

CLIMATE INVESTMENT FUNDS

CTF/TFC.23/4
May 10, 2019

Meeting of the CTF Trust Fund Committee
Washington D.C.
Tuesday, June 4, 2019

Agenda Item 5

CTF SEMI-ANNUAL OPERATIONAL REPORT

PROPOSED DECISION

The Trust Fund Committee reviewed document CTF/TFC.23/4, *CTF Semi-Annual Operational Report*, and welcomes the progress that has been made in advancing the work of CTF.

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.

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1 Introduction

1. This report provides an update on the status of the Climate Investment Funds' (CIF) Clean Technology Fund (CTF), the portfolio of the CTF-funded programs and projects under the endorsed investment plans, the Dedicated Private Sector Programs (DPSP), and related activities. It also covers key strategic issues, such as the latest progress made on CTF 2.0 and resource availability. This report covers the period from July 1 to December 31, 2018.¹
2. The following annexes are included in the report: Annex 1: Resource availability schedule, Annex 2: List of fully disbursed projects/programs, Annex 3: DPSP III Approved Projects, and Annex 4: Expanded DPSP III Pipeline.

2 Strategic issues

3. It has been over a decade since the global leadership recognized the enormity of the climate change challenge and responded by establishing CTF to provide scaled-up financing to contribute to the demonstration, deployment, and transfer of low-carbon technologies with a significant potential for long-term greenhouse gas (GHG) emission savings. Since then, CTF resources have grown to USD 5.6 billion covering 15 country investment plans, one regional program (Middle East and North Africa), and three phases of the DPSP.
4. In January of this year, CIF hosted its 10th Anniversary event titled *Power of 10: Shaping the Future of Climate Action* in Ouarzazate, Morocco, also the site for the world's largest and CTF backed concentrated solar power (CSP) plant, the Noor Solar Complex. The event brought together key stakeholders including representatives from governments, private sectors, academia, global and regional development banks, among others to share lessons learned and identify a roadmap forward to address one of the most daunting challenges of today- climate change.
5. During the event, an *independent evaluation* and *evidence synthesis* of transformational change in CIF², led by ITAD and the Overseas Development Institute (ODI), respectively, were also launched, with important findings and lessons relevant to CTF and the global climate finance community at large. This external evaluation looked into CIF's contribution to transformational change in key markets and sectors over the past decade, and identifies key factors for its success (see Section 4.2.1 for details).



¹ In order to provide the Trust Fund Committee with the latest information on the status of available resources, the resource availability figures are based on data as of March 31, 2019. Other recent updates are also provided as much as possible.

² See [Independent Evaluation of Transformational Change in the CIF](#), ITAD 2019, and [Evidence Synthesis on Transformational Change in the CIF](#), ODI 2019. See also a [summary of findings](#) from both reports.

6. In terms of concrete, forward-looking steps towards accelerating climate action, the event also launched the *Technical Assistance Facility for Clean Energy Investment* established under the Danish Climate Envelope and hosted within CIF. The main focus of the facility is on creating and enhancing investment-enabling framework conditions for renewable energy and energy efficiency, which are particularly relevant to increasing predictability and security for investors. The facility is currently under implementation with the first call for proposals planned to be issued before the end of the calendar year. The facility is open to additional funding contributions from interested donors.
7. Nonetheless, there is a long way still to go. According to IEA, global energy consumption grew by 2.3 percent in 2018, nearly twice the average rate of growth since 2010. As a result, global energy-related CO₂ emissions rose 1.7 percent to a historic high of 33.1 Gt, while the global average annual concentration of CO₂ in the atmosphere averaged 407.4 ppm in 2018, up 2.4 ppm since last year. Just to achieve the Paris Agreement's goals, investment in renewable energy supply will need to reach a total of USD 20 trillion by 2050, and double of that on the demand-side.
8. At the CIF Anniversary event, ministers in attendance from CIF recipient countries proposed endorsing a [joint statement](#)³ to be issued by CIF recipient countries, ahead of the next Joint meeting of the CTF and Strategic Climate Fund (SCF) Trust Fund Committees in June 2019, that would call to recapitalize CIF in response to worsening consequences of climate change and sweeping finance gaps for low-carbon development. As of mid-April 2019, 42 ministers from CIF recipient countries have signed a written statement communicating a shared position on the future of the CIF with more expected to be signing soon.
9. Later in 2019, the Climate Action Summit will be hosted by the United Nations Secretary-General with the objective of boosting ambition and rapidly accelerating action to implement the Paris Agreement. In order to do so, various tracks, or priorities, have been identified, including that of *Energy Transition*. Led by Denmark and Ethiopia (supported by Sustainable Energy for All), this track will focus on boosting renewable energy, energy efficiency, energy storage, access and innovation, as well as mobilizing investments for the energy transition. It has taken a decade to build a momentum and it is crucial that leaders around the world, once again, recognize the urgency and support climate action at all levels through concrete commitments during the coming year.

2.1 Resource availability

10. As of December 31, 2018, USD 4.9 billion had been approved by the CTF Trust Fund Committee for 132⁴ projects and programs.⁵ Delivery of CTF has continued to grow steadily

³ [Joint Statement](#)

⁴ Includes 18 proposals submitted under DPSP III Business Development Facility (BDF).

⁵ The figures are net of cancelations.

in terms of funding and project approvals, disbursements, and reported results on the ground.

11. The CIF Administrative Unit, in consultation with the multilateral development banks (MDBs) and the Trustee, has regularly updated the pipeline and other necessary commitments to estimate the available resources for commitment. As of March 31, 2019, out of the USD 520 million for DPSP III endorsed by the CTF Trust Fund Committee in December 2017, USD 443 million has been approved.
12. Based on the information from the Trustee and the *expanded* DPSP III pipeline, the resource availability schedule has been updated (see Table 1 and Annex 1).

Table 1: Resource availability schedule (as of March 31, 2019, in USD million)

Unrestricted fund balance (A)	[a/]	255.49
<i>Less: Anticipated commitments</i>		
Program/ project funding and MPIS costs		583.50
Total anticipated commitments (B)		583.50
Available resources (A-B)		(328.01)
<i>Add: Potential future resources (FY19-23)</i>		
Release of currency risk reserves		67.61
Total potential future resources (C)		67.61
Potential available resources (A - B + C)		(260.40)

Source: Trustee Report

a/ Unrestricted fund balance is based on the balance ending in December 31, 2018

13. At its last meeting in January 2019, and in light of the cancellations by the MDBs of funding previously approved by the CTF Trust Fund Committee, the Committee agreed that any remaining CTF resources that can be made available for further programming may be used to fund more projects/programs under DPSP III and that more projects/programs may be added to the remaining DPSP III pipeline, with the deadline for submission for funding approval to be June 2020.
14. As requested by the Committee, the CIF Administrative Unit, in consultation with the MDBs, developed and shared with the Committee an *expanded* DPSP III pipeline of 32 projects totaling **USD 584 million** in CTF funding for further programming (see Annex 4). The current pipeline will support several new frontiers. Battery/energy storage as well as renewable energy integration is featured in about 30 percent of the projects (in terms of numbers), while electric vehicles are mentioned in about 20 percent of them. Removing barriers for access to finance continues to be a theme for some projects, often targeting the small and medium enterprises (SMEs). While solar energy dominates the technology landscape, the pipeline also includes a couple of geothermal and one public buildings energy efficiency project.

