergy, and waste to energy.

16. Funding Cancellations: As of December 31, 2020, nine programs and projects totaling USD 92.31 million in approved funding were cancelled or reallocated by the MDBs.

#### **4. Results Overview**

17. The RY2021 results portfolio of 103 MDB-approved projects and program amounts to USD 4.8 billion in total CTF funding. Out of the 103 reporting projects, 48 reported achieved results on annual GHG emissions reductions in RY2021, totaling 21.8 MtCO<sub>2</sub>. Cumulatively, GHG emissions reductions total 103 MtCO<sub>2</sub>, mostly attributable (47 percent) to renewable energy projects. Of the 68 CTF projects with installed capacity targets, 39 have reported achieved results for this indicator. The total cumulative installed capacity across the portfolio of CTF projects is 8,161 MW.
18. Twenty-seven CTF projects have a target for energy savings, and 19 have reported non-zero results for this indicator. Annual energy savings for CTF-financed projects in RY2020 totaled 5,392 GWh. Of the nine projects with passengers per day targets, three reported achieved results in RY2021. Two reported a combined 289,868 passengers per day using low carbon transport, while another reported an additional 17,000 passengers using low-carbon transport in RY2021.

#### **5. Cross-cutting Themes**

##### **5.1. Risk Management**

19. CIF recipient countries continue to struggle due to the ongoing global and local economic challenges posed by the COVID-19 pandemic (the pandemic), which is impacting projects currently under implementation as well as projects in the CIF's programs' pipelines. All CIF programs continue to face heightened credit, market, and operational risks due to the impacts of the pandemic. More specifically, the CIF AU has observed numerous impacts of the pandemic on CIF project implementation, and CIF recipient financial strength.
20. CTF's risk score for implementation risk is **High** as five out of 113 projects representing USD 224 million (four percent) of program funding have been flagged for this risk, and the CIF AU expects the program's exposure to this risk to increase due to the existing and anticipated impacts of the pandemic.

## 5.2. Gender

21. As requested by the CTF TFC, this report has shifted its gender scorecard reporting to reflect trends in the IP and project portfolios over time in the area of gender ‘quality at entry’ (i.e., gender integration at design stage). There has been an increase in the quality of the CTF IP and project portfolios compared to the June 2014 baseline in all three scorecard indicator areas. Gender quality improvements are particularly notable for CTF projects (in contrast to the IPs, all of which were approved prior to June 2014, with only a few revised after that date). Attention to gender dimensions in the CTF project portfolio strengthened in comparison to the baseline across all three indicator areas (i.e., presence of sector-specific gender analysis, women-specific activities, and sex-disaggregated monitoring indicators).

## 5.3. Evaluation & Learning and Knowledge Management

22. Transformational Change Learning Partnership: The [Transformational Change Learning Partnership \(TCLP\)](#) engages partners and practitioners in learning on diverse topics that span current and future CIF programming, including themes related to CTF through its Clean Energy Interest Group. Activities includes recent webinars on grid integration and Concentrated Solar Power (CSP). TCLP webinars and analytical work also explored signals of transformational change related to the clean energy sector, which will continue to be a topic of discussion in the TCLP workstream.

23. Just Transition: CIF’s Just Transition Initiative (JTI) aims to enhance strategic learning by creating a community of policymakers and practitioners who wish to apply guidance and tools to decisions at the national and local levels related to just transitions. Accordingly, a [new framework](#) was developed to help stakeholders think through key dimensions of just transitions, and a comprehensive [resource library](#) was launched to offer a wide range of research materials and enhance the knowledge of experts and newcomers to the topic. Case studies were also developed to examine and share lessons on how CIF investments in specific countries have contributed to or interacted with efforts to ensure just transitions. The first case study on [South Africa](#) was released in September 2020, and a second study on [India](#) was released in March 2021.

24. GESP E&L Activities: The CIF AU is coordinating an interactive GESP Learning Platform to support dialogue and knowledge exchange between MDBs and other stakeholders. The first virtual event took place on May 12th and 13th, 2021, and brought together more than 400 CIF partners, policymakers, technologists, investors, project implementors, and development professionals. Additional events are scheduled for July and Fall 2021.

25. GESP Monitoring and Reporting Toolkit: At the first GESP Learning Platform event, the Monitoring and Reporting (M&R) team launched a new toolkit, which outlines the M&R system for GESP. The toolkit consists of guidance and tools for monitoring and reporting on the progress and performance of GESP projects/programs via a combination of CTF core indicators, GESP results indicators, project-specific indicators, and co-benefit indicators.