

Approved on 3/22/2022

[Approved by Mail] CTF Parallel Trust Fund – Decision Approved

Dear CTF Trust Fund Committee members,

We are writing regarding the request to approve the establishment of a new parallel trust fund to receive new loan contributions to the CTF.

The time period provided for submission of comments and any objections to the decision has now expired. No objections were received. We are, therefore, pleased to inform you that the decision below is now approved.

Following the decision by the Clean Technology Fund (CTF) Trust Fund Committee (the “TFC”) to endorse the Accelerating Coal Transition (ACT) investment program in October 2020, the TFC notes the new contribution by the Government of Canada to the CTF in support of the ACT investment program.

The TFC hereby requests the International Bank for Reconstruction and Development (“IBRD”) as Trustee of the CTF to establish a new parallel trust fund (the “CTF Parallel Trust Fund”) to receive new loan contributions to the CTF and invites IBRD to act as trustee for the CTF Parallel Trust Fund.

The TFC decides that the CTF Parallel Trust Fund will operate under the governance of the CTF and that the provisions of the CTF Governance Framework will apply to the CTF Parallel Trust Fund as for the existing CTF Trust Fund (as defined in the CTF Governance Framework) such that contributors to the CTF Parallel Trust Fund will be considered as CTF contributors. The TFC requests the CIF Administrative Unit (CIFAU) to prepare the amendment of the CTF Governance Framework in due course to make the necessary changes to reflect the creation of the CTF Parallel Trust Fund within the framework of the CTF.

The TFC further requests that the CIFAU, the Trustee and the MDBs work together to agree on an amendment to the existing Financial Procedures Agreements to include references to the CTF Parallel Trust Fund.

Sincerely,

Mafalda Duarte

Manager

Climate Investment Funds

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[Approval by Mail] CTF Parallel Trust Fund – No-objection deadline 3/18/2022

Dear CTF Trust Fund Committee members,

As you will recall, Canada is in the process of making a new contribution to the Accelerating Coal Transition (ACT) Investment Program under CTF. Part of Canada's contribution will be provided in the form of a concessional loan.

To allow this important funding to be programmed across multiple MDBs in support of the ACT program, while maintaining current arrangements under CTF, the Trustee has proposed that a new ring-fenced facility for new loan contributions is set up within the CTF governance structure. The Trustee would establish, on an exceptional basis, a parallel fund to be overseen by the CTF TFC for this loan contribution.

The CTF Trust Fund Committee is requested to approve the following decision:

Following the decision by the Clean Technology Fund (CTF) Trust Fund Committee (the "TFC") to endorse the Accelerating Coal Transition (ACT) investment program in October 2020, the TFC notes the new contribution by the Government of Canada to the CTF in support of the ACT investment program.

The TFC hereby requests the International Bank for Reconstruction and Development ("IBRD") as Trustee of the CTF to establish a new parallel trust fund (the "CTF Parallel Trust Fund") to receive new loan contributions to the CTF and invites IBRD to act as trustee for the CTF Parallel Trust Fund.

The TFC decides that the CTF Parallel Trust Fund will operate under the governance of the CTF and that the provisions of the CTF Governance Framework will apply to the CTF Parallel Trust Fund as for the existing CTF Trust Fund (as defined in the CTF Governance Framework) such that contributors to the CTF Parallel Trust Fund will be considered as CTF contributors. The TFC requests the CIF Administrative Unit (CIFAU) to prepare the amendment of the CTF Governance Framework in due course to make the necessary changes to reflect the creation of the CTF Parallel Trust Fund within the framework of the CTF.

The TFC further requests that the CIFAU, the Trustee and the MDBs work together to agree on an amendment to the existing Financial Procedures Agreements to include references to the CTF Parallel Trust Fund.

Please submit any comments you may have by return email. If we do not receive any objections to the proposed decision by Friday, March 18, 2022, the decision will be approved.

Sincerely,

Mafalda Duarte
Manager
Climate Investment Funds