



## **Meeting of CTF Trust Fund Committee**

**Washington, D.C. (Hybrid)**

**Wednesday, June 12, 2024**

**CTF RISK REPORT**



CLIMATE INVESTMENT FUNDS  
1818 H Street NW  
Washington, D.C. 20433 USA  
T: +1 (202) 458-1801  
[www.cif.org](http://www.cif.org)

CTF/TFC.32/04/Rev.02

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## **Proposed Decision**

The Committee reviewed the document, *CTF/TFC.32/04/Rev.02, CTF Risk Report*, welcomed the progress that has been made in advancing the work of CTF, and requested the CIF Secretariat to continue to identify, assess, monitor, and report the key risk exposures to the program.

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# 1. Introduction

## 1.1 Conflict & Security Risk

### 1.1.1 *War in Ukraine*

1. CTF has committed USD 334.9 million to 14 projects in Ukraine, and an additional USD 70 million is currently in the pipeline. Given CTF's significant existing investments in Ukraine, the MDBs which originate and service CTF projects in the country will provide updates to the TFC pertaining to concerns relating to the ongoing war in the country and will continue to do so while these concerns persist. The MDBs which originate and service CTF projects in the country will provide updates on the situation in this country.

### 1.1.2 *Haiti*

2. Gang violence gripped the country in 2022 following the assassination of then president Jovenel Moïse, and conditions have continued to deteriorate while violent gangs have thrived in the country. Haiti's president, Aïel Henry, resigned in 2024 and as of April, a transitional government was announced, but installing the new council at the national palace will be extremely challenging and risky as gangs continue to surround the building. CTF has only committed USD 26.7 million to 4 projects in Haiti, and one project of USD 3.9 million is expected to default.

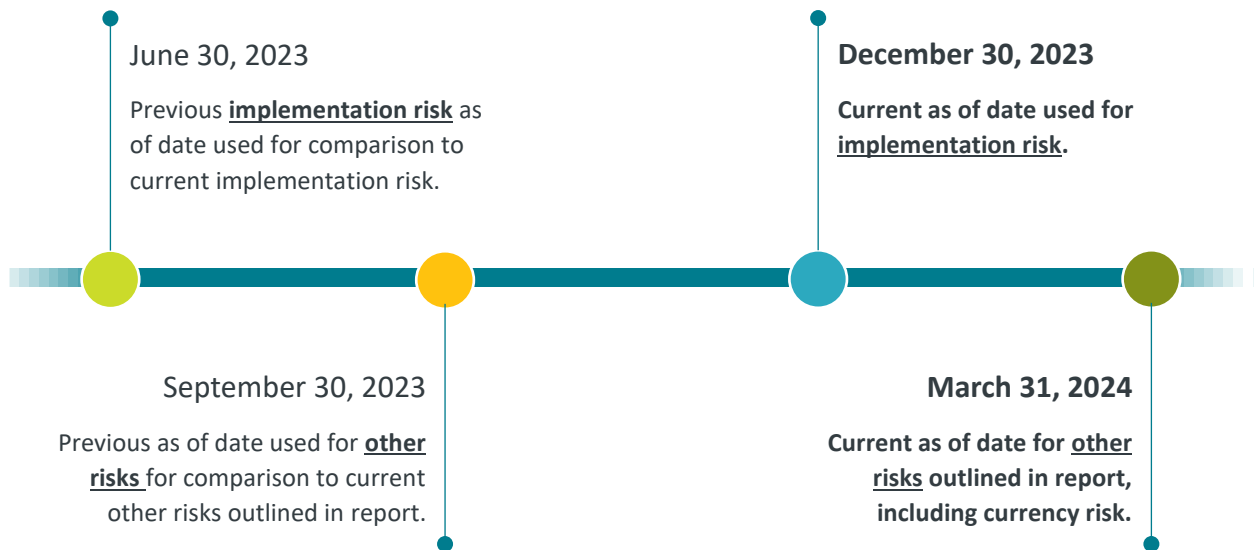
## 1.2 Governance Risk

### 1.2.1 *Eskom South Africa*

3. CTF has committed USD 430.9 million to 7 projects in South Africa. Additionally, USD 500 million has been allocated to fund ACT projects in the country. Given CTF's significant existing and anticipated investments in South Africa, most of which directly or indirectly involve Eskom (the country's public utility), the MDBs which originate and service CTF projects in the country will provide updates to the TFC pertaining to concerns relating to corruption, the political environment and the finances of the utility and country and will continue to do so while these concerns persist.

### 1.3 Information Dates

Figure 1 As of dates for implementation risk and other risks

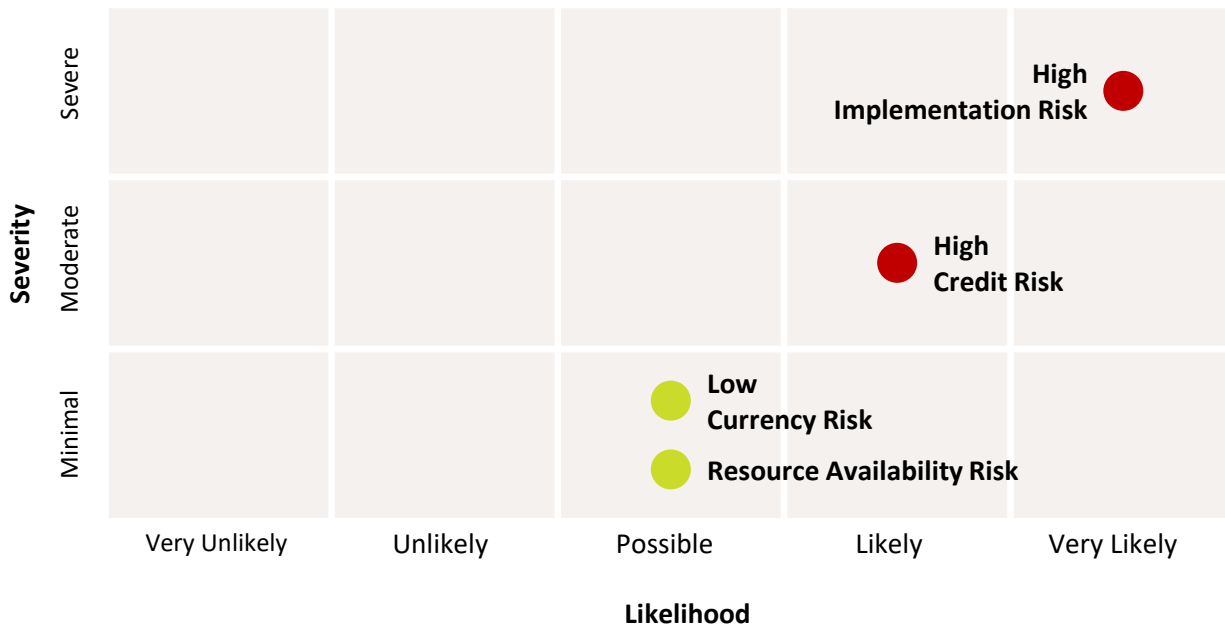


### 1.4 Risk Exposure Summary

#### 1.4.1 Key Risk Exposure Matrix

- The following matrix summarizes CTF’s key risk exposures, where the implementation and credit risk are both flagged as high, and the resource availability and currency risk are flagged as low.

Figure 2 CTF Risk Exposures Summary



#### 1.4.2 Implementation Risk

##### **Risk Score: High**

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5. CTF's implementation risk remains high. It has been high for the past twelve reporting periods, as programs/projects continue to struggle with disbursements. Beginning this period, the CIF Secretariat began flagging amounts not yet effective for projects that have sub-projects. Currently, 29 out of 154 projects, representing USD 912.0 million (18.9%) of committee approved program funding, are flagged for implementation risk.
6. CTF has committed USD 4,699.4 million<sup>1</sup>, of which USD 1,590.2 million remains undisbursed. During the first half of FY 2024, the MDBs disbursed USD 163.2 million, representing a substantial increase.

#### 1.4.3 Currency Risk

##### **Risk Score: Low**

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7. As of March 31, 2024, the GBP appreciated 2.8%<sup>2</sup> against the USD from the previous reporting date, which has resulted in a decline in the unrealized loss associated with CTF's GBP denominated notes from USD 20.3 million in September 2023 to USD 10.5 million. There was also an increase in promissory notes received from the United Kingdom of GBP 72.5 million.
8. CTF's currency risk has remained low for the past seven reporting periods, previously it had been high for the preceding five reporting periods.

#### 1.4.4 Resource Availability Risk

##### **Risk Score: Low**

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9. As of March 31, 2024, CTF's surplus in available resources increased substantially from USD 904.5 million to USD 1,241.9 million (CTF and CTFPF).
  - i) Increases to available resources:
    - i. Contribution receipts of USD 154.9 million from Canada and US to the CTF Parallel Fund;
    - ii. Contributions receipts of USD 79.8 million from Germany to the CTF Fund;
    - iii. Deposit of GBP 72.5 million promissory notes by the United Kingdom;
    - iv. Approximately USD 145.0 million of project cancellations during the reporting period; and
    - v. A reduction in pipeline projects by USD 242.7 million.
  - ii) These increases were offset by new commitments of approximately USD 314.1 million.

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<sup>1</sup> This amount represents MDB board approved funding.

<sup>2</sup> Changes in the exchange rate are provided by the Trustee.

10. CTF's resource availability risk has been low for the past three reporting periods, previously it had been high for the preceding four reporting periods.

#### **1.4.5 Credit Risk**

##### ***Risk Score: High***

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11. Credit risk exposure for CTF remains High. As of March 31, 2023, seven private sector CTF loans representing EUR 25.1 million, and four private sector loans representing USD 24.7 million in approved funding are experiencing payment defaults, and two guarantees representing USD 21 million have been called. Further, two loan transactions are at heightened risk of default, and two equity investments are unlikely to return CTF funds.
12. The program's credit risk score has been high for the last nine reporting periods. For Ukraine, the CIF Secretariat has seen no public sector defaults, and, therefore, has reduced the expected default rate for these loans from 100% to 50%. The CIF Secretariat will continue to monitor this portfolio and adjust prudently expected defaults as necessary.



## 2. Implementation Risk Assessment

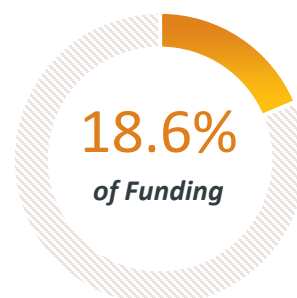
### **Risk Score: High**

13. The MDBs provide this information semiannually, and the most recent information available is as of December 31, 2023. In some cases, MDBs have provided more recent information, as indicated in the report. It is compared with projects flagged in the previous CTF Risk Report (which used data as of June 30, 2023).

Figure 3 Implementation risk total funding impacted

Number of Projects Flagged

29<sup>3</sup> out of  
154 projects



*In millions of USD*

	As of December 31, 2023	As of June 30, 2023	Change
Total Funding Flagged	900.7	938.3	(37.6)

*In millions of USD*

	Newly Flagged	Resolved	Unresolved
Funding	335.3	412.0	565.4
Projects #	13	5	16

### 2.1 New Criteria

14. The CIF Secretariat has included a new criterion this reporting period to capture program funding that has yet to be allocated to a sub-project:

**Criteria 1B:** The TFC committed funds to a program 4 years ago, but a portion of the funding remains unallocated to a sub-project and therefore is not effective.

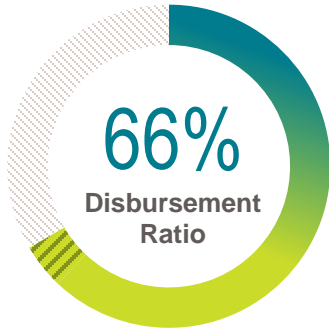
### 2.2 Disbursements

15. In the first half of FY 2024, disbursements increased to USD 3,129.4 million from USD 2,965.0 million<sup>4</sup>, which represents an increase of USD 164.4 million, and an overall increase in the disbursement ratio by 4.5% to 66.6%.

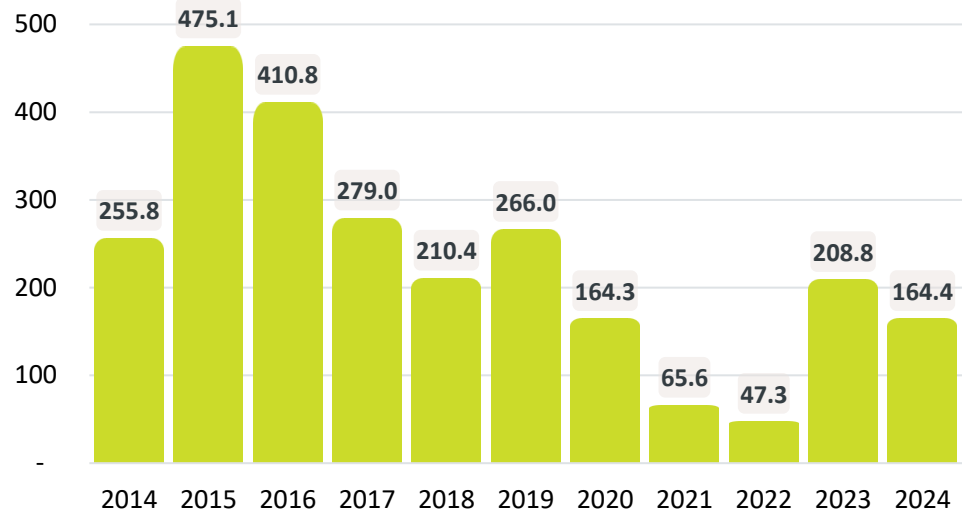
<sup>3</sup> Includes partial programs with sub-projects that have different effectiveness dates.

<sup>4</sup> Includes projects, PPGs, and IPPGs, and excludes MPIS and guarantees.

