

Summary of the Co-Chairs
Meeting of the Trust Fund Committee of the Clean Technology Fund (CTF)
Washington D.C. (Virtual)
Thursday, June 24, 2021

Co-Chairs

Mr. Martin Manuel Illescas, Argentina
Mr. Nicholas Strychacz, United States

AGENDA ITEM 1. OPENING

1. The meeting was opened by Mafalda Duarte, Head of the Climate Investment Funds (CIF). The CTF Trust Fund Committee was informed of the elected Co-Chairs, Mr. Martin Manuel Illescas from Argentina, representing the recipient countries and Mr. Nicholas Strychacz from the United States, representing the contributor countries.

AGENDA ITEM 2. ADOPTION OF AGENDA

2. The Trust Fund Committee adopted the provisional agenda set forth in document CTF/TFC.26/2/Rev.1.

AGENDA ITEM 3. CTF 2.0

3. The Committee welcomed the update provided by Mafalda Duarte on the CTF 2.0 Proposal.

4. The Committee:

- (i) acknowledging the urgency of mitigating climate change and recognizing the continued demand for CTF resources from recipient countries;
- (ii) reaffirming its collective resolve, as expressed in its decisions of December 5, 2016, and June 6, 2017, to pursue, as soon as possible, options for maximizing the impact of the CTF through the development of new financing strategies to leverage existing Contributions by raising additional finance in the private capital markets as described in the proposal made available to the CTF Trust Fund Committee dated November 8, 2016 (the “CTF 2.0 Proposal”);
- (iii) reaffirming the decision of June 4, 2019 pertaining to the discussions on the sunset clause;
- (iv) noting that further review and approval by the CTF Trust Fund Committee of the CTF 2.0 Proposal is required, based on individual member risk assessments; and,
- (v) also noting that each Contributor has not yet taken a decision to participate in the CTF 2.0 Proposal, and the existing rights and obligations under the contribution agreements remain intact, including i) the right of any loan contributors to receive interest and principal repayments in accordance with the terms of the agreements, and ii) the right of the grant and capital contributors to receive its contributor’s share of any reflows and return of other funds, which will not be adversely affected even if the contributors choose not to participate in the CTF 2.0 Proposal:

decided to request:

- (vi) the CIF AU to explore arrangements to use CTF Trust Fund resources (including, without limitation, reflows and return of other funds - as those terms are used in the individual contribution agreements) representing each of the contributor's share for the purposes of the CTF 2.0 Proposal;
- (vii) the CIF AU, working together with the Trustee and MDBs, work towards further developing and finalizing the CTF 2.0 Proposal;
- (viii) the CIF AU, together with the Trustee, to begin the internal consultation within IBRD for the approval process and provide an update to the CTF Trust Fund Committee;
- (ix) the MDBs to carry out all necessary internal due diligence and consultations to participate in the CTF 2.0 Proposal, including any assessment of the structure described in the CTF Proposal against other possible options that may be identified by the MDBs as able to deliver the objectives previously set by the CTF Trust Fund Committee, noting that

- amendments to the Financial Procedures Agreements between the MDBs and the Trustee will be required to implement the CTF 2.0 Proposal; and
- (x) the CIF AU to present, as soon as possible, a roadmap, including timelines of meetings and sequence of actions, together with outcomes of the technical analysis and due diligence, necessary to reach a decision on the CTF 2.0 Proposal.

AGENDA ITEM 4. CTF SEMI-ANNUAL OPERATIONAL REPORT AND RESULTS REPORT

5. The Committee reviewed document CTF/TFC.26/3, *CTF Semi-Annual Operational Report*, and CTF/TFC.26/3.1, *CTF Results Report*, and welcomes the progress that has been made in advancing the work of CTF.
6. The Committee notes the proposal in the CTF Semi-Annual Operational Report to use any future cancelled resources for a CTF Futures Window.
7. The Committee requests the CIF Administrative Unit and the MDBs to develop the proposal further, in particular, its scope and expectations regarding private sector co-financing, before resubmitting it to the committee for a decision.
8. The Committee notes the request made by members during the meeting, that the CIF Administrative Unit commence the country selection process, including establishing the independent expert group, for the Accelerating Coal Transition investment program, with the intent to present the recommendations of the expert group to the Committee, for its consideration, during an intersessional meeting in October 2021.

AGENDA ITEM 5. CTF RISK REPORT

9. The CTF Trust Fund Committee reviewed the document, CTF/TFC.26/4, *CTF Risk Report*, and welcomes the progress that has been made in advancing the work of CTF.
10. The Trust Fund Committee request the CIF Administrative Unit to continue to identify, assess, monitor and report the key risk exposures to the program.

AGENDA ITEM 6. OTHER BUSINESS

11. No other decision items were raised by the Trust Fund Committee.

AGENDA ITEM 5. CLOSING

12. The meeting was closed at 12.43 p.m. EDT on Thursday, June 24, 2021.