



CTF Risk Report

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Agenda

- External Events
 - Ukraine Military Conflict
- Implementation Risk
- Currency Risk
- Resource Availability Risk
- Credit Risk
- Fraud, sexual exploitation & abuse, forced labor

Military Conflict in Ukraine

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- The Russian invasion continues with no end in sight, but with successful counteroffensives in the East and South over the past 6 months.
- Russia is specifically targeting Ukraine's energy infrastructure and numerous CTF projects have been impacted.
- 4 additional EBRD projects have defaulted on their CTF loans during the reporting period.
 - PSEEF: Kremenchuk Public Buildings EE (EUR 1.0 M outstanding)
 - UPTF - Kharkiv Trolleybus (EUR 1.7 M outstanding)
 - USELF: Ecoprod Biogas Project (EUR 0.5 M outstanding)
 - DFF – Agrospectsservice (EUR 1.1 M outstanding)
- Many TFC-approved projects have been paused in the country, and some have been dropped from CTF's pipeline.

CTF Implementation Risk

Flagging Criteria

CRITERIA 1

- The project has been **effective for 36 months**; and
- The project has disbursed **less than 20 percent** of approved CIF funds.

CRITERIA 2

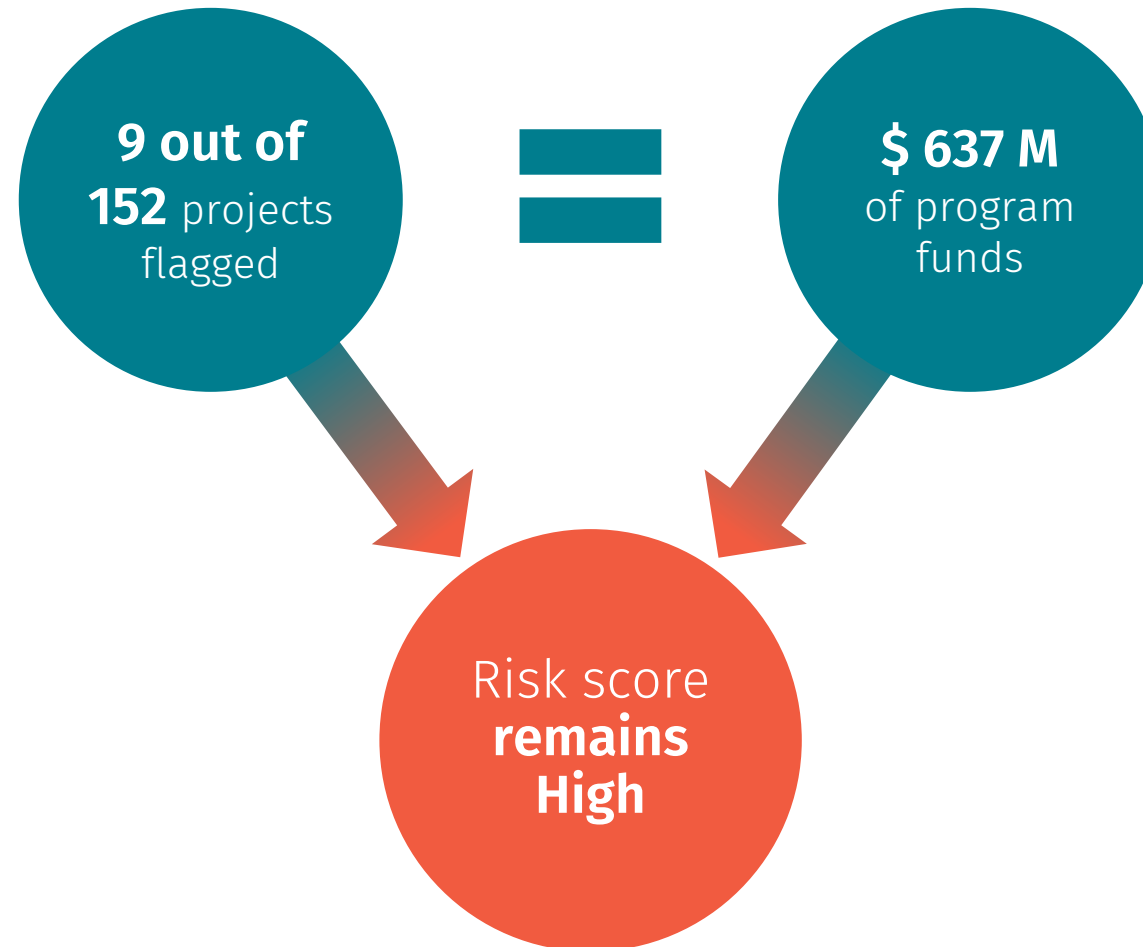
- The project is within **15 months** of the anticipated date of **final disbursement (financial closure)**; and
- The project has disbursed **less than 50 percent** of approved funds.