**Figure 4 CTF  
Disbursement Ratio**



**Figure 5 CTF fiscal year disbursements over the last 10 years**



**Table 1 CTF cumulative approvals and disbursements by MDB ranked by disbursement ratio as of FY 2024**

	Disbursement Ratio	Cumulative Funding			Disbursements in S1 FY 2024 <sup>5</sup>
		MDB Approvals	Disbursed	Undisbursed	
EBRD	80.5%	386.5	311.2	75.3	32.8 (+11.8%)
AfDB	73.9%	597.7	441.7	155.9	23.4 (+5.6%)
IFC	73.7%	254.1	187.3	66.7	0.8 (+0.4%)
IADB	69.0%	548.4	378.5	169.8	12.9 (+3.5%)
IBRD	62.6%	2,103.4	1,317.6	785.8	79.6 (+6.4%)
ADB	60.9%	809.4	493.0	316.4	14.9 (+3.1%)
<b>Total</b>	<b>66.6%</b>	<b>4,699.4</b>	<b>3,129.4</b>	<b>1,570.0</b>	<b>164.4 (+5.5%)</b>

<sup>5</sup> The change in percentage represents the increase disbursements from the previous fiscal year.

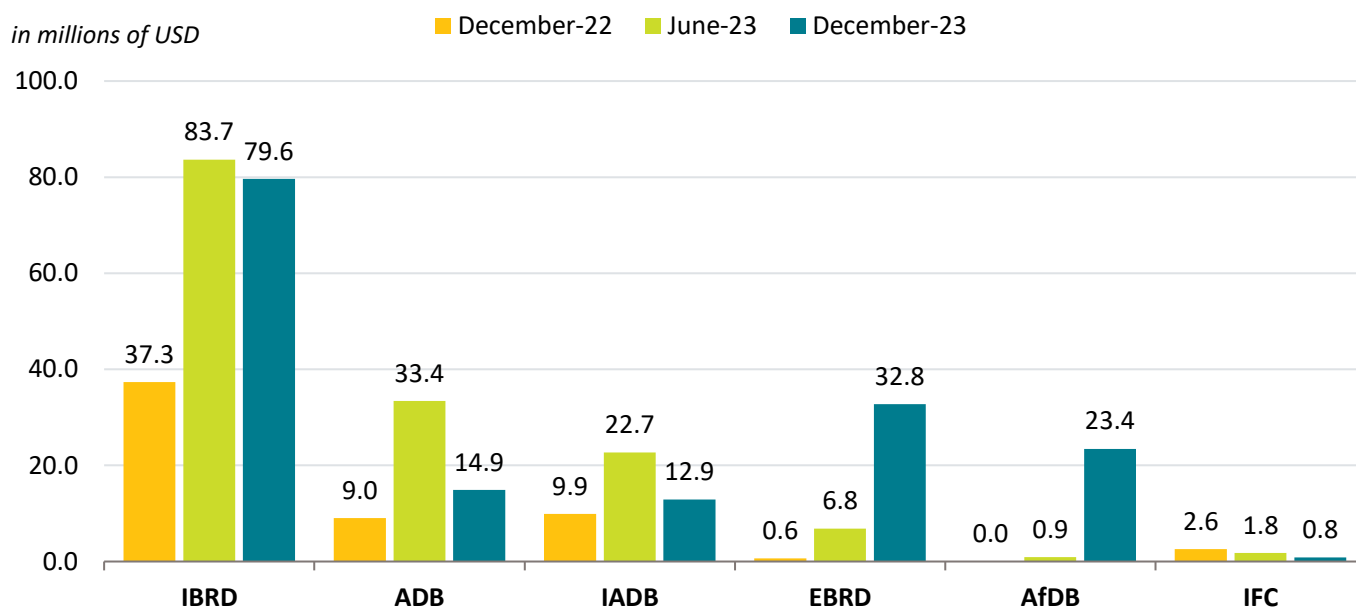
16. Table 2 illustrates that over 80% of the disbursements during the period were by IBRD, EBRD and AfDB, and EBRD and AfDB saw the most significant increases in their disbursements.

**Table 2 Volume of CTF funds disbursed and undisbursed during the current and previous semiannual periods ranked by current period disbursements**

	As of December 31, 2023		As of June 30, 2023	
	Undisbursed	Disbursed	Undisbursed	Disbursed
IBRD	785.8	79.6	860.0	83.7
EBRD	75.3	32.8	107.2	6.8
AfDB	155.9	23.4	184.4	0.9
ADB	316.4	14.9	419.2	33.4
IADB	169.8	12.9	182.6	22.7
IFC	66.7	0.8	59.1	1.8
<b>Total</b>	<b>1,570.0</b>	<b>164.4</b>	<b>1,812.5</b>	<b>149.3</b>

17. Figure 6 illustrates that five of the six MDBs saw significant increases in their disbursements over the last two semiannual periods.

**Figure 6 MDB disbursements over the last three semiannual periods**



## 2.3 Implementation Risk for Projects Not Yet Effective

### 2.3.1 Criteria 1A

18. The following table represents projects where funds were committed at least four years ago by the TFC, but the projects are still not effective.

**Table 3 Criteria 1A implementation risk project table**

Total Funding Flagged	Total MDB Co-Financing	Total Cumulative Disbursement	Average Disbursement Ratio
54.7M	135.0M	0.0M	0%

*In millions of USD as of December 31, 2023*

Country	Project Title	MDB	Funding	Committee Approval Date	Effectiveness Date	Final Date of Disbursement	MDB Co-Financing	Cumulative Disbursement	Disbursement Ratio	Criteria 1A	
										Effectiveness	Years since Committee Approval
Indonesia	Renewable Energy Program (REP)	IFC	37.5	9-Aug-17	-	-	100.0	-	0.0%	Not Effective	6.4 years
Global	DPSP III: Solar Distributed Generation (SDG)	IFC	17.2	8-May-18	-	-	35.0	-	0.0%	Not Effective	5.7 years

### 2.3.2 Criteria 1B

**Table 4 Criteria 1B implementation risk project table**

19. The following table represents projects where funds were committed at least four years ago by the TFC, but part of the funding remains unallocated to a sub-project.

Total Funding Flagged <sup>6</sup>	Total MDB Co-Financing	Total Cumulative Disbursement	Average Disbursement Ratio
123.9M	598.2M	0.0M	0%

<sup>6</sup> Represents remaining funding

In millions of USD as of December 31, 2023

Country	Project Title	MDB	Program Funding	Committee Approval Date	Effectiveness Date	MDB Co-Financing	Criteria 1B		
							Remaining Funding	Effectiveness	Years since Committee Approval
Regional	DPSP II: SEMed Private Renewable Energy Framework (SPREF)	EBRD	29.5	11-Feb-15	-	250.0	14.1	Not Effective	8.9 years
Regional	DPSP III: High Climate Impact for the Corporate Sector	EBRD	51.5	25-Jan-19	-	101.0	21.8	Not Effective	4.9 years
Regional	DPSP III: Integrated Renewable Energy and Energy Storage	ADB	36.1	20-Jul-18	-	54.2	31.4	Not Effective	5.5 years
Kenya	DPSP II: Concessional Finance Program for Geothermal Generation	AFDB	29.7	6-Apr-16	-	45.0	9.7	Not Effective	7.7 years
Regional	DPSP III: Accelerating Innovation in Renewable Energy (AIRE) Program	EBRD	48.5	5-Dec-19	-	103.0	33.9	Not Effective	4.1 years
Global	DPSP III: Global Sustainable Energy Finance Program	IFC	44.1	24-Sep-19	-	45.0	13.1	Not Effective	4.3 years

### 2.3.3 Descriptions of Projects Flagged in Past Reports

#### 2.3.3.1 EBRD

1 EBRD, Regional: DPSP II: SEMed Private Renewable Energy Framework (SPREF) **Criteria 1B**

Number of reporting periods this project has been flagged: 3 periods.

#### a. Reason(s) for delay: Project Restructuring

20. Two sub-projects have been signed to date. One is fully disbursed and operational, while the other has experienced delays with implementation and disbursement of funds due to the partial, COVID-19-induced lockdown in Jordan, which resulted in grid instability, leading to curtailment of the wheeling projects. Unfortunately, the banking team was not able to find a way to help the project move forward, and it was cancelled.
21. Two more sub-projects were Board approved, and the banking team is preparing them for signing, which is expected in Q2 2024. Unfortunately, an additional sub-project in Tunisia, that was supposed to utilize the remaining funding under this program, did not materialize before the Board approval end date, and the remaining funding will be cancelled.

#### b. Measures underway to accelerate implementation

22. Two sub-projects in Tunisia received Board approval, and the banking team is preparing them for signing, which is expected in Q2 2024. Unfortunately, an additional sub-project in Tunisia, that was supposed to utilize the remaining funding under this program, did not materialize before the Board approval end date, and the remaining funding will be cancelled.
23. The banking team is working closely with the clients and Tunisian authorities to finalize the sub-projects that will utilize the remaining undisbursed funding.

#### c. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed  $\geq 20\%$  of CTF funds

The MDB did not provide this information for the allocation of the remaining funding.

Expected disbursement of CTF funds over the next 12 and 24 months

The MDB did not provide this information for the allocation of the remaining funding.

Number of reporting periods this project has been flagged: 2 periods.

a. Reason(s) for delay: Project Restructuring

24. The project's restructuring involved the reallocation of funds from the Sustainable Transport window to the Energy Efficiency window, and the introduction of alternative loan pricing discount mechanisms. Detailed information has been provided in the operation change request.

b. Measures underway to accelerate implementation

25. There are several sub-projects in the pipeline that will utilize the remaining uncommitted funding. Details are included in the most recent operation change and extension request.

c. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed  $\geq 20\%$  of CTF funds

The MDB did not provide this information for the allocation of the remaining funding.

Expected disbursement of CTF funds over the next 12 and 24 months

The MDB did not provide this information for the allocation of the remaining funding.

Number of reporting periods this project has been flagged: 3 periods.

a. Reason(s) for delay

26. After several years of intensive work that has been advancing a ground-breaking waste-to-energy project, progress came to a standstill in 2021, as COVID-19 delays eventually derailed negotiations aimed at ensuring bankability improvements to the project agreements and adequate risk allocation between the project parties.

b. Measures underway to accelerate implementation

27. To improve the deployment of CTF resources for private sector in Indonesia, IFC reallocated Program resources within its pipeline. The CTF funding for this Program is expected to support an advanced and first of its kind renewable energy project, with a focus on storage, for which IFC has already secured a mandate for financing. Various measures are underway to accelerate implementation, and IFC Board approval is expected by June 30, 2024.

c. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed $\geq$ 20% of CTF funds	Estimated by June 2025, after the sub-project obtains Board Approval and following effectiveness (commitment) of the financing package.
Expected disbursement of CTF funds over the next 12 and 24 months	100% of the loan is expected to be drawn by June 2026

**2.3.4 Descriptions of Newly Flagged Projects**

**2.3.4.1 ADB**

**4 ADB, Regional: DPSP III: Integrated Renewable Energy and Energy Storage Criteria 1B**

a. Reason(s) for delay: Government Restructuring, Natural Disaster/Epidemic

28. The sub-program is anticipated to be fully allocated. As of December 31, 2023, one project is pending final ADB approval for the remaining sub-program funds of USD 31.4 million. The approval was scheduled for March 2024, and signing is anticipated within Q2 2024.

b. Measures underway to accelerate implementation

29. ADB anticipates the full use of this sub-program by June 2024, through the approval of the “THA: Gulf Solar and Solar with Battery Energy Storage Systems Project”, which will process USD 31.4 million from the “Integrated Renewable Energy and Energy Storage” project.

c. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed $\geq$ 20% of CTF funds	By end of Q4 2024
Expected disbursement of CTF funds over the next 12 and 24 months	12 months: USD 15 million 24 months: USD 31.4 million

**2.3.4.2 AfDB**

**5 AfDB, Kenya: DPSP II: Concessional Finance Program for Geothermal Generation Criteria 1B**

a. Reason(s) for delay: Other

30. The program considered two sub-projects, of which one for USD 20 million was approved by AfDB’s Board of Directors in June 2018. The loan agreement was signed in December 2022, and reached financial closure in late 2023. The second sub-project for USD 9.65 million is still stalling, and no approval has been obtained by AfDB’s Board of Directors.

b. Measures underway to accelerate implementation

31. The first sub-project, which has been effective since December 2022, is progressing satisfyingly, and does not meet any risk criteria to be flagged at this stage. For the second sub-project, the



Bank, in collaboration with the CIF Secretariat, is exploring the possibility of cancelling the resource.

**c. Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed  $\geq 20\%$  of CTF funds

The MDB did not provide this information for the unsigned sub-project

Expected disbursement of CTF funds over the next 12 and 24 months

The MDB did not provide this information for the unsigned sub-project

**2.3.4.3 EBRD**

**6 DPSP III: Accelerating Innovation in Renewable Energy (AIRE) Program**

**Criteria 1B**

**a. Reason(s) for delay**

32. The structuring of the final sub-projects that will utilize the remaining funding took longer than expected. While there has been a strong pipeline of additional eligible projects, which could benefit from concessional financing under this program, the preparation of these has been slower than anticipated. In particular, the need to fully appraise and structure the economic requirements of each project, in light of changing PV costs, has required the adjustment of the project timeline for some items. This shift will facilitate further analysis to be undertaken, and further discussions with sponsors to be finalized. Similarly, for projects in the wind sector, timelines have been impacted by longer than expected negotiations with sponsors and national authorities. These protractions, have resulted in longer than anticipated time for structuring. Moreover, impacts related to the COVID-19 pandemic, which coincided with the first two years of the program implementation, affected most of the EBRD countries of operation, and resulted in further complications and slowdown of pipeline development.

