



# Update on CCMM Progress

February 1, 2023

# October TFC Decision and Follow-up Activities

## TFC Decision (October 2022)

### IBRD / CIF AU to provide:

- Cash flow model and underlying assumptions
- Summary of anticipated legal changes to Contribution Agreements to address pari passu
- Draft amendments to the FPA and CA

### Timeline setting out steps to implementation

- Draft Pass-Through and Treasury Management Agreements
- Draft Financial and Risk Management Framework
- Draft financial reporting template

## Follow-Up

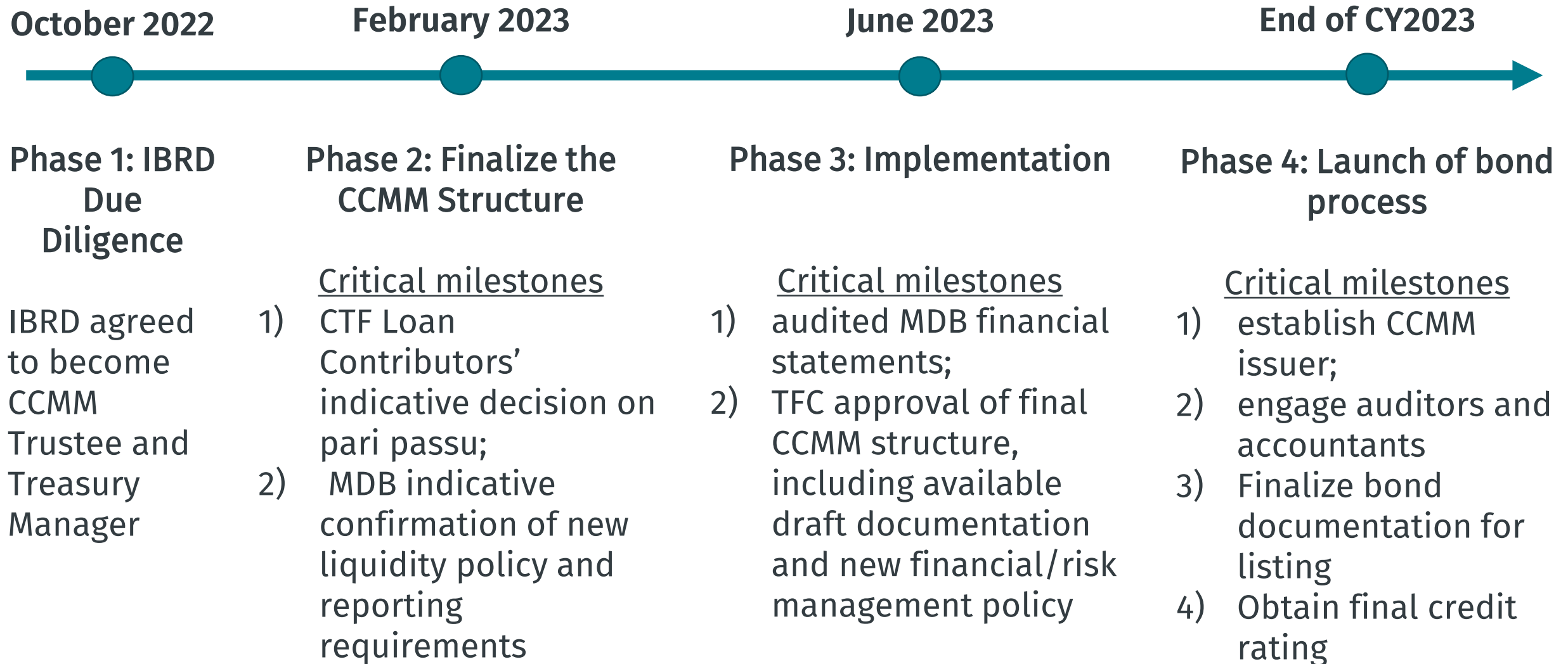
### Contributors:

- Timeline circulated and consultations held on November 30
- For December 8 consultations
  - Loan Contribution Agreements, w/ proposed pari passu language
  - Standard provisions w/ anticipated change
  - Financial and capital adequacy model

