

CLIMATE INVESTMENT FUNDS

CTF/TFC.7/4

June 8, 2011

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

Agenda Item 6

SEMI-ANNUAL REPORT ON CTF OPERATIONS

Proposed Decision by CTF Trust Fund Committee

The CTF Trust Fund Committee, having reviewed the *Semi-Annual Report on CTF Operations* (document CTF/TFC.7/4), welcomes the progress that has been made in developing and approving projects foreseen in the endorsed CTF investment plans.

I. INTRODUCTION

1. This report provides an update to the CTF Trust Fund Committee on the status of CTF operations and in particular progress that has been made since the last semi-annual report which was presented to the Committee in November 2010. Section II of the report reviews the current status of the CTF investment plans. Section III provides information on the projects that have been approved by the Trust Fund Committee to date, including actual and projected approval dates by the Multilateral Development Bank (MDB) Boards. Finally, Section IV presents projects expected to be submitted to the Trust Fund Committee for the remainder of FY11 (July 1, 2010 to June 30, 2011).

II. STATUS OF CTF INVESTMENT PLANS

2. At its meeting in November 2008, the CTF Trust Fund Committee provided guidance to the MDBs that 15-20 investment plans should be prepared for its review, noting its expectation that the resources of the fund should not be spread too thinly if the fund is to achieve its objective of providing scaled-up financing to demonstrate, deploy, and transfer low-carbon technologies with significant cost potential for long-term greenhouse gas emissions savings. The status of preparation of CTF investment plans is summarized below:

- a) *Existing Investment Plans* (excluding Nigeria). The Trust Fund Committee has endorsed 13 investment plans for a total of US\$4.35 billion of CTF funding for 12 countries, including Colombia, Egypt, Indonesia, Kazakhstan, Mexico, Morocco, Philippines, South Africa, Thailand, Turkey, Ukraine, and Vietnam, and one regional investment plan for the Concentrating Solar Power in the Middle East and North Africa (CSP-MENA) covering Algeria, Egypt, Jordan, Morocco, and Tunisia.
- b) *Nigeria Investment Plan*. The Trust Fund Committee in November 2010 endorsed the *CTF Investment Plan for Nigeria*, as a basis for the further development of activities for CTF funding. Funding of the projects and programs in the investment plan, with a request of US\$250 million of CTF funding, will be contingent upon the availability of funds beyond what is planned for in the current pipeline.
- c) *Chile Investment Plan*. The Trust Fund Committee agreed in April 2010 that Chile (along with Nigeria) should be invited to complete the preparation of its investment plan and submit it to the Trust Fund Committee for endorsement, but funding for the projects therein will be contingent upon the availability of funds beyond what is planned for in the current pipeline. The Government of Chile has informed the MDBs that it would prefer to wait to develop an investment plan until such time as sufficient pledges have been received.

- d) *Expression of Interest from India.* The Government of India has recently requested the Asian Development and the World Bank Group to collaborate with the Government to develop an investment plan for CTF support. It is proposed that this request be discussed under agenda item 10 of the provisional agenda for the CTF Trust Fund Committee meeting.

3. Due to changes in funding priorities and new situations in the countries, some CTF countries and MDBs are considering updates/revisions to the endorsed investment plans and changes to the programs/projects proposed in such plans. They will present those updates and changes to the Trust Fund Committee for review as appropriate.¹

III. STATUS OF PROJECT APPROVAL

4. As of May 2011, CTF funding for 21 projects has been approved by the Trust Fund Committee, totaling US\$1.457 billion. These projects were developed under 11 different investment plans, and are expected to leverage US\$9.874 billion in co-financing from the governments, MDBs, private sector, and other sources. Table 1 gives a list of CTF projects that have been approved by the Trust Fund Committee to date.

5. Among the 21 projects for which CTF funding has been approved, 15 are private sector projects, and 6 are public sector projects.² In terms of funding amount, the 15 private sector projects account for US\$482.2 million, whereas the 6 public sector projects account for US\$975.0 million.

6. Out of the 21 projects for which CTF funding has been approved, 10 have been approved by an MDB Board. Table 1 shows information on actual and projected MDB Board approval dates.

7. In addition to funding for projects, two project preparation grants of US\$1 million each were approved by the Trust Fund Committee for *Egypt: 200 MW Wind Farm in the Gulf of Suez* with AfDB in November 2010 and for *Kazakhstan Renewable Energy Development Framework Facility* with EBRD in April 2011.

IV. EXPECTED PROJECT SUBMISSIONS FOR THE REMAINDER OF FY11

8. For the remainder of FY2011, the MDBs expect to submit six projects (see Table 2) to the Trust Fund Committee for review and approval of CTF funding. These projects together will request \$401.0 million in CTF funding.