**b. Measures underway to accelerate implementation**

33. Three sub-projects have been signed to date, and four are in the pipeline. Details are included in the recent extension request.

c. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed $\geq$ 20% of CTF funds	The MDB did not provide this information for the allocation of the remaining funding.
Expected disbursement of CTF funds over the next 12 and 24 months	The MDB did not provide this information for the allocation of the remaining funding.

**2.3.4.4 IFC**

**7 IFC, Global: DPSP III: Global Sustainable Energy Finance Program Criteria 1B**

a. Reason(s) for delay

34. To date, IFC has utilized USD 20 million and EUR 10 million of program resources to finance two sub-projects in Ukraine and Tunisia. The remaining EUR 12 million was positioned to support another sub-project in Ukraine to develop climate lending and leasing lines in the housing and agriculture sectors. Due to the Russian invasion of Ukraine, however, the sub-project stalled and was later cancelled.

b. Measures underway to accelerate implementation

35. The remaining Program funds are now positioned to support a climate dedicated private equity fund focused on growth-stage companies that seek to address climate challenges in Africa. The sub-project is expected to obtain Board approval in the coming months.

c. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed $\geq$ 20% of CTF funds	Estimated within six months, after obtaining Board approval and following effectiveness (commitment) of the financing package.
Expected disbursement of CTF funds over the next 12 and 24 months	70% of funds estimated to be disbursed within 24 months following effectiveness.

**8 IFC, DPSP III: Solar Distributed Generation (SDG) Criteria 1A**

a. Reason(s) for delay

36. The current program portfolio includes one investment sub-project and six advisory sub-projects. The remaining funds were allocated to a second investment sub-project that obtained Board approval in October 2023.

b. Measures underway to accelerate implementation

37. The sub-project utilizing the remaining funding was Board approved in October 2023, and is currently pending commitment (i.e., effectiveness).

c. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed  $\geq 20\%$  of CTF funds

Estimated within six months, following effectiveness (commitment) of the financing package.

Expected disbursement of CTF funds over the next 12 and 24 months

100% of the loan is expected to be drawn within 18 - 24 months following effectiveness.

## 2.4 Implementation Risk for Effective Projects

### 2.4.1 Criteria 2

38. The following table represents projects that have been effective for at least 36 months but have disbursed less than 20% of program funds.

**Table 5 Criteria 2 implementation risk project table**

<b>Total Funding Flagged</b>	<b>Total MDB Co-Financing</b>	<b>Total Cumulative Disbursement</b>	<b>Average Disbursement Ratio</b>
<b>644.4M</b>	<b>1,766.3M</b>	<b>48.2M</b>	<b>7.5%</b>

*In millions of USD as of December 31, 2023*

Country	Project Title	MDB	Funding	Committee Approval Date	Effectiveness Date	Final Date of Disbursement	MDB Co-Financing	Cumulative Disbursement	Criteria 2	
									Disbursement Ratio	Years since Effectiveness
India	Solar Rooftop PV	ADB	174.8	16-May-16	25-Jul-17	30-Jun-23	330.0	11.7	6.7%	6.4 years
Vietnam	Ha Noi Sustainable Urban Transport Program - Project 2: Strengthening Sustainable Urban Transport for Hanoi Metro Line 3	ADB	49.0	28-Oct-14	9-Jul-15	30-Jun-23	4.2	8.4	17.1%	8.5 years
Morocco	Noor-Midelt Phase 1 Concentrated Solar Power Project	AFDB	20.0	29-Jun-17	12-Jun-17	31-Dec-23	-	-	0.0%	6.6 years
Ukraine	District Heating Modernisation Program (the Program)	EBRD	8.4	1-May-14	12-Dec-17	31-Oct-38	154.9	-	0.0%	6.1 years
Colombia	Utility Scale RE-geothermal	IADB	9.5	2-Nov-15	13-Dec-16	16-Mar-27	-	-	0.0%	7.1 years
Mexico	Geothermal Financing and Risk Transfer Facility	IADB	34.3	15-Apr-14	29-May-14	3-Oct-23	54.3	3.6	10.6%	9.6 years
Mexico	DPSP: Geothermal Financing and Risk Transfer Facility	IADB	20.0	15-Apr-14	3-Oct-14	1-Jan-25	-	-	0.0%	9.2 years
Nicaragua	DPSP II: Geothermal Exploration and Transmission Improvement Program under the PINIC	IADB	9.5	2-Aug-16	15-Dec-16	15-Dec-23	51.4	1.7	18.0%	7.0 years
Indonesia	Geothermal Energy Upstream Development Project	IBRD	49.0	8-Mar-16	4-Aug-17	31-Dec-25	-	8.2	16.8%	6.4 years
Morocco	Morocco - Noor Midelt I	IBRD	25.0	29-Jun-17	6-Mar-20	28-Jun-24	240.0	-	0.0%	3.8 years

In millions of USD as of December 31, 2023

Country	Project Title	MDB	Funding	Committee Approval Date	Effectiveness Date	Final Date of Disbursement	MDB Co-Financing	Cumulative Disbursement	Criteria 2	
									Disbursement Ratio	Years since Effectiveness
Philippines	Cebu Bus Rapid Transit Project	IBRD	25.0	28-Nov-12	3-Dec-14	30-Jun-23	116.0	-	0.0%	9.1 years
Türkiye	DPSP III: Energy Efficiency in Public Buildings	IBRD	50.0	24-Jun-19	16-Mar-20	30-Jun-26	150.0	9.5	19.0%	3.8 years
Indonesia	DPSP III: Geothermal Power Generation Project	ADB	35.0	18-Nov-19	21-Sep-20	31-Dec-25	300.0	2.2	6.3%	3.3 years
Kenya	DPSP II: Concessional Finance Program for Geothermal Generation	AFDB	20.0	6-Apr-16	6-Jun-18	31-Aug-25	45.0	-	0.0%	5.6 years
Regional	DPSP III: Turkey and Ukraine Green Cities Programme	EBRD	6.0	20-Jul-20	MISSING	20-Jul-25	75.0	1.0	16.9%	MISSING
Ecuador	DPSP III: Financing Sustainable Electric Transport in Ecuador	IADB	24.0	21-May-20	6-Nov-20	6-Nov-23	10.0	0.5	2.1%	3.2 years
Peru	DPSP III: Financing Sustainable Electric Transport Solutions in Peru	IADB	10.0	31-Jan-20	18-Feb-20	18-Feb-23	10.5	0.3	3.2%	3.9 years
Indonesia	DPSP III: Indonesia Geothermal Resource Risk Mitigation Project (GREM)	IBRD	75.0	12-Feb-19	11-Dec-20	31-Oct-29	225.0	1.0	1.3%	3.1 years

### 2.4.2 Criteria 3

39. The following table represents projects that are within 15 months of their anticipated date of final disbursement but have disbursed less than 50% of program funds.

**Table 6 Criteria 3 implementation risk project table**

Total Funding Flagged	Total MDB Co-Financing	Total Cumulative Disbursement	Average Disbursement Ratio
149.2M	610.5M	16.4M	11.0%

In millions of USD as of December 31, 2023

Country	Project Title	MDB	Funding	Committee Approval Date	Effectiveness Date	Final Date of Disbursement	MDB Co-Financing	Cumulative Disbursement	Criteria 3			
									Disbursement Ratio	Years since Effectiveness	Months to Final Disbursement	Extension Granted
Morocco	Noor-Midelt Phase 1 Concentrated Solar Power Project	AFDB	20.0	29-Jun-17	12-Jun-17	31-Dec-23	-	-	0.0%	6.6 years	PAST DUE	No
Mexico	DPSP: Geothermal Financing and Risk Transfer Facility	IADB	20.0	15-Apr-14	3-Oct-14	1-Jan-25	-	-	0.0%	9.2 years	12 months	No
Morocco	Morocco - Noor Midelt I	IBRD	25.0	29-Jun-17	6-Mar-20	28-Jun-24	240.0	-	0.0%	3.8 years	6 months	No
Ukraine	DPSP III: Finance and Technology Transfer Centre for Climate Change (FINTECC): Ukraine Agribusiness Waste Residues Window	EBRD	10.4	12-Sep-18	18-Sep-18	23-Aug-20	100.0	4.5	43.6%	5.3 years	PAST DUE	No
Ecuador	DPSP III: Financing Sustainable Electric Transport in Ecuador	IADB	24.0	21-May-20	6-Nov-20	6-Nov-23	10.0	0.5	2.1%	3.2 years	PAST DUE	No
Peru	DPSP III: Financing Sustainable Electric Transport Solutions in Peru	IADB	10.0	31-Jan-20	18-Feb-20	18-Feb-23	10.5	0.3	3.2%	3.9 years	PAST DUE	No
Türkiye	Geothermal Development Project	IBRD	39.8	8-Sep-15	4-Apr-17	31-Dec-24	250.0	11.0	27.7%	6.7 years	12 months	No

### 2.4.3 Criteria 4

40. The following table represents projects with extensions to their anticipated date of final disbursement but have disbursed less than 50% of program funds.

**Table 7 Criteria 4 implementation risk project table**

Total Funding Flagged	Total MDB Co-Financing	Total Cumulative Disbursement	Average Disbursement Ratio
462.4M	1,235.8M	55.7M	12.0%

In millions of USD as of December 31, 2023

									Criteria 4				
Country	Project Title	MDB	Funding	Committee Approval Date	Effectiveness Date	Extended Date of Final Disbursement	MDB Co-Financing	Cumulative Disbursement	Disbursement Ratio	Years since Effectiveness	Months to Final Disbursement	Extension Granted	
India	Solar Rooftop PV	ADB	174.8	16-May-16	25-Jul-17	30-Jun-23	330.0	11.7	6.7%	6.4 years	PAST DUE	Yes	18 months
Vietnam	Ha Noi Sustainable Urban Transport Program - Project 2: Strengthening Sustainable Urban Transport for Hanoi Metro Line 3	ADB	49.0	28-Oct-14	9-Jul-15	30-Jun-23	4.2	8.4	17.1%	8.5 years	PAST DUE	Yes	49 months
Ukraine	District Heating Modernisation Program (the Program)	EBRD	8.4	1-May-14	12-Dec-17	31-Oct-38	154.9	-	0.0%	6.1 years	452 months	Yes	190 months
Mexico	Geothermal Financing and Risk Transfer Facility	IADB	34.3	15-Apr-14	29-May-14	3-Oct-23	54.3	3.6	10.6%	9.6 years	PAST DUE	Yes	31 months
Nicaragua	DPSP II: Geothermal Exploration and Transmission Improvement Program under the PINIC	IADB	9.5	2-Aug-16	15-Dec-16	15-Dec-23	51.4	1.7	18.0%	7.0 years	PAST DUE	Yes	21 months
Indonesia	Geothermal Energy Upstream Development Project	IBRD	49.0	8-Mar-16	4-Aug-17	31-Dec-25	-	8.2	16.8%	6.4 years	61 months	Yes	33 months
India	Shared Infrastructure for Solar Parks - Phase I	IBRD	17.5	13-Jan-16	31-Jan-18	30-Jun-24	75.0	8.1	46.2%	5.9 years	15 months	Yes	20 months
Philippines	Cebu Bus Rapid Transit Project	IBRD	25.0	28-Nov-12	3-Dec-14	30-Jun-23	116.0	-	0.0%	9.1 years	PAST DUE	Yes	21 months
Türkiye	DPSP III: Energy Efficiency in Public Buildings	IBRD	50.0	24-Jun-19	16-Mar-20	30-Jun-26	150.0	9.5	19.0%	3.8 years	76 months	Yes	6 months
Indonesia	DPSP III: Geothermal Power Generation Project	ADB	35.0	18-Nov-19	21-Sep-20	31-Dec-25	300.0	2.2	6.3%	3.3 years	61 months	Yes	12 months
Regional	DPSP III: Africa Renewable Energy Fund II	AFDB	10.0	23-Jul-20	14-Dec-20	31-Dec-24	-	2.3	22.7%	3.0 years	31 months	Yes	24 months

#### 2.4.4 Criteria 5

41. The following table represents projects that have been effective for at least 5 years with less than 50% of approved funds disbursed, and the anticipated date of final disbursement is more than ten years after the effectiveness date.

**Table 8 Criteria 5 implementation risk project table**

**Total Funding  
Flagged  
37.9M**

**Total MDB  
Co-Financing  
154.9M**

**Total Cumulative  
Disbursement  
0.0M**

**Average  
Disbursement Ratio  
0.0%**

*In millions of USD as of December 31, 2023*

Criteria 5											
Country	Project Title	MDB	Funding	Committee Approval Date	Effectiveness Date	Final Date of Disbursement	MDB Co-Financing	Cumulative Disbursement	Disbursement Ratio	Years since Effectiveness	Effectiveness to Final Disbursement
Ukraine	District Heating Modernisation Program (the Program)	EBRD	8.4	1-May-14	12-Dec-17	31-Oct-38	154.9	-	0.0%	6.1 years	20.9 years
Colombia	Utility Scale RE-geothermal	IADB	9.5	2-Nov-15	13-Dec-16	16-Mar-27	-	-	0.0%	7.1 years	10.3 years
Mexico	DPSP: Geothermal Financing and Risk Transfer Facility	IADB	20.0	15-Apr-14	3-Oct-14	1-Jan-25	-	-	0.0%	9.2 years	10.3 years



## 2.4.5 Descriptions of Projects Flagged in Past Reports

### 2.4.5.1 ADB

9	ADB, India: Solar Rooftop PV	Criteria 2 Criteria 4
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Number of reporting periods this project has been flagged: 5 periods.