2.2 Risk management

15. The CIF Administrative Unit, based on latest information obtained from the MDBs and Trustee, assesses the risk exposures facing CTF that may prevent it from meeting its key objectives. *implementation risk*, *currency risk*, and *credit risk* represent the most significant risks to the program currently, and the associated exposures are listed below. For detailed assessment, please refer to the *Risk Report*, shared separately with the CTF Trust Fund Committee.

- Implementation risk for CTF remains *high* as 9 projects representing USD 504 million of approved funding have been flagged for this risk.
- Although a recent encashment of GBP 172 million caused the unrealized decline in the value of CTF's uncashed promissory notes to decrease to USD 61 million from USD 118 million, the remaining currency risk exposure for CTF continues to be *high*.
- Credit risk for CTF is *high* as losses associated with the loan portfolio are expected to approach 6 percent. As of March 31, 2019, four loans were reported to be experiencing payment defaults (three representing EUR 22 million and one representing USD 12 million).

3 Status of the CTF

3.1 Portfolio overview and trends

16. The CTF portfolio and pipeline consists of 132 projects and programs⁶ from 16 endorsed investment plans, including the regional MENA CSP, and three phases of DPSP, totaling USD 4.9 billion in CTF funding (see Table 2⁷). Implementation of investment plans and DPSP has been advancing steadily as is evident through the increased amount of funding approved by the MDBs as well as increased disbursement since last reporting.

Table 2: Overview of CTF portfolio (as of December 31, 2018)

	Approved funding		Disbursement
	Committee*	MDB	
CTF Funding (in \$M)	4,896	4,207	2,334
Number of projects	132	98	84

* Funding figures are net of any cancellations

⁶ Includes 18 proposals submitted under DPSP III Business Development Facility (BDF).

⁷ Figures are net of *cancelled* funding and projects no longer under development.

3.2 Portfolio updates

17. Investment plans: During the current reporting period (June 30 to December 31, 2018), there were no new CTF investment plans or revised investment plans submitted for endorsement.

18. CTF Trust Fund Committee approvals: Figures 1 and 2 show trends of CTF funding approvals by the Trust Fund Committee, net of cancelations, by fiscal year.

Figure 1: Funding approvals by Trust Fund Committee by fiscal year (as of December 31, 2018)

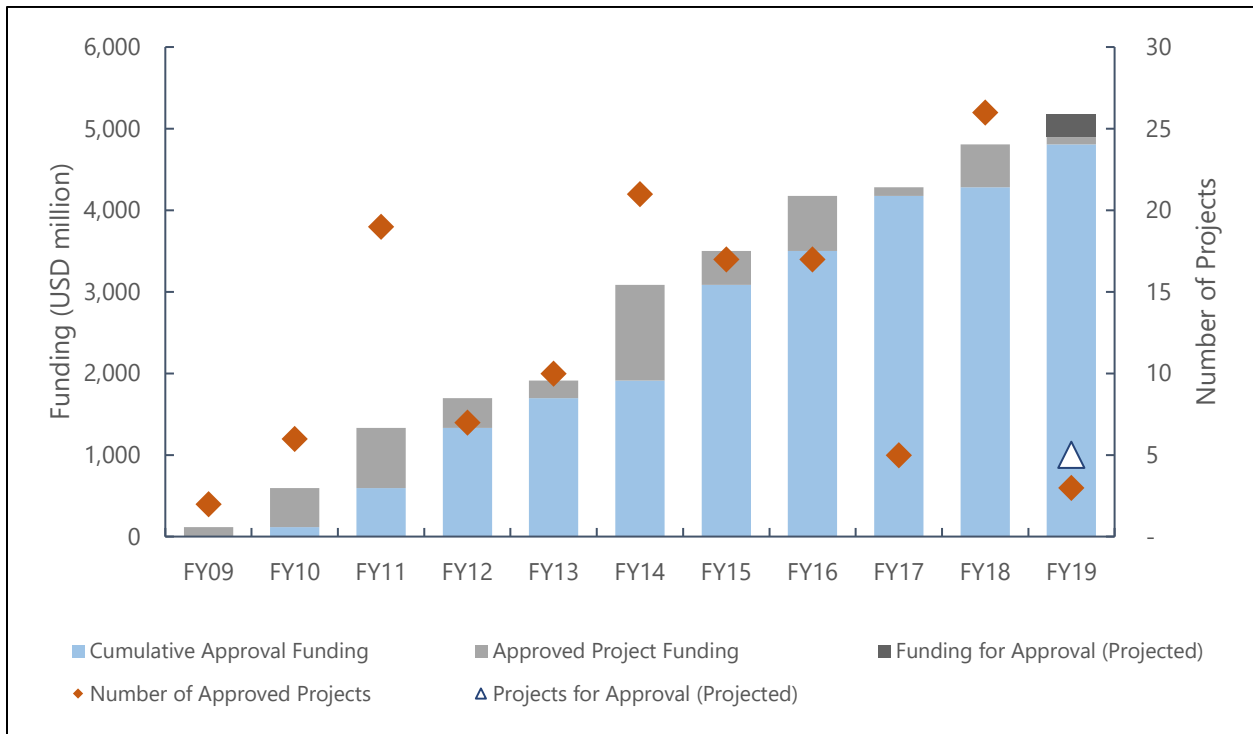
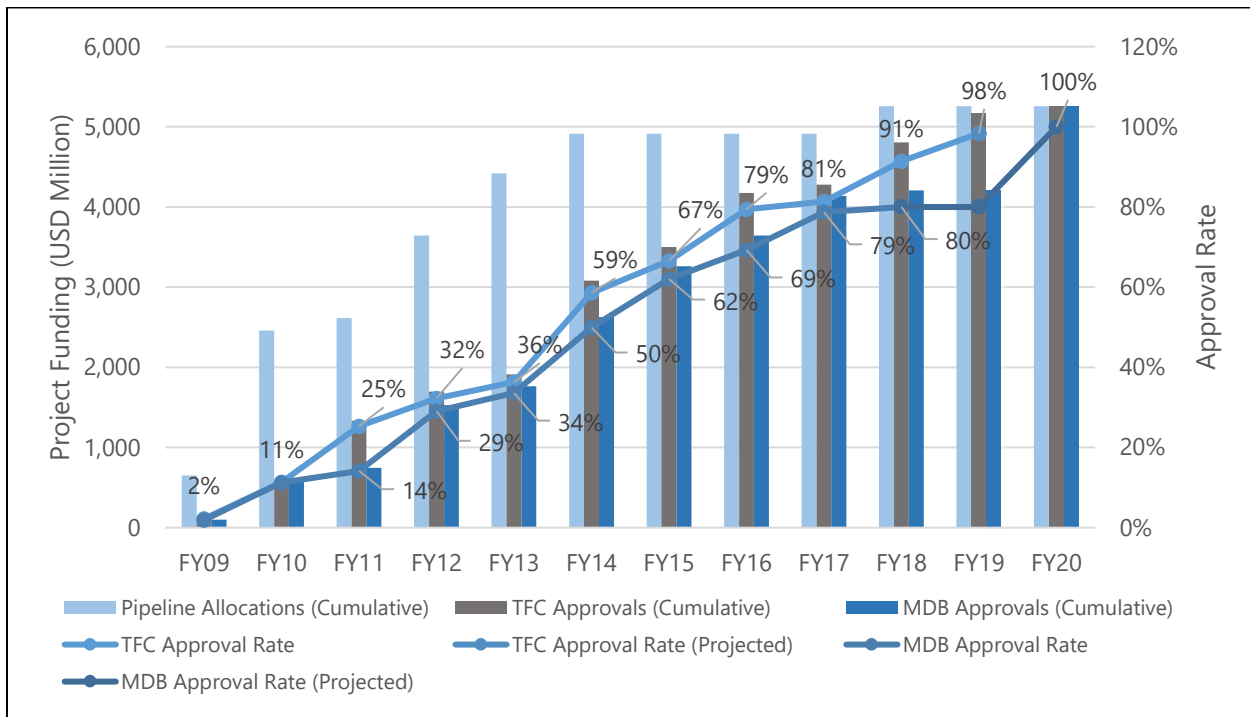