¹ See document CTF/TFC.7/6, *CTF Programming for FY12 and Enhancements to Pipeline Management*, which presents a proposal for managing pipeline changes.

² Private sector projects refer to those implemented by the private sector arms of the MDBs. Projects implemented by the public sector arms of the MDBs may also engage the private sector through onlending and/or other schemes.

Table 1: CTF Projects Approved by the Trust Fund Committee

Project Count	COUNTRY	PROJECT TITLE	MDB	TFC APPROVAL DATE	BOARD APPROVAL DATE**	SECTOR CLASS	CTF FUNDING (in million \$)	LEVERAGED FUNDING (in million \$)
1	Colombia	Sustainable Energy Finance Program	IDB	Dec-10	Dec-11	* Private	6.1	64.7
			IFC	Dec-10	Sep-11	* Private	11.4	192.0
2	Egypt	Wind Power Development	IBRD	May-10	Jun-10	Public	150.0	400.0
3	Indonesia	Indonesia Geothermal	IBRD	Dec-10	Jul-11	* Public	125.0	689.0
4	Kazakhstan	District Heating Modernization Framework	EBRD	Jan-11	Mar-11	Private	42.0	160.0
5	Mexico	Urban Transport Transformation Project	IBRD	Oct-09	Mar-10	Public	200.0	2,200.0
6	Mexico	Efficient Lighting and Appliance Project	IBRD	Sep-10	Nov-10	Public	50.0	600.0
7	Mexico	Public-Private Sector Proposal Renewable Energy CTF Program	IDB	Nov-09	Jun-10	Private	53.4	650.0
8	Mexico	Private Sector Wind Development	IFC	May-09	Jan-10	Private	15.6	156.0
9	Mexico	Private Sector Energy Efficiency	IDB	May-11	Jun-11	* Private	24.4	109.5
10	Philippines	Sustainable Energy -RE Accelerator Program (REAP)	IFC	Sep-10	Mar-12	* Private	20.0	210.0
11	Philippines	Sustainable Energy Program	IFC	Feb-11	Nov-11	* Private	10.0	497.5
12	South Africa	EE Program	AfDB	Oct-10	Jun-11	* Private	7.5	43.2
			IFC	Oct-10	Jul-11	* Private	7.5	66.1
13	South Africa	Sustainable Energy Acceleration Program	AfDB	Oct-10	Jun-11	* Private	42.5	245.0
			IFC	Oct-10	Apr-12	* Private	42.5	245.0
14	South Africa	ESKOM Renewable Support Project-CSP/Wind	AfDB	Nov-10	Jul-11	* Public	100.0	265.0
			IBRD	Nov-10	Jun-11	* Public	250.0	265.0
15	Thailand	Renewable Energy Accelerator Program(TSEFF)	IFC	Jun-10	Dec-11	* Private	40.0	260.0
16	Thailand	Sustainable Energy Finance Program(T-SEF)	IFC	Oct-10	Jul-11	* Private	30.0	990.0
17	Turkey	Turkish Sustainable Energy Financing Facility(TurSEFF)	EBRD	Jan-10	May-10	Private	43.3	181.7
				Sep-10	May-11	* Private	6.8	28.4
18	Turkey	Private Sector RE and EE Project	IBRD	May-09	May-09	Public	100.0	1,030.0
19	Turkey	Commercialized Sustainable Energy Finance Program (CSEF)	IFC	Sep-09	Apr-10	Private	21.7	91.1
20	Ukraine	Ukraine Sustainable Energy Finance Program	EBRD	Sep-10	Nov-10	Private	27.6	80.0
21	Vietnam	EE - Sustainable Energy Finance Program	IFC	Sep-10	Mar-11	Private	30.0	155.0
TOTAL							1,457.2	9,874.2

* Projected Board Approval Date

** Board approval for the private sector investments are partial; additional projects may be pending Board approval

Table 2: Expected Project Submissions for the Remainder of FY11

	Country/ Region	Project Title	MDB	Expected Submission/ TFC Approval Date	Expected Board Approval Date	Sector Class	CTF Funding
1	Indonesia	Indonesia Energy Efficiency (Private Sector)	ADB	Jun-11	TBD	Private	50.0
2	Indonesia	Indonesia Geothermal (Private Sector)	ADB	Jun-11	TBD	Private	25.0
3	Indonesia	EE/RE through FIs	IFC	Jun-11	Mar-12	Private	50.0
4	Kazakhstan	Renewable Energy I	EBRD	May-11*	Jul-11	Private	26.0
5	Morocco	Wind farm (private sector)	AfDB	Jun-11	Nov-11	Private	50.0
6	Morocco-CSP-MENA	Morocco Ouarzazate CSP	AfDB	Jun-11	Jul-11	Public	100.0
			IBRD	Jun-11	Nov-11	Public	100.0
TOTAL							401.0

* Under review by the Trust Fund Committee