#### a. Reason(s) for delay: Project Restructuring

42. The project executing agency, Punjab National Bank (PNB), has been unable to implement the program effectively due to internal reasons. While PNB had the demonstrated capacity, at the time of its inclusion in the program, to develop a dedicated team to implement solar rooftop financing, it took a long time to adopt the institutional policy and guidelines. Despite the institutional commitment, a systematic approach was not in place at an early stage, and there was lack of staff assignments dedicated to the program implementation. PNB was also embroiled in financial fraud cases in 2018, which resulted in changes in its management.
43. While project implementation is not related to this case in any way, PNB management's focus was shifted to restructuring and stabilizing the core banking operations rather than implementing the solar rooftop program. Hence, the original borrower and executing agency (i.e., PNB) was unsuccessful in implementing the program effectively, and the government of India, as the loan guarantor, has requested ADB to include additional borrowers in the program. Thus, tranche 1 loan under the original borrower and EA (i.e., PNB) was reduced to USD 9.5 million and closed on 11 November 2022. A major change for the restructuring of the multi-tranche financing facility (MFF) to include additional borrowers, namely, State Bank of India (SBI) and National Bank for Agriculture and Rural Development (NABARD) was processed on 4 July 2023. Loan negotiations for tranches 2 of USD 90.5 million (CTF) with SBI and tranche 3 of USD 150 million (US 70 million CTF and USD 80 million OCR) are proposed.

#### b. Summary of MDB's cancellation guidelines and rationale for not canceling the project

44. Due to slow progress in utilizing the disbursed funds and pipeline build up, ADB has had a series of consultations with the Government of India. As a result, ADB suspended and canceled the Multi-tranche Financing Facility (MFF) tranche containing the CTF loan of USD 90.5 million toward PNB effective June 2021 as per the relevant ADB guidelines. To achieve its intended outcome of increased solar rooftop capacity, the Government of India, as the loan guarantor, has requested ADB to include additional borrowers in the program. Major change for the restructuring of the MFF to include additional borrowers, SBI and NABARD, is processed on 4 July 2023 and loan negotiations are proposed. The restructured MFF is aligned with the recently announced scheme by the GOI - Prime Minister Surya Ghar – Muft Bijli Yojana with the target of USD 10 million solar rooftop installations (~ 30 GW with the investment of USD 19 billion) in the residential sector by 2026.

c. Measures underway to accelerate implementation

45. Tranche 1 loan under the original borrower and EA (i.e., PNB) was reduced to USD 9.5 million and closed on 11 November 2022. A major change for the restructuring of the MFF to include additional borrowers, namely, State Bank of India (SBI) and National Bank for Agriculture and Rural Development (NABARD), was processed on 4 Jul 2023. Loan negotiations for tranches 2 of USD 90.5 million (CTF) with SBI and tranche 3 of USD 150 million (USD 70 million CTF and USD 80 million OCR) are proposed.

d. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed ≥ 50% of CTF funds	The timeframe will be clear upon processing of tranche 2 and 3 by April 2024.
Expected disbursement of CTF funds over the next 12 and 24 months	Expected disbursement will be clear upon processing of tranche 2 and 3 by Apr 2024.

10	ADB, Vietnam: Ha Noi Sustainable Urban Transport Program - Project 2: Strengthening Sustainable Urban Transport for Hanoi Metro Line 3	Criteria 2 Criteria 4
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Number of reporting periods this project has been flagged: 9 periods

a. Reason(s) for delay: Other, Procurement/Bidding Issues, Project Restructuring

46. *Implementation progress (July to December 2023)*

On 2 March 2023, the Hanoi People's Committee approved the project adjustment to extend the project completion date until 31 December 2025. Accordingly, on 20 November 2023, the government sent an official request to ADB to extend the loan until 30 June 2026, which was approved by ADB on 15 December 2023. Following the extension of the loan on 15 December 2023, the employer signed a bus design consultant contract. By 31 December 2023, USD 8.4 million of the loan funds had been disbursed.

47. *Background information*

The project was significantly delayed mainly due to (i) many changes in its scope of works due to ongoing and planned interventions in the city along the project corridor, and (ii) heavy dependence on the Ha Noi Metro Rail System Project (Line 3: Nhon-Ha Noi Station Section) where most of the civil works under the project, particularly at underground stations, can only commence when the Line 3 project is near completion.

48. In May 2021, the executing agency approved a revised project investment scope to conclude all the above changes, which was a basis to proceed with various consulting services and civil works contract packages that were affected by those changes. Thanks to the approval, procurement of various consulting services and civil works contract packages was accelerated.

49. For civil works, to minimize the dependence on the Line 3 Project, ADB agreed with HTPMU on a new demarcation of works between this project and the Line 3 project. The employer carved out three civil works packages, totaling USD 4.1 million, awaiting the Line 3 project progress, thereby allowing the remaining civil works of USD 10.2 million to proceed immediately. The employer awarded USD 8.7 million in December 2022, and will award the remaining USD 1.5 million in 2024.
50. For buses and equipment purchases (estimated from USD 15.6 million to USD 28.7 million), on 15 December 2023, the employer engaged the bus design and procurement support consultant to design the bus system (USD 0.6 million). After finalizing the design in 2024, they will procure a supplier for delivery, testing, and operation of the bus system in 2025.
51. The project completion date and loan closing date have been extended until 31 December 2025, and 30 June 2026, respectively.

#### b. Summary of MDB's cancellation guidelines and rationale for not canceling the project

52. ADB's instructions on loan cancellation can be found in ADB's Project Administration Instructions (PAI) 4.02 (December 2023). However, in this case, ADB's PAI 4.03 (December 2023), paras. 8–13, referring to the instructions on loan closing date extension, would be more relevant. According to PAI 4.03, para. 9, the loan closing date can be extended if it is justifiable to achieve the project outcome and outputs. The rationale for not canceling the project is: (i) the causes of the delay have been removed after extensive consultation with the government (see the above), and (ii) the project is progressing with the following measures (see the above measures) agreed between ADB and the counterparty. Moreover, the HPC and Ha Noi Transport Construction Investment Project Management Unit (HTPMU, the employer) are committed to completing the project. The buses that will be procured under the project will be electric buses, fully aligning with the government's aspiration for the transition to green energy and mitigation of GHG emissions from transport sources. The second loan extension until 30 June 2026, which was officially requested by the government and was approved by ADB on 15 December 2023, enables the project to fully achieve its outcome and outputs.

#### c. Measures underway to accelerate implementation

53. Upon receipt of the government's official request, ADB timely processed, and on 15 December 2023, extended, the loan 8291 until 30 June 2026. This allowed continuity of the bus component by timely signing of the bus design consultant contract and release of the pending payments under the project.
54. In 2024, the employer will work on the design of the bus system and its bidding documents, accelerating procurement of the bus system, as well as the remaining civil works packages. Also, ADB will field Review Missions to monitor the project's performance and disbursement progress.
55. The contract for bus design and procurement support consultant was signed on 15 December 2023. After finalizing the design, in 2024, the employer will procure a supplier for delivery, testing, and operation of the bus system in 2025. ADB and Hanoi People's Committee (HPC) will regularly review and discuss measures to accelerate the project's progress.

#### d. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed $\geq$ 50% of CTF funds	It is estimated that by Q3 2025, the project will have disbursed USD 30.6 million or about 62% of CTF funding.
Expected disbursement of CTF funds over the next 12 and 24 months	It is estimated that expected disbursement of CTF funds over the next 12 and 24 months will be USD 7.2 million and USD 25.3 million.

#### 2.4.5.2 AfDB

11	AFDB, Morocco: Noor-Midelt Phase 1 Concentrated Solar Power Project	<b>Criteria 2</b> <b>Criteria 3</b>
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Number of reporting periods this project has been flagged: 5 periods.

#### a. Reason(s) for delay: Other

56. The project is facing delays outside the control of AfDB. Since the award, the implementing entity, Moroccan Agency for Sustainable Energy (MASEN), has held various negotiations with the successful bidder to finalize all contractual documentation that is key to launching the procurement process, and eventually starting disbursements.
57. Currently, the Power Purchase Agreement; the Engineering, Procurement and Construction Contract; the Interim and Long-Term Operations and Maintenance Contract; the Midelt I Specific Convention; and the Security documents have yet to be finalized and executed. The conclusion of these contracts, however, is a condition precedent to the start of project implementation.
58. Fulfilment of these conditions was delayed due to a series of measures and restrictions related to COVID-19 that impacted all project stakeholders, creating uncertainties at the level of the value chain for several important components (e.g., solar PV modules).

#### b. Measures underway to accelerate implementation

59. Negotiations between key stakeholders are ongoing.
60. The project is facing delays outside AfDB's control, as major procurement contracts are yet to be issued and signed. The conclusion of these contracts, however, is of paramount importance, as they represent conditions precedent to disbursement. Since the award, the implementing entity, i.e., (MASEN), has held various negotiations meetings with the successful bidder with a view to finalize all contractual documentation required for project implementation.
61. Final disbursement date: December 31, 2026.

#### c. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed $\geq$ 20% of CTF funds	December 31, 2024
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Expected disbursement of CTF funds over the next 12 and 24 months

12 months: 25%

24 months: 55%

### 2.4.5.3 EBRD

12 EBRD, Ukraine: District Heating Modernisation Program (the Program)

Criteria 2

Criteria 4

Criteria 5

Number of reporting periods this project has been flagged: 3 periods.

#### a. Reason(s) for delay

62. Municipal/sub-sovereign projects, in particular district heating projects, generally take longer to implement, and thus disburse. Over the past several years, delays were first related to COVID-19 and associated restrictions, which slowed down implementation of certain assignments. More recently, projects in Ukraine have seen additional delays related to the ongoing war. Sub-projects with slower disbursements are multi-stage, multi-component projects, with a number of conditions precedent to disbursements, prolonging the overall timeline.

#### b. Measures underway to accelerate implementation:

63. Despite delays, implementation of these sub-projects is ongoing and close engagement is maintained with the clients. Since the disruptions caused by COVID-19 and the early days of the Russian invasion, implementation is coming back on schedule.

#### c. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed  $\geq$  50% of CTF funds

12 months

Expected disbursement of CTF funds over the next 12 and 24 months

USD 10 million is expected to get disbursed over the next 24 months

### 2.4.5.4 IADB

13 IADB, Colombia: Utility Scale RE-geothermal

Criteria 2

Criteria 5

Number of reporting periods this project has been flagged: 2 periods.

#### a. Reason(s) for delay: Project Restructuring

64. The Investment Subsidy for the Geothermal Energy Risk Transfer Program was not disbursed due to (i) the lack of a complete and comprehensive legal and regulatory framework for geothermal development; (ii) the original design of the financial instrument, which requires developers to use

their equity and/or obtain debt financing for exploratory stages, making the operation less cost-efficient; and (iii) limited information on the country’s geothermal potential for power generation.

- 65. The program builds on the Bank’s experience in the Sustainable Energy Facility for the Eastern Caribbean (3561/OC-RG/4712/GN-RG).

**b. Measures underway to accelerate implementation**

- 66. The program is under reformulation, having received verbal approval from the government of Colombia and IDB Country Manager. An official letter is being prepared by the Vice Minister of Energy of Colombia to initiate ERM. The proposed modifications aim to use the Contingent Recovery Grant (CRG) resources as a grant convertible to a loan to finance exploratory drilling activities. This will bridge the financing gap currently faced by geothermal projects, making the funds more attractive for developers. Additionally, the legal framework implemented in Colombia, and the complementary environmental, social, and technical analysis supported by IDB (2020–2022), has sparked the interest of several companies. To date, IDB has received three letters of interest from geothermal developers (i.e., Baker Hughes-Ecopetrol-CHEC, DESAGEO, BBS), as well as one verbal expression of interest (GENSA). This demonstrates a significant appetite for the program, whose implementation is planned as follows: (i) receipt of official letter from the government in June 2024; (ii) Eligibility Review Meeting for the reformulation in July 2024; (iii) approval of the reformulation in September 2024; and (iv) first disbursement of a 20% advance of funds in January 2025. Importantly, should the government not send the official letter, IADB will cancel the operation before the end of 2024.

**c. Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed ≥ 20% of CTF funds	January 2025
Expected disbursement of CTF funds over the next 12 and 24 months	USD 7.6 million

14	IADB, Mexico: Geothermal Financing and Risk Transfer Facility	<b>Criteria 2</b> <b>Criteria 4</b>
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Number of reporting periods this project has been flagged: 2 periods.

**a. Reason(s) for delay: Procurement/Bidding Issues**

- 67. After an unsuccessful tender, IADB reviewed the international drilling market to identify best practices for successful bidding methods. Based on its findings, IADB has decided that a restricted or invitation-only bidding process would be the best approach to ensure project success. This approach has proven successful after unawarded bids in Africa and Southeast East Asia. IADB wants to ensure that this new process is transparent and fair and is confident that satisfactory outcomes will be achieved.

**b. Measures underway to accelerate implementation**

68. IADB is currently working on the implementation of a new bidding process for the project. This approach involves selecting and inviting a small number of drillers, who have previously demonstrated capability and reliability to submit bids in other processes, ensuring that only qualified and competent drillers are considered, and significantly lowering the risk of project failures due to unqualified bids. It also streamlines the selection process, making it more manageable and focused. To implement this, the plan is to:
- i. extend the program in June 2024;
  - ii. launch the limited bidding process in July 2024;
  - iii. receive offers in September 2024;
  - iv. sign the contract in December 2024; and
  - v. release the first disbursement in January 2025.
69. Importantly, should this bidding process receive no suitable offers, IADB will cancel the operation before the end of 2024.

**c. Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed $\geq$ 50% of CTF funds	January 2025
Expected disbursement of CTF funds over the next 12 and 24 months	USD 43 million (80%)

<b>15</b>	<b>IADB, Mexico: DPSP: Geothermal Financing and Risk Transfer Facility</b>	<b>Criteria 2</b> <b>Criteria 3</b> <b>Criteria 5</b>
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Number of reporting periods this project has been flagged: 2 periods.