Figure 2: CTF funding approval rate by fiscal year (as of December 31, 2018)



19. **DPSP III:** The CTF Trust Fund Committee endorsed a DPSP III pipeline totaling US 520 million in December 2017. During the current reporting period three proposals were approved by the Trust Fund Committee for a total of USD 88 million (see Table 4).

Table 3: CTF Trust Fund Committee Approvals (as of December 31, 2018)

Country/Program	Program title	MDB	CTF funding (USD million)
DPSP-Regional	DPSPIII: Innovative Instruments for Investment in Zero-Carbon Technologies (i3-0)	IDB	35
DPSP-Regional	DPSP III: Integrated Renewable Energy and Energy Storage	ADB	38
DPSP- Ukraine	DPSP III: Finance and Technology Transfer Centre for Climate Change (FINTECC): Ukraine Agribusiness Waste Residues Window	EBRD	15
TOTAL			88

20. Subsequent to the reporting period, between January 1 and March 31, 2019, additional five projects were approved under DPSP III for a total of USD 275.75 million:

- India: Scaling Up Demand-Side Energy Efficiency Project, ADB, USD 48 million
- Indonesia: Geothermal Resource Risk Mitigation Project (GREM), IBRD, USD 75 million
- Regional: High Climate Impact for the Corporate Sector, EBRD, USD 53 million
- Regional: Off-Grid Electrification Project, IBRD, USD 75 million

- Ukraine: Sustainable Urban Infrastructure, IFC, USD 24.75 million

21. **MDB approvals:** During the current reporting period, the following two projects were approved by the MDBs (see Table 4).

Table 4: MDB Approvals (as of December 31, 2018)

Country/ Program	Program title	MDB	CTF funding (USD million)
Colombia	Clean Energy Development Project	IBRD	41
South Africa*	Eskom Renewables Support Project Component 2	IBRD	215
TOTAL			256

*Restructured project

22. **Co-financing:** CTF Trust Fund Committee approved funding is expected to mobilize over USD 46 billion in co-financing from private and public sectors, MDBs, bilateral, and other sources. That represents a leverage ratio of 1 to 9.4, meaning for every USD 1 invested by CTF, over USD 9 is invested by other sources of finance. As shown in Figure 3, the private sector is the largest source of co-financing with over USD 16 billion (1:3.3) in CTF leverage, followed by MDBs (1:2.7) and bilateral/other sources (1:2.2).

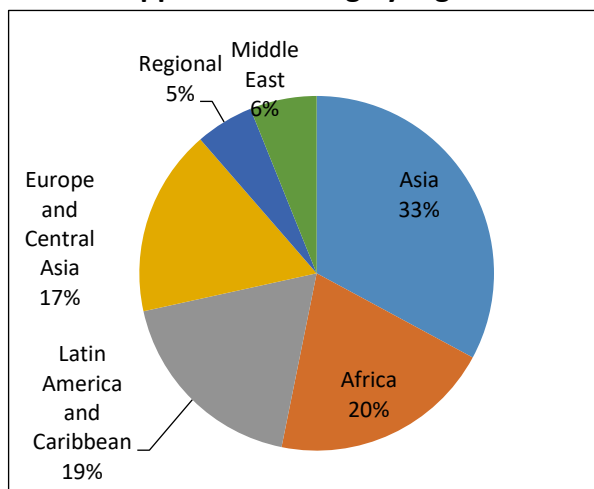
Figure 3: CTF co-financing by source and ratio (as of December 31, 2018)



23. For private sector portfolio, the leverage ratio is 1 to 9.7, with private sources being the largest source of co-financing (1:4.7), followed by MDB (1:2.5); for public sector portfolio, the leverage ratio is 1 to 9.3, with private and other sources forming the largest share of co-financing (1:2.7).

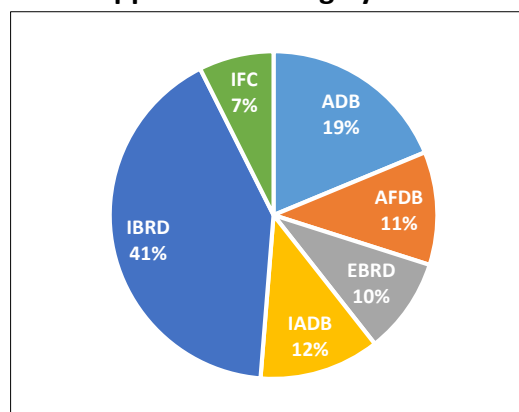
24. Regions: Asia has the largest share of CTF-approved funding, accounting for a third, followed by Africa and Latin America and the Caribbean (see Figure 4).