CRITERIA 3

- The anticipated date of **final disbursement (financial closure)** for the project **has been extended**; and
- The project has disbursed **less than 50 percent** of approved funds.

CTF Implementation Risk Summary

Program-level risk



CTF Implementation Risk: Criteria 1

Country	Project Title	MDB	Funding Amount (\$M)	Cumulative Disb. as of Dec 31, 2021 (\$M)	Disbursement Ratio	CTF Committee Approval Date	Effectiveness Date	Months After Effectiveness Date	MDB Co-Financing (\$M)
Philippines	Cebu Bus Rapid Transit Project	IBRD	25.0	0.0	0%	11/28/2012	12/3/2014	92	116.0
Vietnam	Ha Noi Sustainable Urban Transport Program - Project 2: Strengthening Sustainable Urban Transport for Hanoi Metro Line 3	ADB	49.0	1.2	3%	10/28/2014	7/9/2015	85	4.0
Vietnam	Ha Noi Sustainable Urban Transport Program - Project 1: Ha Noi Metro System Line 3	ADB	50.0	0.4	1%	10/28/2014	5/5/2017	63	64.8
India	Solar Rooftop PV	ADB	174.8	26.5	15%	5/16/2016	7/25/2017	60	330.0
MENA Region	Noor-Midelt Phase 1 Concentrated Solar Power Project	AFDB	20.0	0.0	0%	6/29/2017	10/28/2018	45	0.0

- ADB reports that as of 12/ 31/ 2022 disbursements for the:
 - First Vietnam project increased to \$4.5M
 - Second Vietnam project increased substantially to \$11.1M
- Additionally, disbursements for the Solar Rooftop PV project in India decreased as ADB successfully recalled disbursements from PNB.