**a. Reason(s) for delay: Procurement/Bidding Issues**

70. After an unsuccessful tender, IADB reviewed the international drilling market to identify best practices for successful bidding methods. Based on its findings, IADB has decided that a restricted or invitation-only bidding process would be the best approach to ensure project success. This approach has proven successful after unawarded bids in Africa and Southeast East Asia. IADB wants to ensure that this new process is transparent and fair and is confident that satisfactory outcomes will be achieved.

**b. Measures underway to accelerate implementation**

71. IADB is currently working on the implementation of a new bidding process for the project. This approach involves selecting and inviting a small number of drillers, who have previously demonstrated capability and reliability to submit bids in other processes, ensuring that only qualified and competent drillers are considered, and significantly lowering the risk of project

failures due to unqualified bids. It also streamlines the selection process, making it more manageable and focused. To implement this, the plan is to:

- i. extend the program in June 2024;
- ii. launch the limited bidding process in July 2024;
- iii. receive offers in September 2024;
- iv. sign the contract in December 2024; and
- v. release the first disbursement in January 2025.

72. Importantly, should this bidding process receive no suitable offers, IADB will cancel the operation before the end of 2024.

**c. Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed $\geq$ 50% of CTF funds	Q1 2026
Expected disbursement of CTF funds over the next 12 and 24 months	50%

16	IADB, Nicaragua: DPSP II: Geothermal Exploration and Transmission Improvement Program under the PINIC	<b>Criteria 2</b> <b>Criteria 4</b>
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Number of reporting periods this project has been flagged: 2 periods.

**a. Reason(s) for delay: Procurement/Bidding Issues**

73. In three previous tenders no offers were submitted. The last one, in September 2022, coincided with the energy crisis.

**b. Measures underway to accelerate implementation**

74. The Ministry of Energy and Mines of Nicaragua signed an agreement with ICE of Costa Rica to support the bidding process. ICE provided recommendations to make the tender more attractive, while IADB contracted an experienced geothermal drilling consultancy company to review the bidding documents and technical specifications and provide advice to the Executing Agency. In January 2024, a fair with potential drilling companies took place, in which 10 companies participated and visited the project site to identify previous work, such as civil works for water supply, access roads and platforms, which are key to facilitating the work of the drilling company. After collecting insights on the preliminary bidding document, necessary adjustments were made. Subsequently, the scope of work was expanded to attract a wider pool of interested parties. The Executing Agency developed pre-drilling work, such as access roads, platforms, a water supply system for drilling, including storage, a pumping and water collection system, and electrical connection, as well as the acquisition of environmental, municipal, and social permits. To implement this, the plan is to:

- i. launch the international public tender May 27, 2024;



- ii. receive offers by the end of July 2024;
- iii. sign the contract in October 2024; and
- iv. advance the payment in December 2024.

75. Importantly, should this bidding process receive no suitable offers, IADB will cancel the operation before the end of 2024.

**c. Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed $\geq$ 50% of CTF funds	December 2024
Expected disbursement of CTF funds over the next 12 and 24 months	USD 8.4 million

**2.4.5.5 IBRD**

17 IBRD, Indonesia: Geothermal Energy Upstream Development Project

**Criteria 2**  
**Criteria 4**

Number of reporting periods this project has been flagged: 2 periods.

**a. Reason(s) for delay: Other, Procurement/Bidding Issues, Project Restructuring**

76. Since 2020, the project implementation faced significant delays due to prolonged social challenges regarding community resistance at the first prospective GEUDP site, Waesano. The progress-related delays were aggravated by the lack of Broad Community Support (BCS) for the Waesano site, despite the Implementing Agency’s relentless efforts to discuss and address community concerns. Consequently, the Indigenous People Plan (IPP) for the site could not be finalized, and civil and drilling works have not yet started.

77. Partial cancellation of CTF funds have been requested through the restructuring request.

**b. Measures underway to accelerate implementation**

78. Based on the government’s and Implementing Agency’s request, the Bank’s task team is preparing a project restructuring with the following proposed changes: (i) to exclude Waesano from the GEUDP pipeline and scale down the GEUDP pipeline into two sub-projects; (ii) to extend the grants closing date from December 31, 2025, to December 31, 2027; and (iii) to change the Results Framework and relevant project documents, such as the Project Implementation Manual (PIM), and the Environmental & Social Management Framework (ESMF). The restructuring is expected to be completed by Q1 2024.

79. In parallel, the Implementing Agency is continuing the project preparation for Jailolo, which is the next site, and is aiming to complete all technical studies and safeguard instruments by April 2024. Commencement of the civil works and drilling works has been scheduled for Q3-2024 and Q1-2025, respectively.

c. Summary of MDB’s cancellation guidelines and rationale for not canceling the project

80. As per the World Bank’s Directive for Investment Project Financing, and the provisions of the loan legal agreement signed between the World Bank and the recipient, either the World Bank or the borrower may decide to cancel an unwithdrawn amount of loan. In addition, the World Bank may suspend the borrower’s right to make withdrawals from the loan account under specific conditions, which will then lead to the cancellation of the loan. These conditions are not applicable to GEUDP, and therefore the project does not warrant a cancellation or suspension of funds by the World Bank. Moreover, as previously stated, the challenges faced by the World Bank’s regional team cause a delay in implementation, which, consequently delaying disbursement.

d. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed ≥ 20% of CTF funds	The expected project budget, after restructuring, will require USD 17.5 million of CTF Grant, 35.7% of the original grant amount (USD 49 million).
Expected disbursement of CTF funds over the next 12 and 24 months	Total disbursement over the next 12 months: USD 10 million Additional disbursement over the next 24 months: USD 17.5 million

18 IBRD, India: Shared Infrastructure for Solar Parks - Phase I

Criteria 4

a. Reason(s) for delay: Government Approval Process, Natural Disaster/Epidemic, Other, Project Restructuring

81. The works at the sites have been progressing. The World Bank has reviewed and approved a financing request for USD 21 million (IBRD) and USD 7 million (CTF loan) for claims by the Indian Renewable Energy Development Agency (IREDA). The Agency will submit it for reimbursement towards the end of March 2024, as its cap for hedging foreign currency funds for FY2023–24 has been reached. Hence, these disbursements will reflect in Q4 FY2024.

b. Summary of MDB’s cancellation guidelines and rationale for not canceling the project

82. As per the World Bank’s Directive for Investment Project Financing, and the provisions of the loan legal agreement signed between the World Bank and the recipient, either the World Bank or the borrower may decide to cancel an unwithdrawn amount of loan. In addition, the World Bank may suspend the borrower’s right to make withdrawals from the loan account under specific conditions, which will then lead to the cancellation of the loan. These conditions are not applicable to GEUDP, and therefore the project does not warrant a cancellation or suspension of funds by the World Bank. Moreover, as previously stated, the challenges faced by the World Bank’s regional team cause a delay in implementation, which, consequently delaying disbursement.

**c. Measures underway to accelerate implementation**

83. The team is undertaking an implementation support mission from March 18–22. Also, Solar Parks of cumulative capacity of 1 GW have been commissioned, and a Solar Park of 1.33 GW, which is targeted for progressive commissioning by June 2024, is under construction.

**d. Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed ≥ 50% of CTF funds	October 31, 2024 With the partial cancellation, about 46% of disbursements have been attained.
Expected disbursement of CTF funds over the next 12 and 24 months	USD 2.3 million

19	IBRD, Morocco: Morocco - Noor Midelt I	<b>Criteria 2</b> <b>Criteria 3</b>
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Number of reporting periods this project has been flagged: 2 periods.

**a. Reason(s) for delay: Government Approval Process, Natural Disaster/Epidemic, Other**

84. For Noor Midelt 1, the signing of the first PPA between MASEN and the National Office of Electricity and Drinking Water (ONEE) did not take place due to the latter’s reluctance to fully fund the CSP project component, citing its excessive cost and/or irrelevance. The King of Morocco chaired a meeting in November 2022, in which it was decided to move forward with the project implementation without fully dropping the CSP part, and consequently the second PPA was signed in December 2022. Negotiations are currently underway with the developer, who claims tariff increase due to escalation of material costs internationally.

**b. Measures underway to accelerate implementation**

85. For Noor Midelt 1, the following have reached an advanced stages of development:
- i. negotiations with the developer for the selection a new EPC contractor;
  - ii. a new technical configuration proposal ensuring the same performance;
  - iii. adjustments in the commercial structure of the PPA; and
  - iv. a minimal tariff increase.
86. The initial deadline for reaching financial close by December 2023 has not been met. The new version of the PPA has been almost finalized and shared with the World Bank on 19 January 2024, together with technical and legal due diligence notes. IBRD awaits the initialed version of the amended PPA, once negotiations have concluded and are submitted to OPRC, as part of the Bank review of no objection. Meanwhile, MASEN will continue updating other contractual documents to achieve the PPA signing in April 2024 and financial closure in May 2024. If MASEN submits the

amended PPA package in time, with strong assurance to the Bank that financial closure can be achieved by May 2024, and as long as the Bank does not object the amended PPA, a restructuring of the project to extend its closing date can be considered. Otherwise, and with further guidance by management and as reported in the mission Aide Memoire, there will be risk that the closing date will not be extended, and the project will be closed by June 2024.

**c. Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed ≥ 20% of CTF funds

Expected disbursement of CTF funds over the next 12 and 24 months

The project will need to reach financial close before June 2024 to allow for additional disbursement. Discussions are ongoing with CMU. Management and the team to potentially extend the project's closing date or close it by its actual closing date (June 24, 2024).

20 IBRD, Philippines: Cebu Bus Rapid Transit Project

**Criteria 2**  
**Criteria 4**

Number of reporting periods this project has been flagged: 11 periods.

**a. Reason(s) for delay: Government Approval Process, Government Restructuring, Natural Disaster/Epidemic, Project Restructuring**

87. In October 2023, the Investment Coordination Committee-Cabinet Committee (ICC-CC) and the National Economic Development Authority (NEDA) Board have respectively approved and confirmed the proposal of the Department of Transportation to restructure the project. This restructuring proposal includes revisions to the scope, total project cost, project duration and financing, and envisaged implementing the project in two Modules. Module 1, the ongoing project with the scope/design as agreed during and since the MTR; and Module 2, entailing increase in the coverage of the segregated corridor by upgrading the mixed traffic segments.

**b. Measures underway to accelerate implementation**

88. The Department of Finance, through a letter dated December 19, 2023, requested an extension of closing date of the IBRD and CTF loans to September 30, 2026, as well as certain amendments to the Loan Agreement and the CTF Loan Agreement for aligning the project with the scope/design agreed to during and since the MTR (that is, Module 1 of the Restructuring Proposal approved by ICC-CC and confirmed by the NEDA Board).

**c. Summary of MDB’s cancellation guidelines and rationale for not canceling the project**

89. As per the World Bank’s Directive for Investment Project Financing, and the provisions of the Loan legal agreement signed between the World Bank and the recipient, either the World Bank or the borrower may decide to cancel an unwithdrawn amount of loan. In addition, the World Bank may suspend the borrower’s right to make withdrawals from the loan account under specific

conditions, which will then lead to the cancellation of the loan. These conditions are not applicable to the project at hand, and therefore the project does not warrant a cancellation or suspension of funds by the World Bank. Moreover, as previously stated, the situation faced by the World Bank’s regional team is a delay in disbursement of CTF funding due to a delay in implementation.

**d. Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed ≥ 20% of CTF funds	Q1 of the Bank’s FY25.
Expected disbursement of CTF funds over the next 12 and 24 months	Over the next 12 and 24 months, USD 5 million and USD 20 million of CTF funds are expected to be disbursed.

<b>21</b>	<b>IBRD, Türkiye: DPSP III: Energy Efficiency in Public Buildings</b>	<b>Criteria 2</b> <b>Criteria 4</b>
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Number of reporting periods this project has been flagged: 2 periods.

**a. Reason(s) for delay: Natural Disaster/Epidemic, Other, Project Restructuring**

90. The project progress continues to be rated as “Satisfactory”. Cumulative disbursements are USD 66.6 million, and renovation works under Package 1 (36 buildings) have been completed, as well as the 12-month measurement and verification phase for most of them (except two). Package 2 (155 buildings) lots are mostly under contracted, except for two lots (20 buildings), which are expected to be contracted by the end of March 2024. Package 3 (181 buildings) has contracted about half of the buildings, with the remaining buildings (4 lots) to be contracted by March 2024. All the project funds are expected to be committed after Package 3.

**b. Measures underway to accelerate implementation**

91. A project restructuring aimed to address the major barriers to project implementation was developed in May 2023 and approved in September 2023. The restructuring measures that would help accelerate the CTF loan disbursement include:

*i) Revision of deep renovation criteria.*

A part of the CTF loan was allocated to support “deep renovations” under Component 1a, defined as “renovation with energy savings of at least 30% and a payback period of 12–20 years.” As the volatile global energy and supply costs disqualified several renovations, to facilitate the use of CTF loan and encourage deep renovations, the definition will be revised to “deeper renovation investments that reduce energy use in buildings by at 40%.”

*ii) Revision to the “NZEB” definition*

When the project began, the government did not have a near zero energy building (NZEB) definition, so the project had to define one. Since then, the government has published a definition, which is a bit more flexible than the proposed project definition. This new definition will help increase CTF loan utilization under Component 1c.

iii) *Reallocation of IBRD and CTF loan proceeds.*

Considering the prevailing market conditions, combined with the lack of awareness and capacity for ESCOs to undertake full building renovations, all the IBRD loan and a portion of the CTF loan dedicated to Component 1b, will be reallocated to other components (1a, 1c, and 2a). Additional funding for Component 1a (conventional EE investments in central government buildings); and Component 1c (pilot NZEBs) would allow the scale up of the conventional and NZEB renovations. Additional funding for Component 2a (technical assistance and implementation support) would allow the Project Implementation Unit (PIU) to expand its human resources to cope with a large volume of technical tasks for implementation, such as managing bidding documents and site visits, as well as associated capacity building activities.

c. **Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed ≥ 50% of CTF funds	Since most of the contracts were finalized within the past 6 months, it is projected that CTF loan disbursements should now surpass 50% by FY25 – Q3.
Expected disbursement of CTF funds over the next 12 and 24 months	CTF loan disbursement forecast below.