Figure 4: CTF Trust Fund Committee-approved funding by region



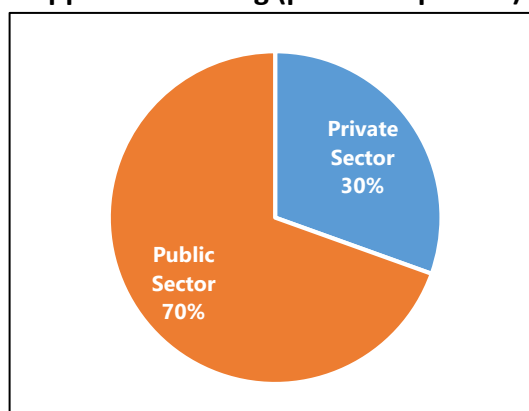
25. MDB shares: The World Bank Group (IBRD and IFC) accounts for close to half of the total approved funding, followed by ADB (19 percent), IDB (12 percent), among others.

Figure 5: CTF Trust Fund Committee-approved funding by MDB



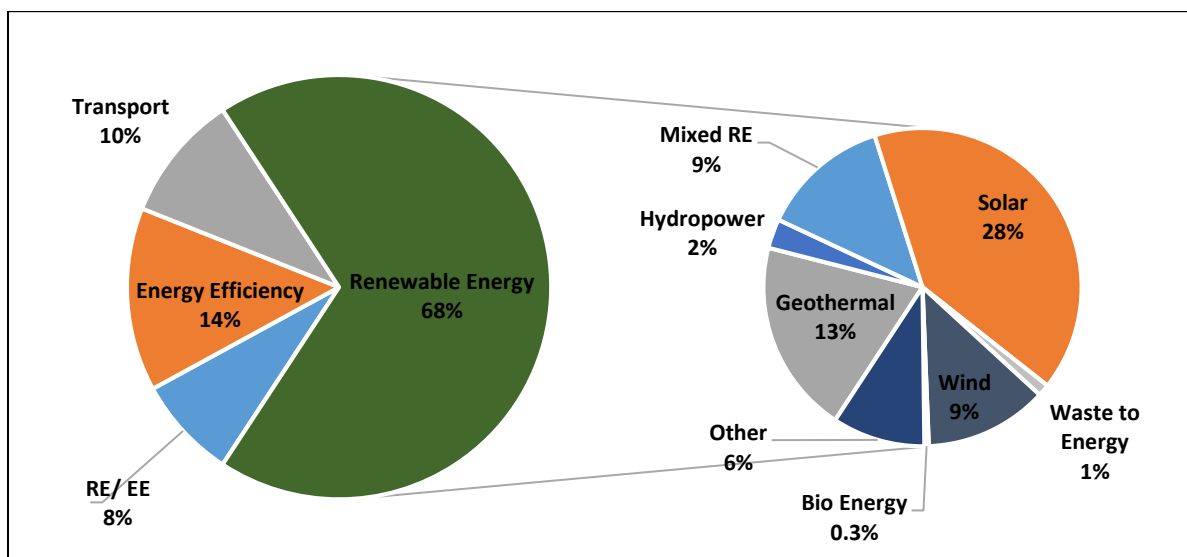
26. Private vs. public sectors: Overall, the public arms of the MDBs accounts for over two-thirds of the CTF Trust Fund Committee-approved funding, while the private sector accounts for less than one-third (see Figure 6).

Figure 6: CTF Trust Fund Committee-approved funding (public vs. private)



27. **Sector and technology:** Renewable energy accounts for over two-thirds of CTF Trust Fund Committee-approved funding. Energy efficiency, including investments in smart grids, accounts for 14 percent of the portfolio, and sustainable transport around 10 percent. Of the renewable technologies, solar accounts for half of the portfolio, followed by geothermal (13 percent), mixed renewables, and wind (see Figure 7).

Figure 7: Trust Fund Committee-approved funding by technology (as of December 31, 2018)



3.3 Funding cancellations

28. As of March 31, 2019, the following projects/sub-projects totaling USD 58 million in approved funding were submitted for cancellation by various MDBs (see Table 5).

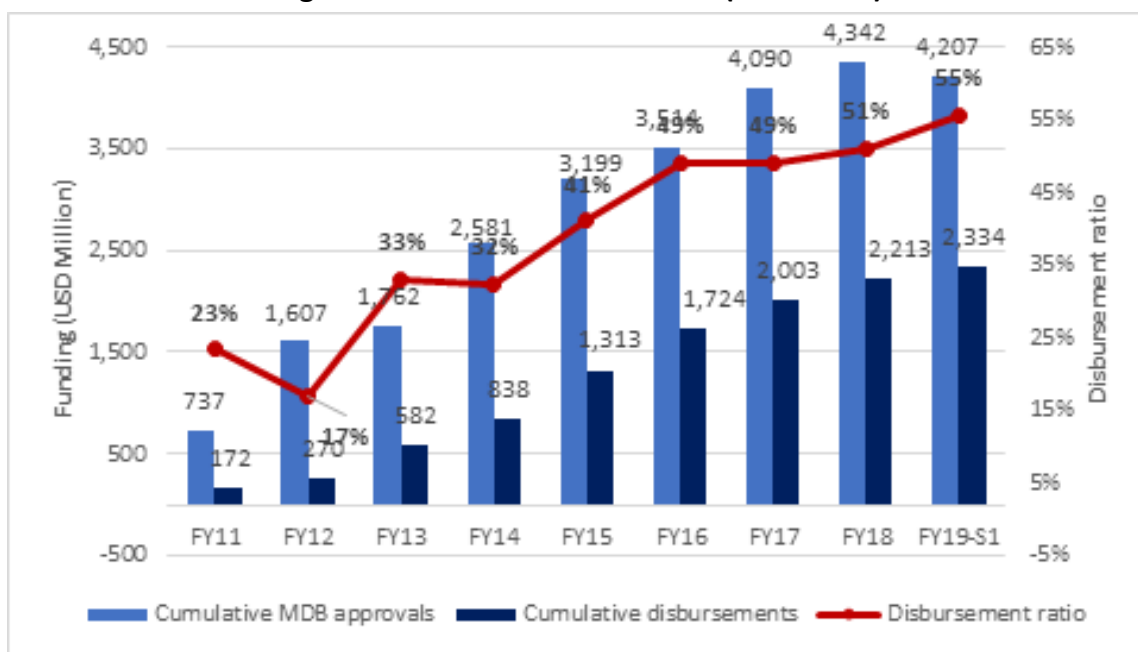
Table 5: CTF project cancellations (as of March 31, 2019)

Country	Program title	MDB	Canceled amount (USD million)	Reason for cancellation
Indonesia	Geothermal Electricity Finance Program (IGEF)	IFC	19.30	E&S concerns
Regional	RE Mini Grids and Distributed Power Generation Program	ADB	4.50	Expiration of loan availability period for the sub-project
Regional	Mezzanine Finance for Climate Change	ADB	34.50	Program reached CTF cancellation milestone
TOTAL			58.30	

3.4 Disbursements

29. As of December 31, 2018, MDBs have disbursed close to USD 2,334 million for 84 projects and programs. The disbursement rate (i.e., disbursement as a percentage of MDB approvals) has remained stable in recent years, with the rate at 55 percent in the current reporting period (see Figure 8).

