

CLIMATE INVESTMENT FUNDS

CTF/TFC.7/3

June 3, 2011

Meeting of the CTF Trust Fund Committee
Cape Town, South Africa
June 22, 2011

**TRUSTEE REPORT ON THE
FINANCIAL STATUS
OF THE CLEAN TECHNOLOGY FUND**

(SUMMARY)

1. **CTF Contributions.** Contributions comprise both pledges and commitments from Contributors. Pledges represent a Contributor’s expression of intent to make a contribution and form the basis for the endorsement of CTF Investment Plans by the CTF Trust Fund Committee, as further discussed in the next section. Pledges are converted to “commitments” by way of a countersigned Contribution or Loan Agreement/Arrangement. Table 1 presents the contributions to the CTF, broken down into pledged and committed amounts in the pledge currency. The contributions to the CTF amount to USD eq. 4.5 billion, valued at the exchange rates available on the date of the Climate Investment Funds (CIF) pledging meeting. The current value of the contributions amounts to USD eq. 4.4 billion as of March 31, 2011 (a difference of USD eq. 144 million). The Trustee had received USD 2.5 billion in total from the Contributors as of March 31, 2011.

CLEAN TECHNOLOGY FUND								
Table 1: Contributions								
as of March 31, 2011								
(in millions)								
Contributor	Contribution Type	Currency	Contribution Amounts			Historical Value in USD eq. a/	Current Value in USD eq. b/	
			Pledged	Committed	Total		USD eq. b/	FX changes
Australia	Grant	AUD	-	100	100	84	86	2
France	Loan	EUR	-	203	203	300	288	(12)
Germany c/	Loan	EUR	-	500	500	739	615	(124)
Japan d/	Grant	USD	-	1,000	1,000	1,000	1,109	109
Spain	Capital	EUR	-	80	80	118	113	(6)
Sweden	Grant	SEK	-	600	600	92	81	(12)
United Kingdom e/	Capital	GBP	-	385	385	716	615	(101)
United States f/	Grant	USD	1,065	427	1,492	1,492	1,492	-
						4,543	4,399	(144)

a/ Represents pledges valued on the basis of exchange rates as of September 25, 2008, the CIF official pledging date.
b/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of March 31, 2011.
c/ The EUR 500 million pledge was committed in USD in the amount of USD eq. 615 million.
d/ The USD 1 billion pledge was committed in JPY in the amount of JPY eq. 93 billion.
e/ Amount pledged under the Strategic Climate Fund and allocated to the Clean Technology Fund.
f/ The total pledge made by the United States to the CIFs is USD 2 billion; the allocation across the programs is indicative and based on an extrapolation of current allocations by the United States.

2. **CTF Investment Plans,** developed under the leadership of the relevant government, outline the proposed use of CTF resources in recipient countries through a joint MDB program. The Investment Plan is agreed between and owned by the government and the MDBs. Investment Plans are submitted to the CTF Trust Fund Committee to endorse the further development of activities for CTF financing and to facilitate prioritization of projects in the pipeline. The value of the amounts pledged to the CTF forms the basis for endorsement of Investment Plans by the CTF Trust Fund Committee. As noted in Table 1, the current value of CTF pledges as of March 31, 2011 is USD eq. 4.4 billion.

3. To date, the CTF Trust Fund Committee has endorsed 14 Investment Plans for a total amount of proposed CTF funding of USD 4.6 billion. The endorsed amount exceeds

the value of the pledges by USD eq. 210 million. The Investment Plan for Nigeria was endorsed at the November 2010 CTF Trust Fund Committee meeting, with the understanding that the resources pledged to the CTF have already been allocated to earlier Investment Plans. Since November 2010, no additional pledges to the CTF have been received to support the funding of the projects in the Investment Plan for Nigeria.

4. The cumulative funding decisions for projects included in the endorsed Investment Plans and administrative budgets made by the CTF Trust Fund Committee as of March 31, 2011 amount to USD 1.5 billion. Of the amount of endorsed Investment Plans of USD 4.6 billion, the CTF Trust Fund Committee approved funding for 22 projects totaling USD eq. 1.4 billion, representing 31% of the total endorsed amount.

5. The net funding availability in the CTF Trust Fund as of March 31, 2011 amounts to USD eq. 1 billion.

6. The CTF Trust Fund funds are invested in a portfolio with longer duration and consequently potential for higher returns. The CTF Trust Fund was eligible to participate in this investment class because of the larger liquid balances that are expected to be held for a longer time period. As of March 31, 2011, the CTF Trust Fund has earned investment income of approximately USD 10 million on the undisbursed balance of the Trust Fund. The investment income return since inception was approximately 1.59%.

7. The Trustee is currently undertaking the external audit of the financial statements prepared under the special purpose basis of accounting for the CTF Trust Fund for the calendar year ended December 31, 2010. The audited financial statements will be sent when available to the CTF Trust Fund Committee members along with the external auditor's report.

8. In FY10, the Trustee began the development of an automated and secure systems platform to manage the CTF and Strategic Climate Fund Trust Funds. The system will support Trustee financial operations as well as CIF operations, specifically pipeline management and related workflow between the MDBs, CIF Administrative Unit, and the Trustee). The system platform will leverage other existing platforms owned by the World Bank.