<i>Forecast In millions of USD</i>		
FY 2024	FY 2025	FY 2026
7.5	25.0	4.75

**2.4.6 Descriptions of Newly Flagged Projects**

**2.4.6.1 ADB**

22	ADB, Indonesia: DPSP III: Geothermal Power Generation Project	<b>Criteria 2</b> <b>Criteria 4</b>
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a. **Reason(s) for delay: Other, Procurement/Bidding Issues**

92. The project is rated “For Attention” due to low contract awards and disbursements. This is primarily because the internal government approval process to exclude the local content requirements from the bidding documents caused a significant delay in issuing the engineering, procurement, and construction (EPC) bidding documents. The project delay is also attributed to: (i) the technical complexity of the project, especially the drilling and well testing activities at the project sites; and (ii) the lengthy preparation of the technical specification for Dieng Unit 2 power

plant due to a power plant relocation, technology change, and the related safeguard requirements. The overall physical progress is 60.52% against the elapsed period of 64% from the loan approval and 19% from the grant approval.

93. At Dieng Unit 2, all ten wells were successfully drilled, and rig demobilization was completed on 14 September 2023. At the Patuha Unit 2 concession area, the drilling campaign is behind schedule by 78.1 drilling days due to challenging subsurface conditions and mechanical failures, with 11 out of 12 wells drilled as of 31 December 2023. The drilling campaign at the Patuha Unit 2 is expected to be completed by March 2024. The civil works roads and well pad preparations were successfully concluded, while well testing activities for both sites are currently in progress. The EPC bidding documents for Dieng Unit 2 are expected to be issued in March 2024, while the EPC bidding documents for Patuha Unit 2 were finalized and issued on January 2, 2024, with an expected award date in Q4 2024. The commercial operations date (COD) for Patuha Unit 2 is anticipated in Q4 2026, and Q1 2027 for Dieng Unit 2.
94. The project is currently facing cost overruns attributed to exogenous factors, such as higher-than-expected inflation, supply chain constraints for drilling mud chemicals, and an extended drilling campaign caused by challenging subsurface conditions. An additional financing of up to USD 150 million (OCR) will be processed this year, to cover the costs of EPC Dieng Unit 2 power plant, IDC, and contingencies. This will enable the project to achieve its desired outcome and outputs.
95. Moreover, a further extension of the loan closing date (from 31 December 2025 to 30 June 2028) and the grant closing date (from 30 June 2026 to 30 June 2028) is being processed to align with the revised project implementation timeline.

#### b. Measures underway to accelerate implementation

96. The government's mandatory local content requirements in the bidding documents have significantly delayed the implementation of the original project. The project team continues to work closely with the government on a solution to this issue.
97. Detailed front-end engineering design for Dieng Unit 2 has been completed and the bidding documents are expected to be advertised within Q2 2024. However, the uncertainty within the bidding process will persist until the issue on Indonesia's mandatory local content requirements is required by the government. ADB will continue to engage with all relevant government counterparts, where possible, to resolve the issue. Also, the project team is exploring the possibility of changing the disbursement arrangements for Dieng EPC Unit 2 to frontload the CTF financing ahead of ADB and government funding.

#### c. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed  $\geq$  20% of CTF funds

If frontloading proceeds, approximately 96% of the funds will be disbursed in Q1/Q2 2026.

Expected disbursement of CTF funds over the next 12 and 24 months

Disbursements for the next 12 and 24 months will be sourced solely from the consultancy contract, with an expected amount of less than USD 1 million (CTF funding accounts for only 9% of the contracted amount).

#### 2.4.6.2 AfDB

23 AFDB, Kenya: DPSP II: Concessional Finance Program for Geothermal Generation **Criteria 2**

##### a. Reason(s) for delay: Other

98. The program considered two sub-projects, of which one for USD 20 million was approved by AfDB’s Board of Directors in June 2018. The loan agreement was signed in December 2022, and reached financial closure in late 2023. The second sub-project for USD 9.65 million is still stalling and no approval was obtained from AfDB’s Board of Directors.
99. The financial agreement was signed in December 2022. Subsequently, the financial close was reached in late 2023, but actual implementation is yet to start.

##### b. Measures underway to accelerate implementation

100. The first sub-project, effective since December 2022, is progressing well, and does not meet any risk criteria to be flagged at this stage. For the second sub-project, the Bank, in collaboration with the CIF Secretariat, is exploring the possibility of canceling the resource.

##### c. Disbursement Timeframes

Estimated timeframe within which the project will have disbursed  $\geq$  20% of CTF funds

By mid-2025 (only applicable to the approved and signed sub-project)

Expected disbursement of CTF funds over the next 12 and 24 months

24 months: 100% (only applicable to the approved and signed sub-project)

24 AFDB, Regional: DPSP III: Africa Renewable Energy Fund II **Criteria 4**

##### a. Reason(s) for delay: Other

101. Since the first disbursement in January 2022, the fund has received contributions from Limited Partners totaling EUR 42.7 million (24.5%) as of 2023 Q4 at the fund level. Given the nature of the energy private equity fund, especially AREF II, which covers project development and investment phases, it is expected that the fund will largely deploy capital over the 3-4 years (investment phase) of the fund life, following the project's financial close. However, due to a slower project development pace than expected, the fund's deployment has been delayed compared to the original plan.



102. The Fund Manager started implementation. As of 31 December 2023, the disbursement rate for the project stands at 22.7%. The Bank is monitoring and supervising project implementation and to date no major issues are outstanding.

**b. Summary of MDB’s cancellation guidelines and rationale for not canceling the project**

103. The project is under implementation and disbursements are likely to accelerate in the near future. The project should reach full disbursement in the next 24 months.

**c. Measures underway to accelerate implementation**

104. AREF II is focusing on primary projects in each target market with various projects reaching financial closure in 2024/5. They are introducing third-party strategic equity into projects to validate and reduce development risk, address equity shortfalls, and accelerate project development. AREF II expects EUR 139 million in project investments as the base case by 2027/28, aiming to deliver 4-6 greenfield IPP projects, explore acquiring a brownfield IPP, and establish a significant Commercial and Industrial (C&I) business.

**d. Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed ≥ 50% of CTF funds	Final disbursement date: 31 December 2025
Expected disbursement of CTF funds over the next 12 and 24 months	24 months: 100%

**2.4.6.3 EBRD**

25 EBRD, Regional: DPSP III: Turkey and Ukraine Green Cities Programme **Criteria 2**

**a. Reason(s) for delay**

105. Due to the situation both in Ukraine and Türkiye, approval of sub-projects has been slower than expected.

**b. Measures underway to accelerate implementation**

106. The banking team is actively working on the pipeline of potential sub-projects in Türkiye.

**c. Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed ≥ 50% of CTF funds	12 months
Expected disbursement of CTF funds over the next 12 and 24 months	USD 12 million is expected to get disbursed in the next 24 months

26 EBRD, Ukraine: DPSP III: Finance and Technology Transfer Centre for Climate Change (FINTECC): Ukraine Agribusiness Waste Residues Window **Criteria 3**

107. According to EBRD, this project is closed, and the CIF Secretariat is awaiting confirmation through Annex K.

**2.4.6.4 IADB**

27 IADB, Ecuador: DPSP III: Financing Sustainable Electric Transport in Ecuador **Criteria 2**  
**Criteria 3**

**a. Reason(s) for delay: Other**

108. Loan program EC-L1268 is under modification according to the approval of CIF in October 2023. Currently, the project team is undertaking the necessary steps to get the modifications approved by the end of April 2024. In addition, it is important to consider that Ecuador has a new government since November 2023 and the ratification of the interest in the program by the new authorities happened recently in February 2024.

109. Loan program EC-L1268 is under modification. The project team is undertaking the necessary steps to get the modifications approved by the end of March 2024.

**b. Measures underway to accelerate implementation**

110. The project team is preparing the TDR to hire the consultancy firm according to the needs of the program to understand the market conditions for financing sustainable electric transport in Ecuador. On the other hand, the contracts are under review to carry out negotiation by the end of April 2024.

**c. Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed ≥ 20% of CTF funds

The objective is to disburse around the third quarter of the current year after the signing of the contract between BID and Public Banks. IADB couldn't disburse earlier because they haven't signed the contracts yet.

Expected disbursement of CTF funds over the next 12 and 24 months

Approximately USD 4 million to USD 5 million

28 IADB, Peru: DPSP III: Financing Sustainable Electric Transport Solutions in Peru **Criteria 2**  
**Criteria 3**

111. According to the IADB, this project is cancelled, and the CIF Secretariat is awaiting confirmation through Annex K.

#### 2.4.6.5 IBRD

29 IBRD, Indonesia: DPSP III: Indonesia Geothermal Resource Risk Mitigation Project (GREM) Criteria 2

**a. Reason(s) for delay: Government Approval Process, Other, Project Restructuring**

112. The first two GREM Pre-Proposal applications were received under the public window in December 2022 and January 2023. The formal applications are in the process of being submitted to World Bank.

**b. Measures underway to accelerate implementation**

113. The project is being restructured to make modification to the current project design, with the aim to attract private sector funding, including removing premiums, simplifying the de-risking facility, and removing cap of an earlier specified USD 30 million investment.

**c. Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed ≥ 20% of CTF funds

Once the restructuring is approved, disbursement should start up.

Expected disbursement of CTF funds over the next 12 and 24 months

USD 15 million over the next 12 months and USD 30 million over the next 24 months.

30 IBRD, Türkiye: Geothermal Development Project Criteria 3

**a. Reason(s) for delay: Natural Disaster/Epidemic, Other, Project Restructuring**

114. Regarding the first component, (funded by CTF) drilling for the first two Risk Sharing Mechanism (RSM) sub-projects under the first round of the RSM was completed in 2021, resulting in three unsuccessful wells, for which sponsors received the corresponding compensation from the RSM for a percentage of the eligible incurred drilling costs. The second round of the RSM, which was launched in January 2021, currently includes nine sub-projects eligible for support by the RSM. Under Round 3, which was launched with a consultation workshop on April 11, 2023, Expressions of Interest (EoIs) were received for 31 sub-projects, from which 13 sub-projects subsequently submitted full proposals.

**b. Measures underway to accelerate implementation**

115. It should be noted that the impact of the Risk Sharing Mechanism (RSM) is not necessarily linked to disbursements, as the RSM covers some of the risk of geothermal exploration and only provides developers with partial reimbursement of exploration costs in case completed wells are deemed unsuccessful. In addition to the first two completed sub-projects (Round 1), another 21 sub-projects (Round 2 and 3) are currently under consideration by the RSM, as listed in Table 1 and 2 below. These sub-projects are at different stages of development (permitting, environmental impact assessment, etc.), and it is expected that 10 of them will result in signed beneficiary

agreements and drilling. The nature of the RSM makes disbursement predictions more difficult, as the sub-projects are fully financed by private developers, and the RSM makes payments only in case wells are deemed unsuccessful. The determination of the payment made by the RSM, as well as the specific amount paid, are only known after the completion of the drilling and the subsequent assessment of the wells.

**c. Disbursement Timeframes**

Estimated timeframe within which the project will have disbursed ≥ 20% of CTF funds	Another USD 11.2 million depending on the outcome of the sub-projects.
Expected disbursement of CTF funds over the next 12 and 24 months	USD 11.2 million in the next one year and another USD 10 million in the following year.

**2.5 MDB cancellation guidelines and criteria**

116. During the December 2017 CIF Trust Fund Committees’ and Sub-Committees’ meetings, members expressed interest in receiving information pertaining to MDBs’ potential decisions to cancel projects. Some MDBs have provided the following links to their guidelines:

[ADB: Project Administration Instructions: Suspension and Cancellation of Loans](#)

[ADB: Externally Financed Grant Regulations Applicable to Grants Financed from a Trust Fund or Other External Sources and Administered by ADB](#)

[AfDB: Revised Guidelines on Cancellation of Approved Loans, Grants and Guarantees](#)

[IBRD: Partnering with the World Bank through Trust Funds and Umbrella 2.0 Programs](#)

**3. Currency Risk Assessment via Promissory Notes**

***Risk Score: Low***

117. The GBP continued to appreciate by 2.8%<sup>7</sup> against the USD from the previous reporting date, which has resulted in a decline in the unrealized loss associated with CTF’s GBP denominated promissory notes (PN) from USD 20.3 million to USD 10.5 million. There was also a GBP 72.5 million increase in promissory notes received from the United Kingdom of.

**Table 9 Currency Risk Exposures**

	<i>In millions</i>	
	As of March 31, 2024	As of September 30, 2023
<b>Amount of PNs Received</b>	<b>£1,517.3</b>	£1,444.8
<b>Amount of PNs Unencashed</b>	<b>£387.4</b>	£314.9

<sup>7</sup> Exchange rate provided by the Trustee.

In millions

	As of March 31, 2024	As of September 30, 2023
Currency Gain/(Loss) Realized	(\$191.5)	(\$191.5)
Currency Gain/(Loss) Unrealized	(\$10.5)	(\$20.3)

## 4. Resource Availability Risk Assessment

**Risk Score: Low**

Table 10 Resource Availability Risk Exposures<sup>8</sup>

In millions of USD

	As of March 31, 2024	As of August 31, 2023	Change
Surplus/(Deficit)	1,241.9	904.5	+337.4

118. The increase is primarily due to approximately USD 145 million of project cancellations during the reporting period, Canada and US contributions for the CTF Parallel Fund of USD 154.9 million, Germany cash Contribution to CTF Fund of USD 79.8 million, United Kingdom deposit of promissory notes of GBP 72.5 million and a reduction in pipeline projects by USD 242.7 million that is offset by new commitments of approximately USD 314.09 million (new commitments include one commitment for an ACT project in Indonesia for USD 100 million).