Figure 8: CTF disbursement trend (2011-2019)



30. **Fully disbursed projects:** Forty-four projects/programs equivalent to USD 1,681 million in CTF commitments have fully disbursed (see Annex 2), 65 percent of which can be attributed to public sector projects and the remaining private sector. These projects tended to use swiftly disbursing financial mechanisms, including guarantees⁸, technical assistance, and a development policy loan as in the case of India.

31. More than half of the fully disbursed funds can be attributed to MENA-CSP, two geothermal projects in Indonesia, and the development policy loan to India. Over a third (38 percent) of these funds have been disbursed in full to IBRD projects, followed by ADB (20 percent). Top five beneficiaries from funds on the ground have been Morocco, Indonesia, Mexico, India, and Turkey accounting for 78 percent of the share of project funding that has been fully disbursed.

32. At its January 2019 meeting, the CTF Trust Fund Committee requested MDBs to explore ways to accelerate disbursement rates. Given the diverse nature and underlying operating conditions of each project, it is difficult to identify common measures to accelerate disbursements for projects that do not follow their expected schedule. Project

⁸ Guarantee projects are regarded as “100% disbursed” once the financial products become effective.

implementation varies from project to project and depend on a number of factors both within and outside the control of the MDBs. While in some cases, disbursement may not be per schedule due to implementation challenges like delays in securing government clearances, setting up project management units, or other political or market changes, in other cases, slow or phased disbursement is an integral feature of the project structure.

33. As part of their standard procedure, MDBs work closely with project entities and host country governments and take steps such as holding regular coordination meetings and review missions, among others to assess overall progress of the projects and address any implementation or disbursement delays. All vital information regarding affected projects is shared and such projects are analyzed under the Risk Report presented periodically by the CIF Administrative Unit with direct inputs and updates from all MDBs. In terms of forward looking measures, capacity building efforts of the project entities, including governments, may be further strengthened to help meet the project disbursement goals.

4 Cross-cutting themes

4.1 Gender

34. As requested by the CTF Trust Fund Committee, this semi-annual operational report has shifted its gender scorecard reporting to reflect trends in the investment plan and project portfolio over time in the area of gender quality at entry. This form of reporting is in contrast to the previous practice of reporting only on investment plans and projects approved during the current reporting period.
35. Tables 6 and 7 show an increase in the quality of the CTF investment plan and project portfolio since the June 30, 2014 baseline (i.e., the start of the CIF Gender Action Plan), in all three scorecard indicator areas. This is found to be particularly the case for projects in the portfolio (as all CTF investment plans were approved prior to the start of the CIF Gender Action Plan on July 1, 2014) where attention to gender dimensions more than doubled across all project dimensions monitored under the Gender Action Plan (i.e., presence of sector-specific gender analysis, women-specific activities, and sex-disaggregated monitoring indicators). See Box 1 for an example of integrating gender equality consideration into a private sector project serving 13 countries in Latin America and the Caribbean.

Table 6: Gender scorecard indicators for CTF investment plans
(program inception to December 2018)⁹

Indicators	Baseline June 2014 % (n)	GAP ¹⁰ Phases 1 & 2 (July 2014 - Dec 2018) % (n) ¹¹	Cumulative (i.e., CTF inception - Dec 2018) % (n)
Sector-specific gender analysis	6% (1)	n.a.	19% (3)
Women-targeted activities	13% (2)	n.a.	19% (3)
Sex-disaggregated M&E indicators	13% (2)	n.a.	19% (3)

Table 7: Gender scorecard indicators for CTF projects
(program inception to December 2018)¹²

Indicators	Baseline June 2014 % (n)	GAP Phases 1 & 2 (July 2014 - Dec 2018) % (n)	Cumulative (i.e., CTF inception - Dec 2018) % (n)
Sector-specific gender analysis	22% (17)	49% (25)	43% (50)
Women-targeted activities	18% (14)	53% (27)	41% (47)
Sex-disaggregated M&E indicators	16% (12)	31% (16)	25% (29)

⁹ The table presents cumulative data for CTF Trust Fund Committee-approved investment plans (IPs).

¹⁰ CIF Gender Action Plan (GAP)

¹¹ No new IPs were approved under CTF from July 2014 to the present. However, select IP revisions were undertaken during the period, and are represented here under their original approval year. Differences between baseline and cumulative figures reflect gender content of these revised IPs (e.g., for India and Indonesia).

¹² The table below presents cumulative data for CIF Trust Fund Committee-approved projects.

Box 1: Incentivizing gender equality outcomes in private sector investment (Zero-carbon Technologies, Latin America)

The DPSP III Innovative Instruments for Investment in Zero-Carbon Technologies (i3-0) Project implemented by the Inter-American Development Bank Group and supported by CTF financing of USD 34 million, seeks to support innovative financing models for the deployment of clean technologies in energy efficiency, distributed generation, energy storage, and sustainable transport, across 13 CTF countries in Latin America. The project intends to use financial instruments, such as risk capital (equity and mezzanine capital), risk management instruments (especially guarantees), and liquidity solutions (such as senior debt and backstop bond subscriptions), to target capital markets, institutional investors, and commercial banks to mobilize at least USD 300 million for clean technology investments. This financing efforts will be coupled with a technical assistance facility to help develop contractual models and public-private partnership schemes and to build in gender performance-based incentives, with gender appraisals included as part of the design and implementation of projects.

The gender component aims to help implement inclusive practices in private investment by providing such incentives as reduced interest rates to project sponsors for contractually-agreed gender-related activities agreed in advance. Project gender activities will be developed in concert with project sponsors based on conduct of a participatory gender gap analysis to identify women's and men's needs, interests, and risks in the context of the planned investment. It is expected that activities such as these will be supported: improving gender equality in the workplace (including non-discrimination in hiring), STEM-based pipelines for girls' education and women's employment, support to women's entrepreneurship in energy distribution activities, and input of women's travel and transport-related use preferences into infrastructure design. Gender outcomes will be monitored on a sex-disaggregated basis.

36. A dedicated gender session was organized in the January 2019 CTF Pilot Countries meeting for CTF country and MDB representatives. It highlighted the importance of enhancing gender outcomes in areas such as employment, technology choice, use of subsidies, and targeted service delivery. It also examined inclusive approaches to large-scale renewable energy investments, including recent research on renewable energy and social models and AfDB gender research under country programming budget support regarding CTF implementation on the ground, particularly in Morocco where the event was held.

