



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

Washington D.C (Hybrid)

**Thursday, June 23, 2022**

**SUMMARY OF THE CO-CHAIRS**



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Summary of the Co-Chairs  
Meeting of the CTF Trust Fund Committee  
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Co-Chairs

Ms. Abigail Demopulos, United States  
Mr. Martín Illescas, Argentina

## **1. Agenda Item 1. Opening**

1. The meeting was opened by the Co-Chairs of the CTF Trust Fund Committee, Ms. Abigail Demopulos from the United States representing the contributor countries, and Mr. Martín Illescas from Argentina, representing the recipient countries.
2. Ms. Mafalda Duarte, Head of the CIF, informed the CTF Trust Fund Committee that there has been a change in membership representation from the United States, and Mr. Nicholas Strychacz, the previous co-chair for the Contributor country members, is no longer involved in CIF activities. She communicated the decision by the CTF Contributor members to nominate Abby Demopulos, the new member from the United States as their co-chair for the remainder of the term.

## **2. Agenda Item 2. Adoption of Agenda**

3. The Trust Fund Committee adopted the provisional agenda set forth in document *CTF/TFC.28/2*.

## **3. Agenda Item 3. CTF Semi-Annual Operational Report and CTF Results Report**

4. The Trust Fund Committee reviewed documents *CTF/TFC.28/3*, CTF Semi-Annual Operational Report, and *CTF/TFC.28/3.1*, CTF Results Report, and welcomes the progress that has been made in advancing the work of CTF.
5. The Committee requests the CIF Administrative Unit and the MDBs to continue to monitor the projects and programs for which CTF funding has been approved, including those that are stalled and whose funding could be made available for future CTF programming.

## **4. Agenda Item 4. Options to support additional countries to access funding under ACT**

6. The Trust Fund Committee reviewed document *CTF/TFC.28/4*, Options to support additional countries to access funding under ACT.
7. The Trust Fund Committee requests the Implementing Entities to make an assessment, following confirmation of expected funding, of readiness and funding envelopes for individual countries who submitted an Expression of Interest to be supported through the ACT Investment Program, but were not selected for the first phase of Investment Program support in October 2021. The assessment should make recommendations as to potential needs for Technical Assistance (Option 1) and/or Investment Plan support (Option 3). The Trust Fund Committee agrees that geographical distribution and country readiness will be considered as criteria in allocating funding.

8. The Trust Fund Committee requests the CIF Administrative Unit to engage with Implementing Entities and Trust Fund Committee members in exploring a Just Transition policy, approach and/or strategy for the CTF.
9. The Trust Fund Committee notes the interest expressed by some members in supporting a Private Sector Window (Option 2) and agrees to consider that option at a later stage.

## 5. Agenda Item 5. CTF Risk Report

10. The CTF Trust Fund Committee reviewed the document, *CTF/TFC.28/5, CTF Risk Report*, and welcomes the progress that has been made in advancing the work of CTF.
11. The Trust Fund Committee welcomes the update in respect of forced labor in renewable energy supply chains and requests the CIF Administrative Unit to continue to identify, assess, monitor and report key risk exposures to the program.
12. The Trust Fund Committee requests the CIF Administrative Unit to prepare for discussion projects flagged for implementation delays and the COVID-19 Pipeline waiver at a forthcoming intersessional meeting of the CTF Trust Fund Committee and to prepare a paper on options available to the Trust Fund Committee to address, to the extent possible, long-delayed projects.

## 6. Agenda Item 6. Update on CIF Capital Markets Mechanism (CCMM)

13. The Trust Fund Committee:
  - a. thanking IBRD for the written update dated 5 May 2022 on the due diligence process it has carried out since the last meeting of the CTF Trust Fund Committee in January 2022;
  - b. welcoming the support of IBRD senior management in respect of the CTF Capital Markets Mechanism (CCMM);
  - c. noting that IBRD has proposed in its update three enhancements to the proposal originally presented to the CTF Trust Fund Committee in 2021;
  - d. acknowledging the timeline presented by IBRD for the due diligence process and the next steps to implement the CCMM;
  - e. thanking the Implementing Entities for their progress update and indicative timeline, as requested at the January 2022 meeting of the CTF Trust Fund Committee; and
  - f. acknowledging its earlier Trust Fund Committee decisions in October 2021 related to the CCMM, to pursue, as soon as possible, options for maximizing the impact of the CTF through the development of a mechanism to frontload financing by raising financial resources in the capital markets,

decided:

- i. to request IBRD to prepare a technical document relating to the proposed enhancements by 15 September 2022, including a financial model and flow-of-funds diagram listing the different options available to loan contributors with regard to the treatment of seniority of their initial contributions and an analysis of the need for, and use of, additional grant and capital contributions, to enable Contributors and Implementing Entities to further their due diligence process;
- ii. to request the CIF Administrative Unit, working together with IBRD Finance Partners and the Implementing Entities, to revise the CCMM proposal by 30 September 2022, taking into account the results of the due diligence process as of that date;
- iii. to request IBRD to pursue the relevant internal authorizations necessary for implementation of the CCMM, including the review by the Finance and Risk Committee of the revised CCMM proposal and authorization for IBRD to perform the roles contemplated for it under the CCMM proposal including as: (i) trustee for the CCMM; and (ii) Treasury Manager for the CCMM, by 31 October 2022;
- iv. to request all the relevant other CTF stakeholders, including the Contributors, IBRD, and the Implementing Entities, to conduct adequate due diligence and obtain any indicative endorsements that would contribute to the formalization of a CCMM proposal subject to final approval by the Trust Fund Committee and the Implementing Entities;
- v. to request the CIF Administrative Unit to present the finalized CCMM proposal to the December meeting of the CTF Trust Fund Committee for its approval, and
- vi. to request the CIF Administrative Unit to work with relevant stakeholders to analyze and develop a strategy to maximize the impact of CCMM fund allocation.

## **7. Agenda Item 7. Other Business**

14. Denmark, attending in an observer capacity, announced their upcoming contribution to CTF Trust Fund, and requested guidance from the CIF Administrative Unit on the process to join the CTF Trust Fund Committee. The Trust Fund Committee welcomed Denmark's announcement.

## **8. Agenda Item 8. Closing**

15. The meeting closed at 6:00 p.m. EST on Thursday, June 23, 2022.



## 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

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