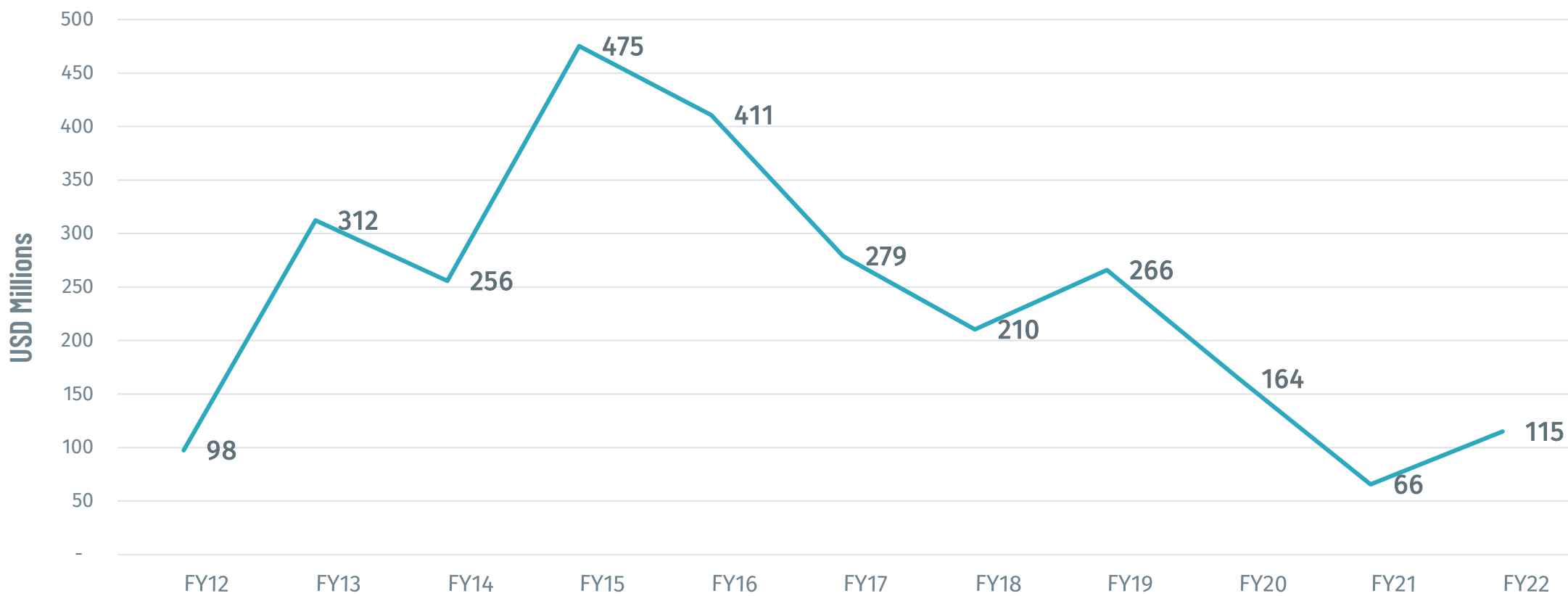
CTF Implementation Risk: Criteria 3

Country	Program / Project Title	MDB	Funding Amount (\$M)	Cumulative Disb. as of Dec 31, 2021	Disbursement Ratio	CTF Committee Approval Date	Effectiveness Date	Months After Effectiveness Date	Initial Anticipated Date of Final Disbursement	Extended Anticipated Date of Final Disbursement	MDB Co-Financing (\$M)
Philippines	Cebu Bus Rapid Transit Project	IBRD	25.0	0.0	0%	11/28/2012	12/3/2014	92	10/1/2021	6/30/2023	116.0
Ukraine	District Heating Energy Efficiency Project	IBRD	50.0	21.3	43%	1/28/2014	11/21/2014	87	2/1/2021	6/30/2023	332.5
Vietnam	Ha Noi Sustainable Urban Transport Program - Project 1: Ha Noi Metro System Line 3	ADB	50.0	0.4	1%	10/28/2014	5/5/2017	63	12/31/2022	6/30/2023	64.8
Vietnam	Ha Noi Sustainable Urban Transport Program - Project 2: Strengthening Sustainable Urban Transport for Hanoi Metro Line 3	ADB	49.0	1.2	3%	10/28/2014	7/9/2015	85	6/1/2019	6/30/2023	4.0
India	Shared Infrastructure for Solar Parks - Phase I	IBRD	25.0	5.6	22%	1/13/2016	1/31/2018	54	11/1/2022	1/31/2023	75.0
India	Solar Rooftop PV	ADB	174.8	26.5	15%	5/16/2016	7/25/2017	54	12/31/2021	1/31/2022	330.0
India	Rajasthan Renewable Energy Transmission Investment Program (Multi-tranche Financing Facility / MFF)	ADB	194.9	73.5	38%	7/29/2013	11/6/2014	93	12/31/2021	9/25/2023	300.0
Ukraine	Second Power Transmission Project	IBRD	48.4	10.7	22%	11/4/2014	6/9/2015	86	10/1/2020	12/31/2023	332.5

- IBRD reports that as of December 31st disbursements for District Heating Energy Efficiency Project – Ukraine increased by \$14.1M bringing total disbursements to \$35.4M, so this project will no longer be flagged for implementation risk.

CTF Implementation Risk: Long-term Disbursements Trend

CTF Annual Disbursements



CTF Currency Risk Summary

RISK EXPOSURE

Amount
Pledged/Received

£1,377.7 M

Amount
Unencashed

£247.8

Realized
Currency
Gain/(Loss)

(\$191.5 M)

Unrealized
Currency
Gain/(Loss)

(\$49.9)

RISK ASSESSMENT

Likelihood

Possible

Severity

Minimal

Risk Score

Low

Currency Risk Summary - ACT

Currency Risk - ACT (as of December 31, 2022)					
Countributor	Contribution Receivable Currency	Contributions Receivable (Millions)	Promissory Notes Received but Unencashed	Total Exposure	Total Exposure (USDeq)
Canada	CAD	600	NA	600	444
Germany	EUR	145	NA	145	155
U.K.	GBP	85	115	200	241
Total					840

CTF Resource Availability Risk Summary

RISK EXPOSURE



RISK ASSESSMENT

Likelihood

Possible

Severity

Minimal

Risk Score

Low

Credit Risk

Committed Loan Portfolio Credit Risk Exposure (as of 9/30/2022)

Sector	Portfolio Risk Rating	Total Committed Loans (\$M)	Estimated Probability of Default (PD)	Estimated Loss Given Default (LGD)	Expected Loss Rate	Expected Losses (\$M)
Public	BB-	3,063.2	0.0%	0.0%	0.0%	0.0
Private	CCC+	735.7	25.1%	49.6%	12.4%	91.6
Defaults	D	42.6	100.0%	76.6%	76.6%	32.6
Ukraine Exposures	D	152.5	100.0%	76.6%	76.6%	116.8
Portfolio		4,029.8			6.1%	245.6

- Expected losses remain 6.1%, as the CIFAU continues to assume that CTF will experience a default on all funds which have been disbursed in Ukraine.
- As of September 30th, investment income available to cover loan contributors' loan losses, and admin expenses declined from \$245M to \$219 million .
- The credit risk associated with the program remains **High**.

Fraud, forced labor and sexual exploitation & abuse

- No allegations or incidents of fraud, forced labor or sexual exploitation and abuse associated with a CIF project were reported during the period.

CIF



CLIMATE INVESTMENT FUNDS

Investing in the future