Table 11 CTF project with cancelations, including partial cancellations

In millions of USD

MDB	Country	Project Title	Amounts	Month <sup>9</sup>
ADB	India	Rajasthan Renewable Energy Transmission Investment	110.0	Feb-24
IBRD	India	Shared Infrastructure for Solar Parks Project - India	7.5	Oct-23
IADB	Colombia	GESP: Financing to support Colombia's energy transition	1.5	Nov-23
IADB	LAC	DPSP III: IDB Lab/CTF climate finance program for MSMES and households in Latin America and Caribbean	8.3	Nov-23

119. To mitigate this risk, CTF Trust Fund Committee, MDBs, and CIF Secretariat have all consistently conveyed the message that resource allocations in CTF are not guaranteed during the initial project preparatory stages and that CTF has adopted an over-programming approach in

<sup>8</sup> These numbers are inclusive of the parallel fund

<sup>9</sup> The dates are based on when the funds are returned to the Trustee.

developing CTF pipeline for planning purposes. It is not until CTF Trust Fund Committee approves project funding, that CTF funds are committed for a specific project.

## 5. Credit Risk Assessment

### **Risk Score: High**

#### 5.1 Summary

120. The following table represents CTF’s credit risk exposures and amounts in default. Please refer to Appendix D for additional information and definitions on the table below. The amounts below are net of principal reflows. Write-offs slightly increased as EUR denominated loans were not converted into USD in previous reports. Additionally, the CIF Secretariat has seen no public sector defaults in Ukraine, and, therefore, has reduced the expected default rate for these loans from 100% to 50%. The CIF Secretariat will continue to monitor this portfolio and adjust as seem prudent.

**Table 12 Committed Loan Portfolio<sup>11</sup> Credit Risk Exposure and Defaulted Amounts Outstanding**

*In millions of USD as of December 31, 2023*

		Portfolio Risk Rating	Committed Loans	PD	LGD	Expected Loss Rate	Expected Losses
<b>Exposures</b>	Public	BB	2,657.8	0.0%	50.0%	0.0%	0.0
	Private	B+	614.9	15.7%	46.7%	7.3%	45.2
<b>High Risk Exposures<sup>10</sup></b>	<b>Ukraine</b>	<b>D</b>	<b>269.1</b>	<b>70.0%</b>	<b>67.6%</b>	<b>47.3%</b>	<b>127.3</b>
<b>Defaults</b>	Active	D	22.5	100.0%	67.6%	67.6%	15.2
	Expected	D	23.0	100.0%	67.6%	67.6%	15.5
<b>Written Off Loans</b>		N/A	39.5	39.5	100.0%	100.0%	39.5
<b>Portfolio Total</b>			<b>3,626.8</b>			<b>6.7%</b>	<b>242.8</b>

**Figure 7 CTF loan exposure public vs. private sector<sup>11</sup>**



<sup>10</sup> The probably of default for public sector loans for high risk exposures are now set at 50% and private sector at 100%, further details can be found in appendix D.5 Credit Risk.

<sup>11</sup> Based on committed amounts outstanding, net of cancellations and reflows.

## 5.2 Public Sector Exposure

121. All CTF public sector loans are extended directly to externally rated sovereigns or to entities guaranteed by externally rated sovereigns.

Table 13 Public Sector Highest and Lowest Recipient Credit Ratings<sup>12</sup>

Lowest Rating		Highest Rating		Recipient Count
CC	Ukraine	BBB+	Peru, Philippines	18

## 5.3 Private Sector Exposure

### 5.3.1 Loans with Payment Defaults

122. In total, seven private sector CTF loans representing EUR 25.1 million, four private sector loans representing USD 24.7 million.

### 5.3.2 Guarantees Called

123. Two guarantees (USD 2 million and USD 19 million) have been called.

### 5.3.3 Transactions at Risk of Default

124. Currently, two loan transactions are at heightened risk of default, and two equity investments are unlikely to return CTF funds.

#### Transaction 1

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125. MDBs have reported implementation challenges with multiple CIF projects in Haiti due to political instability, and one project (~USD 4 million outstanding) is now at material risk of imminent default.

#### Transaction 2

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126. A loan with USD 12.5 million outstanding is experiencing financial distress and the CIF Secretariat expects that material losses associated with this transaction will be incurred at maturity. The loan was restructured into local currency, with the principal now due at maturity in 2029 (principal was being repaid according to an amortization schedule under the original loan agreement). The borrower is currently deferring interest payments which, under the terms of the restructuring, is now permitted. Deferred interest payments are being added to the outstanding principal.

#### Transaction 3

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127. The recipient of a USD 3.0 million equity investment is experiencing significant financial challenges. The CIF Secretariat does not expect to recover any if its investment in this transaction.

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<sup>12</sup> The Lowest credit rating is based on the lowest rating of a rating agency, and the highest credit rating is based on the highest rating of a rating agency.

128. The recipient of a USD 4.0 million equity is expected to incur significant financial loss. The CIF Secretariat does not expect to recover any if its investment in this transaction.

## 6. Fraud and sexual exploitation and abuse

129. At the January 2019 meeting, CTF Trust Fund Committee requested that the MDBs provide the CIF Secretariat information regarding fraud and sexual exploitation and abuse in CTF projects implemented by them, to the extent that such information is provided to their own MDB boards and subject to any necessary legal/confidentiality arrangements prior to disclosure.
130. The MDBs did not report any allegations or instances of fraud, or sexual exploitation and abuse to the CIF Secretariat during the period; however, MDBs issue the following annual reports on fraud and corruption highlighting statistics related to their anti-corruption efforts.
- ✔ [ADB – Office of Anti-Corruption and Integrity Annual Report](#)
  - ✔ [AfDB – Office of Integrity and Anti-Corruption Annual Report](#)
  - ✔ [EBRD – Integrity and Anti-Corruption Annual Report](#)
  - ✔ [World Bank Group – Integrity Vice Presidency Annual Report](#)

## 7. Forced Labor

131. At the January 2022 TFC Meeting, the Trust Fund Committee requested that the MDBs provide the CIF Secretariat information any allegations or instances of forced labor associated with the CIF projects implemented by them. This was considering the increasing reports of the use of forced labor involving Uyghurs and other ethnic minorities in parts of China in the manufacturing of materials used to produce solar panels. The company Hoshine has been flagged as a polysilicon manufacturer which has employed forced labor, and polysilicon from this supplier is used in the production of most solar panels currently.
132. MDBs have been developing and implementing safeguards to mitigate forced labor risks, but most of MDBs' CIF-backed projects pre-date any enhanced due diligence requirements for solar supply chains. Even where safeguards are applied, it is often not possible to trace who supplies the polysilicon to panel producers. MDBs continue to engage in multi-stakeholder dialog to increase transparency and traceability in solar supply chains.
133. The MDBs did not report any allegations or instances of forced labor to the CIF Secretariat during the period.



## Appendix A CTF Available Resources

Table 14 CTF Trust Fund - Resources Available for Commitments

CTF TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS <i>Inception through March 31, 2023</i> <i>(USDeq. millions)</i>	As of March 31, 2024 USDeq.	As of March 31, 2024 USD	As of March 31, 2024 EUR	As of August 31, 2023 USDeq.
	Total	Total	Total	Total
<b>Cumulative Funding Received</b>				
<b>Contributions Received</b>				
Cash Contributions	5,726.0	5,502.2	207.5	5,648.3
Unencashed promissory notes	a/ 488.7	488.7	-	399.3
Total Contributions Received	6,214.7	5,990.9	207.5	6,047.6
<b>Investment Income and Other Resources</b>				
Investment Income	504.0	504.0	-	411.4
Return of Investment income from MDBs	41.1	40.2	0.9	26.6
Total Other Resources	545.1	544.2	0.9	438.1
<b>Total Cumulative Funding Received (A)</b>	<b>6,759.8</b>	<b>6,535.1</b>	<b>208.4</b>	<b>6,485.7</b>
<b>Cumulative Funding Commitments</b>				
Projects/Programs	7,100.8	6,791.4	286.9	7,109.7
MDB Project Implementation and Supervision services (MPIS) Costs	63.6	63.6	-	59.6
Cumulative Administrative Expenses	156.7	156.7	-	155.4
<b>Total Cumulative Funding Commitments</b>	<b>7,321.1</b>	<b>7,011.8</b>	<b>286.9</b>	<b>7,324.6</b>
Administrative Expense Cancellations	b/ (7.7)	(7.7)	-	(7.2)
Projects/Programs, MPIS Cancellations	c/ (1,870.7)	(1,781.2)	(83.0)	(1,941.3)
<b>Net Cumulative Funding Commitments (B)</b>	<b>5,442.7</b>	<b>5,222.8</b>	<b>203.9</b>	<b>5,376.1</b>
<b>Funding Availability (A - B)</b>	<b>1,317.1</b>	<b>1,312.3</b>	<b>4.5</b>	<b>1,109.6</b>

Country Engagement Budget reserve FY24	e/	(0.0)	(0.0)	-	(0.0)
Currency Risk Reserves- GESP	e/	(37.8)	(37.8)	-	(38.0)
Currency Risk Reserves- ACT	e/	(35.5)	(35.5)	-	(21.9)
Unrestricted Fund Balance for Trustee Commitments		1,243.7	1,238.9	4.5	1,049.7
<b>Net investment income available for Admin Budget commitments and the loan losses</b>		<b>396.2</b>	<b>395.2</b>	<b>0.9</b>	<b>289.9</b>
<b>Unrestricted Funding Available for Projects/Programs commitments</b>		<b>847.6</b>	<b>843.7</b>	<b>3.6</b>	<b>759.8</b>
<b>Of which, unrestricted Funding available for</b>					
Futures Window - DPSP III		127.3	369.7	3.6	130.8
GESP (and GESP in Futures window)		296.3	49.4	-	360.9
ACT		424.0	424.5	-	268.0
<b>Anticipated Commitments for Projects/Programs and Fees</b>					
Futures Program		51.3	51.3	-	102.5
GESP		210.7	210.7	-	402.3
<b>Total Anticipated Commitments</b>	j/	<b>262.0</b>	<b>262.0</b>	<b>-</b>	<b>504.8</b>
<b>Available Resources for Projects/Programs</b>		<b>585.6</b>	<b>581.7</b>	<b>3.6</b>	<b>255.0</b>
<b>Potential Future Resources</b>					
Contribution Receivable & Pledges	a/	91.4	15.9	70.0	265.5
Release of Currency Risk Reserves	e/	73.3	73.3	-	59.9
<b>Total Potential Future Resources</b>		<b>164.7</b>	<b>89.2</b>	<b>70.0</b>	<b>325.4</b>
<b>Potential Available Resources for Projects/Programs</b>		<b>750.2</b>	<b>670.9</b>	<b>73.6</b>	<b>580.4</b>
<b>Potential Net Future Resources for Admin Expenses and Loan Losses</b>					
Projected Investment Income from Dec 2023 to Dec 2027	g/	160.8	160.84	-	149.6

Projected Administrative Budget (FY25-29)	h/	80.3	80.3	-	97.0
<b>Potential Net investment income available for Admin Expenses and Loan losses</b>		80.5	80.5	-	<b>52.6</b>
<b>Potential Available Resources for Admin Expenses and Loan Losses</b>	i/	<b>476.7</b>	<b>475.7</b>	<b>0.9</b>	<b>342.4</b>

a/ Refer CTF Pledge as of Mar 31,2024 file for details on Contributions and pledges

b/ Represents unused admin budget refunds, Country Programming Budget revisions/cancellations by MDBs, Trustee and CIF Secretariat

c/ Cancellation of program and project commitments approved by TFC

d/ USD 0.5 million approved by TFC in June 2019 for the multi-year country programming budget and the balance in reserve estimate provided by CIF Secretariat

e/ Represents amounts withheld to mitigate over-commitment risk resulting from fluctuations in currency exchange rate which affect the value of outstanding non-USD denominated promissory notes.

f/ refer document CTF/TFC.27/5/Rev.1, CTF Futures Window. In June 2022, the TFC approved that the available funds within the CTF Futures Window are split equally between DPSP III projects and GESP projects. As of current reporting period, the total funding available under the Futures Window is split as USD 252.09 million for GESP and USD 131.4 million for DPSP III, including USD 120.25 million (committed).

g/ Represents Investment income on undisbursed funds as projected by Trustee through the cash flow model

h/ FY24 Budget commitment approved by TFC in June 2023 was USD 20.7 million for Administrative services. The amount approved is extrapolated for 5 years. Projected administrative budget includes resources for administrative services provided by the CIF Secretariat, Trustee and MDBs.

i/ Losses on outgoing CTF Financial Products will be shared as stipulated in the Principles regarding Contributions to the CTF and will be covered from the Net income (net investment income, interest and guarantee fees received in excess of 0.75%), to the extent available.