4.2 Knowledge management

37. In 2018, CIF and the Institute for the Future (IFF) joined forces to task some of the brightest minds in the climate field to answer one question: What does the future of climate action hold, and how can we, from manufacturers to individuals to governments to investors, do our part to accelerate progress? The result is a forward-looking map, *The Future of Climate Action*, that seeks to answer that question. The map presents forecasts and identifies new opportunities for change over the next decade to reframe our collective story around climate change to accelerate action today. It also identifies numerous signals that positive change is happening now, from an increase in women leaders who are more likely to take action on climate change to the use of “good bots” to initiate climate action globally. Numerous opportunity zones for climate action over the next decade are identified—including artificial intelligence, digital engagement, youth movements, and the new climate economy—that can accelerate progress toward a low-carbon world. Following its launch late last year, the map has since been featured in numerous venues, including COP24 and the CIF@10 Anniversary event, and is now being utilized as a tool to further the dialog on active climate action.



38. During the 10th Anniversary event in Morocco, a number of sessions were organized to highlight CIF achievements, lessons learned and key insights. Some of the most relevant ones from CTF perspective included the following:

- *The Solar Revolution*, highlighting extraordinary progress in renewable energy development, including CSP, and the role of solar energy in the global energy transition.
- Launch of the Global Delivery Initiative (GDI) Case Studies, featuring case studies on the lessons learned from inception to delivery challenges and solutions.
- *Moving the Climate Needle: New Technologies and Business Models*, showcasing entrepreneurs who are already helping move the climate needle.
- *Scaling up Climate Finance through Financial Intermediaries*, bringing together leading players from both public and private sectors and hear about their experience, priorities and strategies to meet their climate change goals.
- *Clean Transport: Where Do We Go from Here*, looking at what the climate finance architecture needs to do to address the emerging challenges in this sector.
- *Reverse Auctions - Unlocking New Renewable Energy Regions and Driving Down Costs*, looking at how reverse auctions and renewable energy parks can help unlock new areas with high renewable energy potential.

4.2.1 Evaluation and Learning (E&L) Initiative

39. An [Independent Evaluation](#) and [Evidence Synthesis](#) of Transformational Change in the CIF¹³, led by ITAD and the Overseas Development Institute (ODI), respectively, were launched in January 2019, with important findings and lessons relevant to CTF. Overall, the studies found that CIF has clearly contributed to transformational change in key markets and sectors, including significant evidence of relevance, systemic change, scale and sustainability. The studies point to the following key factors as among the reasons for this success: strategic timing; scale of financing and mainstreaming clean energy into national decision-making; promoting innovative, first-of-its-kind projects; changing risk perceptions and driving down costs; complementing and leveraging other donors; and evidence of continuation and market growth following CIF investments. The reports also offer learning on areas or markets, such as sustainable transport or in less developed market contexts, where scaling and sustainability has been less evident.

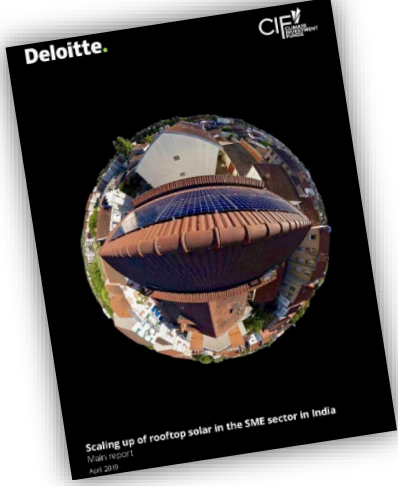


40. A study on the [role of concessional finance](#) in CTF for overcoming investment barriers and helping scale up low carbon technologies, by Bloomberg New Energy Finance (BNEF), was launched in February 2019¹⁴. The report includes a deep-dive into CTF's clean energy investments in five countries (Chile, Kazakhstan, Mexico, Morocco, and Thailand), and was critical in providing quantitative, market-based evidence on CTF's role in stimulating market change for the wider transformational change reports. Using the lens of the CTF experience, the report also contemplates the best new opportunities for deploying concessional capital in the short to mid-term. Key takeaways from the report include: 1) concessional finance can rapidly accelerate uptake of clean energy technologies in developing countries, and CTF is a proof of that, 2) concessional finance can substantially speed the transition from fossil-fueled power generation to renewable energy in developing countries by accelerating the point in which renewables are cheaper than fossil-fuel generation sources, and 3) there is major potential for concessional finance to create markets for next-generation low-carbon technologies, in particular batteries.



¹³ See [Independent Evaluation of Transformational Change in the CIF](#), ITAD 2019, and [Evidence Synthesis on Transformational Change in the CIF](#), ODI 2019. See also a [summary of findings](#) from both reports.

¹⁴ See [The Clean Technology Fund and Concessional Finance: Lessons Learned and Strategies Moving Forward](#). Bloomberg New Energy Finance, 2019.

41. Building on CTF's support of rooftop solar in India through World Bank and ADB, a new report- [Scaling-up of rooftop solar for the SME sector in India](#)¹⁵, supported by E&L's second call for proposals, in partnership with Deloitte, was launched in April 2019. The study's objectives were to identify key reasons for slow growth and low investments in solar rooftop in the micro, small, and medium enterprise (MSME) sector, and assess key barriers and potential mitigation to address those. Based on a pre-defined criterion, a total of 150 MSMEs were surveyed nationwide across six identified MSME clusters (rubber and plastic, pharmaceuticals, auto, paper, food and beverage, and textiles). The study evaluates appropriate financial toolkits and identifies select interventions to promote and increase the uptake of rooftop solar in the sector. It also proposes an Attractiveness Index following a weighted treatment of key parameters like power requirement and access to finance in order to identify and determine readiness of clusters for a pilot as proof-of-concept. This study is actively informing strategic discussions on how CIF, MDBs and others can best support this sector in India going forward.
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42. A forthcoming study by the World Bank on the effectiveness of various financing instruments explores the role of the public sector in enabling commercial investment in the grid-connected solar market in developing countries. The analysis considers five key public sector interventions: direct and indirect financing, legal policy and regulatory instruments, government-sponsored guarantees, planning technical and operational capacity, and investment in enabling infrastructure. It draws on empirical evidence and selected examples from developing countries to identify lessons that could be relevant for other countries and inform future action by governments and their development partners. The study is expected to be released in 2019.

¹⁵ See [Scaling-up of Rooftop Solar in the SME sector in India](#), Deloitte 2019.