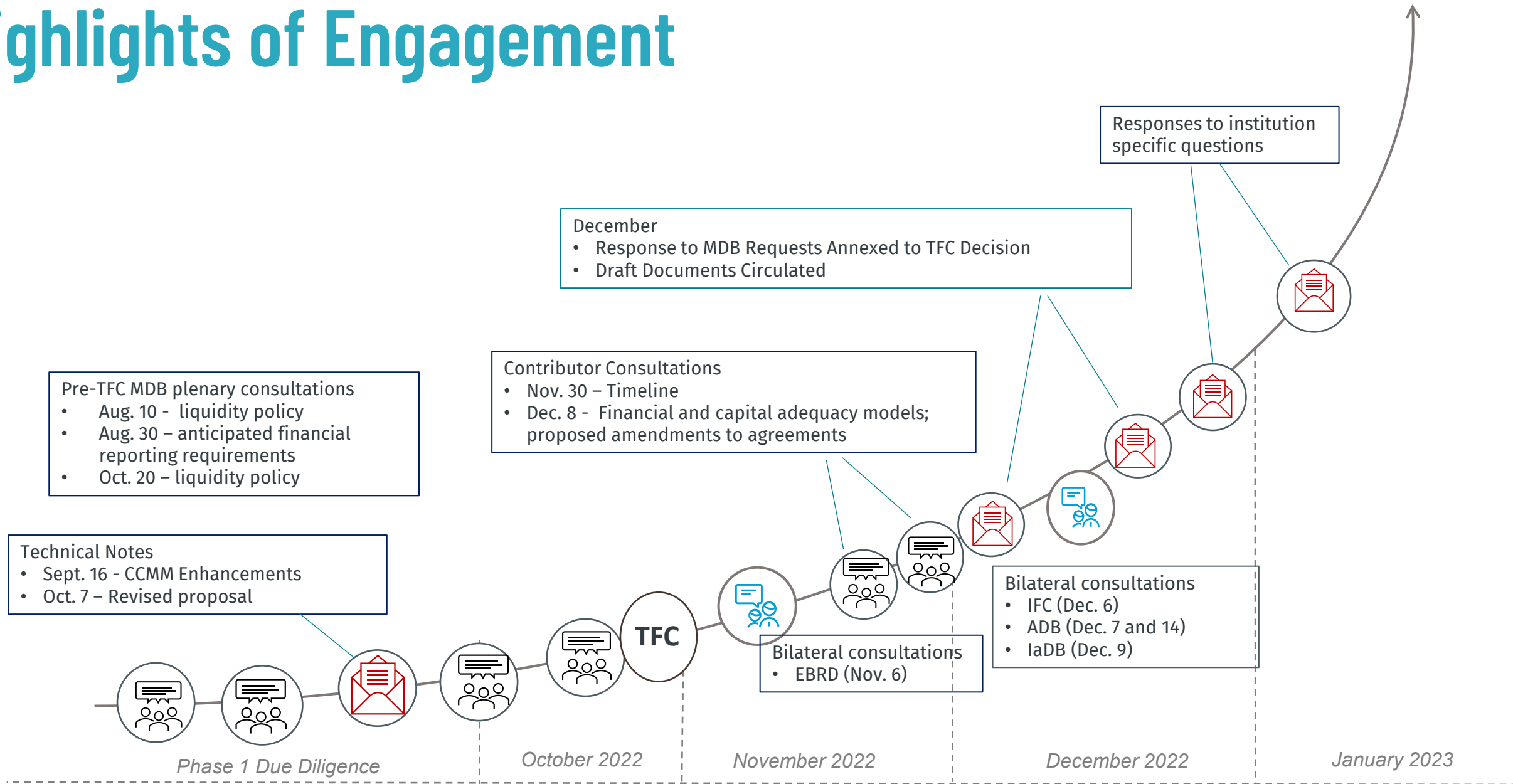
### MDBs:

- Requested documents circulated December 6; Recirculated with Timeline and prior work on Financial Reporting on December 22
- Bilats held November and December

# CIF Capital Market Mechanism (CCMM) - Moving Forward



# Highlights of Engagement



# Documents Provided by CIF AU and IBRD Finance Partners

## **Dec 6/7 (depending on time zone):**

1. Responses to MDB information request noted in Annex 1 of the Oct. 2022 Interseasonal TFC Co-Chair Summary
2. Draft of CCMM's financial and risk management policies
3. Draft of 2-year projected disbursement and reflow requirements for MDBs
4. Draft of Loan Contribution Agreements and Standard Provisions with and without pari-passu options (4 documents)
5. Draft of the proposed Financial Procedures Agreement (FPA)—two copies a clean version and one with edits compared to the existing FPA.

## **Dec 22, The following draft templates were provided:**

1. Expected Treasury Manager and CCMM Issuer reporting requirements
2. Expected Consolidated Rating Agency MDB reporting requirements for 2022
3. Expected Consolidated Rating Agency MDB reporting requirements for 2021
4. Expected Consolidated Rating Agency MDB reporting requirements for 2020
5. S&P Risk Adjusted Capital template for 2022
6. S&P Risk Adjusted Capital template for 2021

# Engagement: Key Takeaways

## Financial Reporting Requirements

Primary concerns:

- **Ability to submit audited financial statements** by end-February to enable CCMM to comply with IFRS requirements

**Bottom line: We expect MDBs may need additional time to complete internal authorizations**

## Market Appropriate Financial Management (Liquidity Policy)

- Finance, Risk and Legal departments now involved
- No immediate questions but **MDBs still need to confirm “show stoppers”**
  - WB confirmed Letters of Commitment will reference full commitment amount
  - MDBs still to confirm application to private sector investments and guarantees as part of internal risk assessment

## Pari Passu

Some Loan Contributors may also need additional time to complete internal review