<b>CTF PARALLEL FUND- RESOURCES AVAILABLE for COMMITMENTS</b>		<b>As of Mar, 31 2024</b>	<b>As of August 31,</b>
<i>Inception through March 31, 2024</i>		<b>USD</b>	<b>2023 USDeq.</b>
<i>(USDeq. millions)</i>		<b>Total</b>	
<b>Cumulative Funding Received</b>			
Cash Contributions	a/	804.7	649.8
<b>Cumulative Funding Received</b>		<b>804.7</b>	<b>649.8</b>
<b>Set Aside for ADMIN AND MPIS FEE</b>			
6% of contribution - CTFPF Admin and MPIS fee set aside	b/	(48.3)	(39.0)
<b>Funds Available for Project Commitment</b>		<b>756.4</b>	610.9
<b>Cumulative Project/Program Commitments</b>			
Projects/Programs		100.0	-

**Cancellations**

Projects/Programs

**Net Cumulative Project / Program Commitments (B)**

Projects/Programs		-	-
<b>Net Cumulative Project / Program Commitments (B)</b>		<b>100.0</b>	<b>-</b>
<b>Unrestricted Funding Available for Projects/Programs commitments</b>	b/	<b>656.4</b>	<b>610.9</b>
<b>Potential Future Resources</b>			
Contribution Receivable and Pledges	a/	1,476.1	1,062.4
<b>Total Potential Future Resources</b>	-	<b>1,476.1</b>	<b>1,062.4</b>
<b>Potential Available Resources for Projects/Programs</b>		<b>2,043.9</b>	<b>1,609.5</b>
<b>Funds Available for Admin/ MPIS fee Commitments</b>			
<b>CTFPF Admin and MPIS set aside (C)</b>	b/	<b>48.3</b>	<b>39.0</b>
<b>Cumulative Admin budget/ MPIS fee Commitments</b>	-		
Admin budget		8.0	7.6
MPIS fee			
<b>Cancellations</b>			
Admin budget		(0.2)	-
MPIS fee		-	-
<b>Net Cumulative Admn budget/MPIS fee Commitments (D)</b>		<b>7.8</b>	<b>7.6</b>
<b>Unrestricted Funding Available for Admin budget/MPIS fee (C-D)</b>		<b>40.53</b>	<b>31.4</b>

a/ Refer CTFPF Pledge as of Mar 31,2024 file for details on Contributions and pledges

b/ As per the contribution agreement for CTFPF, 6% of contribution receipts are reserved for administrative and MPIS cost of the program. Available resources for Project/Program is calculated after setting aside 6% of Potential contributions towards MPIS and Admin commitments

## Appendix B Public Sector Loan Recipients

134. Public sector loan recipients' credit ratings are based on publicly available sovereign ratings. PDs are based on the 5-year default rates for sovereign issuers, and LGDs are derived from the issuer-weighted recovery rates from Moody's Sovereign Default and Recovery Rates, 1983-2022.

**Table 15 Public loan portfolio credit risk exposures**

*As of August 31, 2023*

Total Exposure		Average Credit Rating	Average 5-year PD			LGD	Implied Expected Loss Rate	
2,839,722,903		BB	7.5%			50.0%	3.8%	

Country	Committed Amount	Least Rating (S&P)	S&P	Moody's	Fitch	5-year PD	LGD
Brazil	10,000,000	BB-	BB-	Ba2	BB	5.1%	50.0%
Burkina Faso	91,000,000	CCC+	CCC+	NR	NR	36.8%	50.0%
Colombia	69,380,770	BB+	BB+	Baa2	BB+	5.1%	50.0%
Ecuador	23,000,000	CCC-	CCC-	Caa3	CCC+	36.8%	50.0%
Egypt	116,638,860	CCC+	B-	Caa1	B-	36.8%	50.0%
Honduras	16,400,000	B-	BB-	B1	B-	14.9%	50.0%
India	597,500,000	BBB-	BBB-	Baa3	BBB-	1.5%	50.0%
Indonesia	209,338,642	BBB	BBB	Baa2	BBB	1.5%	50.0%
Maldives	33,000,000	CCC+	NR	Caa1	B-	36.8%	50.0%
Mexico	194,348,484	BBB-	BBB	Baa2	BBB-	1.5%	50.0%
Morocco	624,918,660	BB+	BB+	Ba1	BB+	5.1%	50.0%
Peru	9,500,000	BBB	BBB	Baa1	BBB	1.5%	50.0%
Philippines	32,338,101	BBB	BBB+	Baa2	BBB	1.5%	50.0%
South Africa	339,932,473	BB-	BB-	Ba2	BB-	5.1%	50.0%
Tanzania	22,000,000	B	NR	B2	B+	14.9%	50.0%
Türkiye	151,200,000	B-	B	B3	B	14.9%	50.0%
Ukraine	181,896,665	CC	B-	Ca	CC	50.0%	67.5%
Vietnam	117,330,248	BB	BB	Ba2	BB+	5.1%	50.0%

## Appendix C Default Details

Table 16 Loans in Active Default as of March 31, 2023

FX	Loan Amount	Date	Amount Outstanding at time of Default	Principal Repaid	Principal Outstanding	Total Delinquent Amount Outstanding	Interest Payments		Principal Payments		Default Interest	
							Delinquent	Paid	Delinquent	Paid	Accumulated	Paid
USD	3,622,000	May-22	3,016,373	1,876,677	1,745,323	16,295	693,674	(677,379)	1,271,050	(1,271,050)	1,408,760	(1,408,760)
EUR	2,000,000	May-22	857,143	1,142,857	857,143	780,793	16,641	(11,712)	761,905	-	15,786	(1,826)
EUR	2,000,000	Apr-22	1,700,000	700,000	1,300,000	-	72,185	(72,185)	400,000	(400,000)	-	-
EUR	2,000,000	Apr-22	260,786	1,739,214	260,786	419,565	63,156	-	350,521	-	5,888	-
USD	12,065,953	Aug-17	11,872,898	193,055	11,872,898	7,942,016	3,104,077	-	3,487,060	-	1,350,879	-

Table 17 Loans Written-Off as of March 31, 2023

FX	Loan Amount	Date of Default	Amount Outstanding at time of default	Unrecoverable Amount	Description
USD	1,500,000	Apr-18	1,500,000	1,500,000	There is little likelihood of recovering CTF funds.
EUR	15,500,000	Mar-15	15,500,000	15,478,292	This loan was sold to a syndicate of distressed debt investors in 2018. There is little likelihood of recovering CTF funds.
EUR	2,030,000	Jun-18	1,873,846	1,723,846	This loan was sold in 2023 for USD 150,000.
EUR	4,200,000	Mar-22	465,393	465,393	The loan has been assigned to their shareholders (all underlying assets destroyed as a result of direct fighting taking place in and around the town of Volnovakha)
EUR	5,600,000	Aug-18	5,540,195	5,040,195	This loan was sold in 2023 for USD 500,000.
USD	16,000,000	May-20	13,137,286	10,602,402	This loan was sold in 2022 for USD 2,532,320.77.

Table 18 Guarantees Called as of March 31, 2023

Guarantee Type	Currency	Guaranteed Amount	Amount Recovered
1st Loss Guarantee	USD	1,988,247	-
1st Loss Guarantee	USD	19,000,000	-

## Appendix D Key Risk Exposure Assessment Criteria

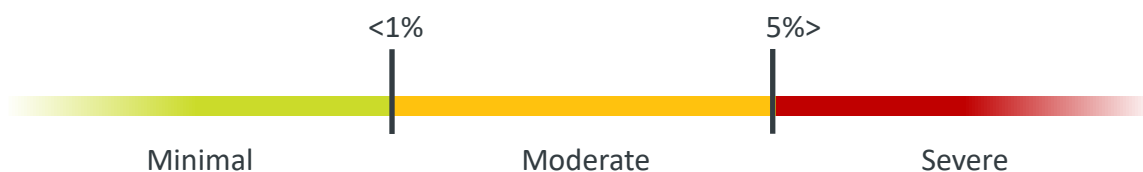
135. For CTF, Risk is defined as any threat to the achievement of CTF’s objectives. This definition, along with the definition of CTF’s objectives, establishes the context for appraising CTF’s risk exposures.

**Table 19 CTF Risk Exposure Matrix**

<b>Severity</b>	Severe	Low	Moderate	High	High	High
	Moderate	Low	Low	Moderate	High	High
	Minimal	Low	Low	Low	Low	Low
		Very Unlikely	Unlikely	Possible	Likely	Very Likely
		<b>Likelihood</b>				

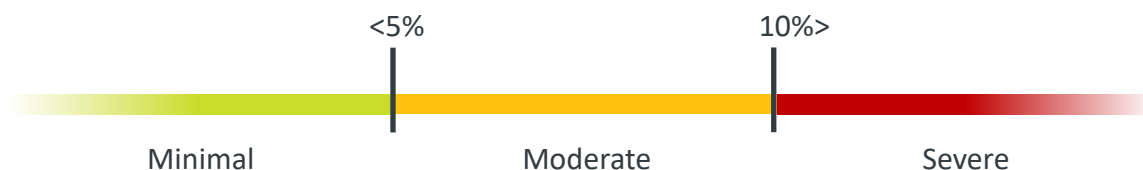
### D.1. Severity

136. Severity, in the risk scoring process, is determined (where possible) based on the estimated impact of a risk as a percentage of the program’s total pledges and contributions.



#### **Implementation Risk**

137. However, because the impact on funds exposed to implementation risk may simply be delays in the implementation of projects that are ultimately successful (vs. a complete loss of funding for projects as is the case with currency risk), the following ranges are used to classify implementation risk severity as a percentage of the program’s total pledges and contributions.



## D.2. Implementation Risk Criteria

138. Implementation risk is the risk that a project is not implemented in a timely manner, or at all. The CIF Secretariat flags a project for implementation risk if the project meets at least one of the following five criteria.

Criteria 1A	Criteria 1B	Criteria 2	Criteria 3	Criteria 4	Criteria 5
<ul style="list-style-type: none"><li>•The TFC committed funds to the project 4 years ago, but the project still is not effective.</li></ul>	<ul style="list-style-type: none"><li>•The TFC committed funds to a program 4 years ago, but part of the funding remains unallocated to a sub-project.</li></ul>	<ul style="list-style-type: none"><li>•The project has been effective for 36 months but has disbursed less than 20% of program funds.</li></ul>	<ul style="list-style-type: none"><li>•The project is within 15 months of the anticipated date of final disbursement but has disbursed less than 50% of program funds.</li></ul>	<ul style="list-style-type: none"><li>•The anticipated date of final disbursement for the project has been extended, but less than 50% of program funds have been disbursed.</li></ul>	<ul style="list-style-type: none"><li>•The project has been effective for at least 5 years with less than 50% of program funds disbursed, and the anticipated date of final disbursement is more than 10 years after the effectiveness date.</li></ul>

## D.3. Resource Availability Risk

139. Resource availability risk is the risk that the Trustee will not have sufficient resources, under a respective CIF program, to commit to fund all projects in the program's pipeline. CTF Trust Fund Committee agreed to accept a certain level of this risk, and to permit over-programming by 30% of the program's pledged resources in order to accelerate the implementation of viable projects rather than wait until after unviable projects had been identified and removed from the pipeline. This has proven to be a successful strategy, enabling accelerated project implementation. However, this policy also necessitates that some resource availability risk be incurred.

## D.4. Currency Risk via Promissory Notes

140. Currency risk via promissory notes is the risk that fluctuations in currency exchange rates will cause the value of the foreign currency in which a promissory note is denominated to decline.

## D.5. Credit Risk

141. Credit risk is the risk that a CTF financing recipient will become unwilling or unable to satisfy the terms of an obligation to an MDB in the MDB's capacity as an originator and servicer of CTF's outgoing financing. Exposure to this risk could lead to insufficient available resources for the



Trustee to repay loan contributors. Additionally, the viability and success of a project can be affected by a recipient's financial solvency.

142. CTF's primary source of credit risk exposure is incurred through the funds it commits as loans, while credit risk exposure incurred through other instruments (e.g., guarantees) is minimal.
143. The committed loan amounts are provided by the Trustee for public and private exposures and are net of cancellations and principal reflows received. For private exposures, including Ukraine, active defaults, expected defaults, and write-offs are subtracted from the total committed loans, since they are currently no defaults in the public portfolio.
144. For the public sector loans, the portfolio risk rating is based on the weighted average country rating, excluding Ukraine. Expected probability of defaults (PD) and loss given defaults (LGD) for these exposures are 0% since CTF has never experienced payment defaults on any of its public sector loans. Therefore, the CIF Secretariat has determined that, for the public sector exposures, the rating agency's credit ratings are a poor predictor of defaults and expected losses. Over the years, rating agencies have downgraded some recipient countries' ratings to default status, and even when CTF recipient countries have defaulted on obligations to their bondholders, these countries have not defaulted on their obligations to CIF.
145. For the private sector loans, CTF's loan commitments to private sector entities have limited publicly available information. Therefore, PDs and LGDs are based on internal credit ratings provided by the MDBs with private sector operations. For private sector loans with no internal credit ratings provided to the CIF Secretariat, PDs and LGDs taken from the latest Moody's Annual default study: Corporate default rate will rise in 2023 and peak in early 2024. All PDs are based on or converted to 5-year PDs.
146. For defaults, PDs and LGD are assigned based on the experience of the CIF Secretariat with defaults. Historically, the CIF has experienced an average of 67.6% of losses of the defaulted amounts for a given project. Further, due to the nature of the ongoing war in Ukraine, the CIF Secretariat is now incorporating the assumption that recipients will default on all disbursed amounts to projects in high-risk countries (i.e. Ukraine), resulting in a PD of 50% for public loans and 100% for private loans, and an LGD of 67.6% for those projects.



## The Climate Investment Funds

The Climate Investment Funds (CIF) were established in 2008 to mobilize resources and trigger investments for low carbon, climate resilient development in select middle and low income countries. To date, 14 contributor countries have pledged funds to CIF that have been channeled for mitigation and adaptation interventions at an unprecedented scale in 72 recipient countries. The CIF is the largest active climate finance mechanism in the world.

### THE CLIMATE INVESTMENT FUNDS

c/o The World Bank Group  
1818 H Street NW, Washington, D.C. 20433 USA

Telephone: +1 (202) 458-1801  
Internet: [www.cif.org](http://www.cif.org)