Annex 1: Resource availability schedule (as of March 31, 2019)

Cumulative Funding Received		USDm-eq.
Contributions Received		
Cash Contributions		4,988.84
Unencashed promissory notes	a/	450.73
Total Contributions Received		5,439.57
Other Resources		
Investment Income		230.79
Other income	b/	17.82
Total Other Resources		248.61
Total Cumulative Funding Received (A)		5,688.18
Cumulative Funding Commitments		
Projects/Programs		6,059.27
MDB Project Implementation and Supervision services (MPIS) Costs		45.30
Cumulative Administrative Expenses		82.20
Total Cumulative Funding Commitments		6,186.76
Admin Budget Cancellations	c/	(5.77)
Project/Program, MPIS Cancellations	d/	(988.10)
Net Cumulative Funding Commitments (B)		5,192.90
Fund Balance (A - B)		495.28
Country Programming Budget reserve FY19-23	e/	(1.51)
Learning and Knowledge Exchange & Special Initiative Budget (Multi-Year)	f/	(1.33)
Currency Risk Reserves	g/	(67.61)
Unrestricted Fund Balance for Trustee Commitments -Projects/Programs and Admin (C)		424.84
Net investment income available for Admin Budget commitments and the loan losses (D)		169.35
Unrestricted Fund Balance for Project/Program commitments (E = C - D)		255.49
Anticipated Commitments for Projects/Programs (FY19-FY21)		
Program/Project Funding and Fees- CTF Dedicated Private Sector Programs (DPSP)- Phase III (Up to USD 520 mn endorsed)		583.50
Total Anticipated Commitments (F)		583.50
Available Resources for Projects/Programs (G = E -F)		(328.01)
Potential Future Resources (FY18-FY21)		
Contributions not yet paid		-
Pledges		-
Release of Currency Risk Reserves	g/	67.61
Total Potential Future Resources (H)		67.61
Potential Available Resources for Projects/Programs (G+H)		(260.40)
Potential Net Future Resources for Admin Expenses and Loan Losses		
Projected Investment Income from April 2019 to FY23 (I)	h/	49.14
Projected Administrative Budget (FY20-23) (J)	i/	34.94
Potential Net investment income available for Admin Expenses and Loan losses (K= I -J)		14.20
Potential Available Resources for Admin Expenses and Loan Losses (D + K)	j/	183.54

Source: Trustee Report

- a/ This amount represents USD equivalent of GBP 344.71 million.
- b/ Return of funds other than reflows due to be returned to the Trust Fund pursuant to the Financial Procedures Agreements consistent with the pertinent CTF funding approved by the CTF Trust Fund Committee.
- c/ The admin budget cancellations include the unused admin budget refunds, Country Programming Budget revisions/cancellations by MDBs, Trustee and CIFAU.
- d/ Cancellation of program and project commitments approved by the committee
- e/ The amount of USD 0.1 million approved by TFC in June 2018 for the multi-year country programming budget and the balance in reserve estimate provided by CIFAU for the period FY19 - FY23.
- f/ The multi-year Learning Knowledge Management Budget of USD 0.46 million & Special Initiative Budget of USD 0.27 million approved by the TFC in June 2018 and the multi-year special initiative budget for CTF 2.0 of USD 0.59 million approved by TFC in June 2017, yet to be committed by the Trustee.
- g/ Amounts withheld to mitigate over-commitment risk resulting from the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated promissory notes.
- h/ Investment income on undisbursed funds as projected by Trustee through the cash flow model assuming a stable investment environment, steady pace of cash transfers and encashment of unencashed promissory notes.
- i/ FY19 Budget commitment approved by TFC on June 2018 was USD 8.36 million for Administrative services. There was also approval for a multi-year initiative for 0.84 million. The amount approved for FY19 Administrative Services was extrapolated for 5 years. Projected administrative budget includes resources for administrative services provided by the CIF AU, Trustee and MDBs.
- j/ Losses on outgoing CTF Financial Products will be shared by all contributors on a pro-rata basis and covered to the extent available from the Net income (net investment income, interest and guarantee fees received in excess of 0.75%)

Annex 2: Fully disbursed projects and programs (as of December 31, 2018)

Country	Public/ Private	Project Title	MDB	CTF Funding (USD million)
Chile	Private	Large-Scale Photo-Voltaic Program	IDB	16.00
Colombia	Public	Technological Transformation Program for Bogota's Integrated Public Transport System	IDB	40.00
Colombia	Public	EE Financing Program for the Services Sector	IDB	10.00
Colombia	Private	Sustainable Energy Finance Program	IFC	6.47
Honduras	Private	Utility-Scale Solar PV Sub-Program	IFC	19.50
India	Public	Development Policy Loan to Promote Inclusive Green Growth and Sustainable Development in Himachal Pradesh	IBRD	100.00
India	Public	Limited Solar Power Transmission Sector Project India	ADB	50.00
India	Public	Partial Risk Sharing Facility for Energy Efficiency	IBRD	25.00
Indonesia	Private	Private Sector Geothermal Energy Program	ADB	149.25
Indonesia	Public	Geothermal Clean Energy Investment Project	IBRD	125.00
Kazakhstan	Private	Renewable Energy Financing Program	IFC	1.20
MENA-CSP	Public	Noor II and III Concentrated Solar Power Project	AfDB	119.00
MENA-CSP	Public	Noor II and III Concentrated Solar Power Project	IBRD	119.00
MENA-CSP	Public	Ouarzazate I Concentrated Solar Power Project	AfDB	100.00
MENA-CSP	Public	Ouarzazate I Concentrated Solar Power Project	IBRD	97.00
Mexico	Public	Renewable Energy Program, Proposal III	IDB	70.54
Mexico	Public	Efficient Lighting and Appliances Project	IBRD	50.00
Mexico	Public	"Ecocasa" Program (Mexico EE Program Part II) (Project)	IDB	49.51
Mexico	Private	Energy Efficiency Program, Part 1	IDB	21.68
Mexico	Private	Private Sector Wind Development	IFC	15.10
Nigeria	Public	Line of Credit for RE/ EE Projects	AfDB	1.25
Philippines	Private	Sustainable Energy Finance Program	IFC	3.45
South Africa	Private	Sustainable Energy Acceleration Program	AfDB	41.50
South Africa	Private	Sustainable Energy Acceleration Program	IFC	35.69
South Africa	Private	Energy Efficiency Program	IFC	1.92
Thailand	Private	Private Sector Renewable Energy Program	ADB	80.60
Thailand	Private	Renewable Energy Accelerator Program	IFC	5.10
Thailand	Private	Sustainable Energy Finance Program (TSEF)	IFC	4.75
Turkey	Public	Private Sector RE/ EE Project	IBRD	100.00
Turkey	Private	Pvt. Sector Sustainable Energy Financing Facility (TurSEFF)	EBRD	49.15
Turkey	Private	Commercializing Sustainable Energy Finance Program	IFC	21.04
Turkey	Public	Impact Assessment of CTF in RE/ EE Market	IBRD	0.09
Ukraine	Private	Renewables Direct Lending Facility	EBRD	26.46
Ukraine	Private	Novoazovsk Wind Project	EBRD	20.58
Ukraine	Private	Renewable Energy Program	IFC	0.18
Vietnam	Private	Sustainable Energy Finance Program (VSEF)	IFC	3.00
Total				1,579.02

Annex 3: DPSP III approved projects (as of March 31, 2019)

Country	Project/ Program	MDB	CTF Funding	Approval Date
Bangladesh	BDF: Renewable Energy Investment Program	ADB	0.42	Mar-18
Brazil	DPSP III: Financial Instruments for Brazil Energy Efficient Cities	IBRD	20.00	May-18
Brazil	BDF: Transit-Oriented Development in Brazil	IDB	2.10	Mar-18
Brazil	BDF: Pilot Hybrid Electric BRT Corridor and Concession Model SãoP	IBRD	0.99	Mar-18
Cambodia	BDF: Support for a Sustainable Power Sector	ADB	0.42	Mar-18
Global	DPSP III: Solar Distributed Generation (SDG)	IFC	35.00	May-18
Global	BDF: Establishing Common Risk Mitigation Mechanism for Solar	IBRD	1.05	Mar-18
Global	BDF: Climate Auctions for Energy Efficient Buildings	IBRD	0.56	Mar-18
India	DPSP III: Scaling Up Demand-Side Energy Efficiency Project	ADB	48.00	Feb-19
India	BDF: Supporting India's Electric Mobility Program	IBRD	1.00	Mar-18
India	BDF: Supporting India's Offshore Wind Sector	IBRD	0.53	Mar-18
Indonesia	DPSP III: Indonesia Geothermal Resource Risk Mitigation Project	IBRD	75.00	Feb-19
Kazakhstan	BDF: Renewable Energy Project Preparation	EBRD	1.05	Mar-18
Kazakhstan	BDF: Promoting Investment Roadmaps for Low-Carbon Infrastructure Development in Central Asia Regional Economic Cooperation Program Cities	ADB	0.74	Mar-18
Regional	DPSP III Regional Off-Grid Electrification Project	IBRD	75.00	Feb-19
Regional	High Climate Impact for the Corporate Sector	EBRD	53.00	Jan-19
Regional	DPSP III: Integrated Renewable Energy and Energy Storage	ADB	38.00	Jul-18
Regional	DPSP III: Innovative Instruments for Investment in Zero-Carbon Technologies (i3-0)	IDB	35.00	Jul-18
Regional	BDF: Battery Storage Systems for Ancillary Service Grid Support and Renewable Energy-Storage Hybrids to Support Energy Transition	IBRD	1.00	Mar-18
Regional	BDF: ADB CTF PVT Sector Next Generation Renewables Program	ADB	0.84	Mar-18
Regional	BDF: Regional Low Carbon Technology Program	ADB	0.53	Mar-18
Regional	BDF: ADB CTF Private Sector Innovation Investment Facility (Low Carbon Technologies)	ADB	0.42	Mar-18
Regional	BDF: ADB CTF PVT Sector Smart Cities and Infrastructure Program	ADB	0.42	Mar-18
Regional	BDF: ADB CTF Private Sector Sustainable Transport Program	ADB	0.42	Mar-18
Ukraine	DPSP III: Sustainable Urban Infrastructure	IFC	34.85	Feb-19
Ukraine	DPSP III: Finance and Technology Transfer Centre for Climate Change (FINTECC): Ukraine Agribusiness Waste Residues Window	EBRD	14.76	Sep-18
Ukraine	BDF: Corporate Green Economy Financing Facility	EBRD	1.05	Mar-18
Ukraine	BDF: Ukraine: Kiev Mass Rapid Transit Program	IFC	1.00	Mar-19
TOTAL			443.13	

Annex 4: Expanded DPSP III pipeline (as of March 31, 2019)

Countries	Public/ private	MDB	Project Title	CTF Amount (USD million)
Bangladesh	Public	ADB	Utility-scale Solar Development / Kaptai Floating Solar Program	25.00
Nepal	Private	ADB	Climate Finance for Financial Institutions	31.00
Indonesia	Public	ADB	Geothermal Power Development Project	20.00
Thailand, Viet Nam, Cambodia	Private	ADB	Sustainable and Energy Efficiency Transport	20.00
Thailand, Viet Nam, Cambodia	Private	ADB	Smart Low-Carbon Industrial Estates	20.00
Indonesia	Private	ADB	Renewables + Battery Storage Program	20.00
Kenya + Cote d'Ivoire	Private	AfDB	Asset-backed Distributed Generation Program	20.00
Multi-country	Private	AfDB	Facility for Energy Inclusion	20.00
Malawi	Private	AfDB	Malawi Solar PV IPP	10.00
Nigeria	Private	AfDB	Utility-scale IPP Project	14.00
Nigeria	Private	AfDB	Lagos Cable Car Project	20.00
Nigeria	Private	AfDB	Nigeria Energy Access Fund	7.50
Turkey	Private	EBRD	Climate Stars Programme (Climate Stars) for Intermediated Finance to Corporates for Climate Governance and Investments	16.00
Regional (countries tbd)	Private	EBRD	Renewable Energy Integration Facility (REIF)	25.00
Burkina Faso	Public	IBRD	Burkina Faso Regional Hybrid Solar+Storage Park	30.00
Mali	Public	IBRD	Mali Regional Hybrid Solar+Storage Park	30.00
Maldives	Public	IBRD	Innovation in Renewables and Battery Energy Storage Technologies	15.00
Turkey	Public	IBRD	Turkey Energy Efficiency in Public Buildings	50.00
Mexico	Public	IDB	Developing the Distributed Energy Financing Market in Mexico	10.00
Honduras	Public	IDB	Flexibilization of existing generation capacity to accommodate variable RE	18.00
Peru	Public	IDB	Financing Sustainable Electric Transport Solutions in Peru	10.00
Regional: Mexico, Guatemala, Honduras, Colombia, Peru, Ecuador, Bolivia	Public	IDB	Unlocking Geothermal Developments	10.00
Mexico	Public	IDB	Capital Markets Solutions for Sustainable Urban Infrastructure – Pilot Mexico	10.00

Regional: Mexico, Colombia, Brazil, Peru, Guatemala, Ecuador, Honduras, Nicaragua, Bolivia, Jamaica, Haiti, Guyana	Private	IDB	Innovative Instruments for Investment in Zero-Carbon Technologies (i3-0) Phase II	12.00
Colombia	Public	IDB	Scaling up Sustainable Energy Finance	9.00
Regional: Mexico, Colombia, Brazil, Peru, Guatemala, Ecuador, Honduras, Nicaragua, Bolivia, Jamaica, Haiti, Guyana	Private	IDB	Catalyng Climate Finance for SMEs in Latin America and the Caribbean	16.00
Jamaica	Public	IDB	Renewable energy and energy efficiency financing facility for Jamaica	10.00
Ecuador	Public	IDB	Financing Sustainable Electric Transport Solutions in Ecuador	10.00
Mexico	Public	IDB	Low-Carbon Support Infrastructure for Urban Housing in Mexico	10.00
Global: Kenya, Tunisia, Ukraine, etc.	Private	IFC	Sustainable Energy Finance	30.00
Global: Brazil, Indonesia, Jordan, Madagascar, Mexico, etc.	Private	IFC	Battery Storage	15.00
Global: Philippines, South Africa, Thailand, etc.	Private	IFC	Expansion of Distributed Generation Program	20.00
Total				583.50