



CTF Risk Report

Agenda

- **External Events**
 - Ukraine Military Conflict
 - COVID-19 Pandemic
- **Implementation Risk**
- **Currency Risk**
- **Resource Availability Risk**
- **Credit Risk**
- **Fraud, sexual exploitation & abuse, forced labor**

- **Difficulties communicating with projects on the ground**
- **Martial law**
- **Project staff disruptions**
 - **Conscripted or joined the army**
 - **Some have fled the country**
- **Severe supply chain disruptions (blocked ports)**
- **Expect significant**
 - **Implementation disruptions**
 - **Credit defaults**

Update on the Impacts of COVID-19

COVID-19 PANDEMIC



IMPACT ON COUNTRIES

Lockdowns and Travel Restrictions

Supply Chain Disruptions

Impacts on Recipient Countries' Economies and Healthcare Systems

Financial Uncertainty

ANTICIPATED IMPACT ON CTF

Implementation Risk

- Project Cycle Delays: Design and implementation
- Workers Unable to Reach Project Sites
- Supplies/Equipment Delivery Delays
- Project Restructurings, Curtailments & Cancellations

Financial Risk

- Public sector recipients re-calibrating budgetary priorities away from CIF projects to focus on the pandemic
- Financial uncertainty leading to private investors postponing involvement in CIF projects

COVID-19 Pandemic - Recipient Country Vaccination Rates

Region	Africa	Americas	Asia	Europe	SIDS
CIF Countries with at least 40% full vaccination rates	Morocco	Brazil Chile Colombia Ecuador Honduras Mexico Nicaragua Peru	Bangladesh Cambodia India Indonesia Jordan Philippines Thailand Vietnam	Kazakhstan Turkey	Dominica Maldives
CIF Countries with but less than 40% full vaccination rates	Egypt Ethiopia Kenya South Africa Uganda Burkina Faso Malawi Mali Nigeria Tanzania			Ukraine	Saint Lucia Haiti

CTF Implementation Risk

Flagging Criteria

CRITERIA 1

- The project has been **effective for 36 months**; and
- The project has disbursed **less than 20 percent** of approved CIF funds.

CRITERIA 2

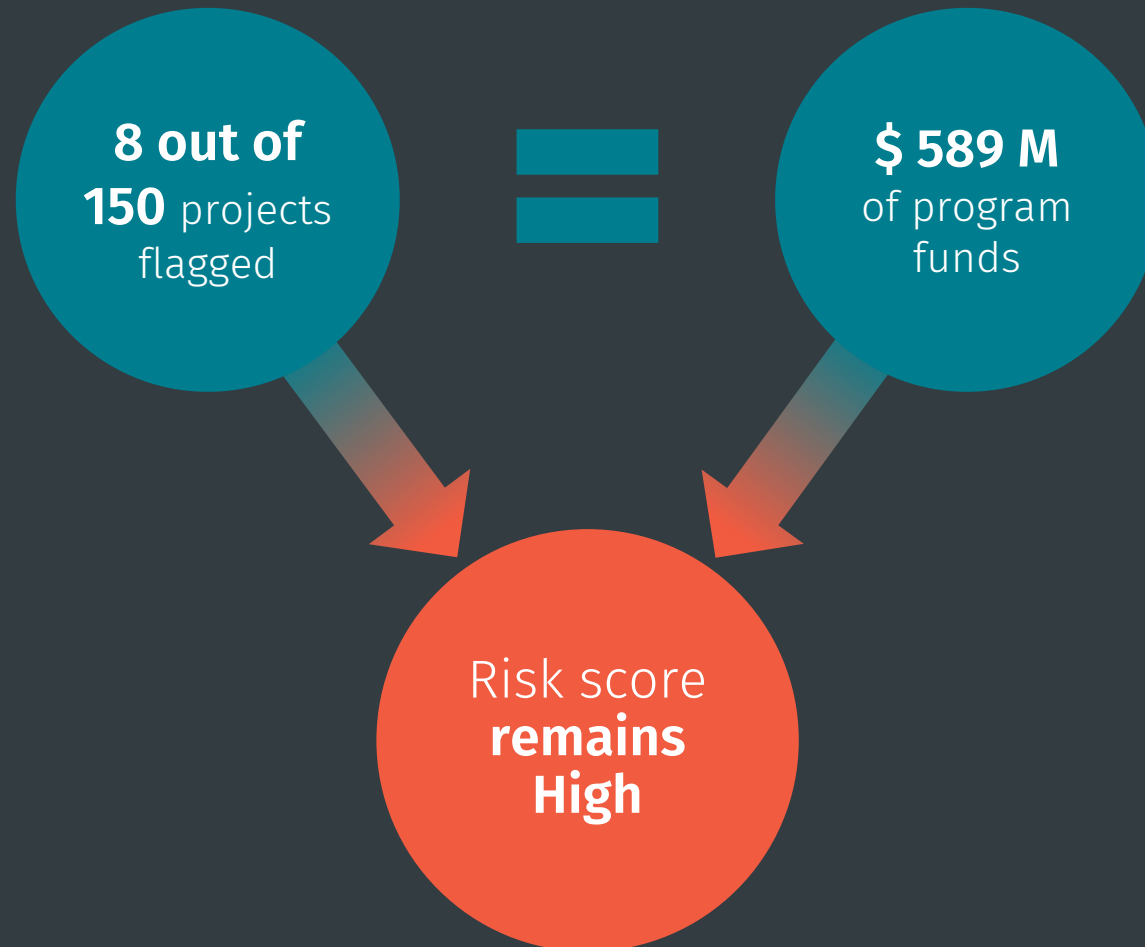
- The project is within **15 months** of the anticipated date of **final disbursement (financial closure)**; and
- The project has disbursed **less than 50 percent** of approved funds.

CRITERIA 3

- The anticipated date of **final disbursement (financial closure)** for the project **has been extended**; and
- The project has disbursed **less than 50 percent** of approved funds.

CTF Implementation Risk Summary

Program-level risk



CTF Implementation Risk: Criteria 1

Country	Project Title	MDB	Funding Amount (\$M)	Cumulative Disb. as of Dec 31, 2021 (\$M)	Disbursement Ratio	CTF Committee Approval Date	Effectiveness Date	Months After Effectiveness Date	MDB Co-Financing (\$M)
Philippines	Cebu Bus Rapid Transit Project	IBRD	25.0	0.0	0%	11/28/2012	12/3/2014	86	116.0
Vietnam	Ha Noi Sustainable Urban Transport Program - Project 2: Strengthening Sustainable Urban Transport for Hanoi Metro Line 3	ADB	49.0	1.2	3%	10/28/2014	7/9/2015	79	4.0
Vietnam	Ha Noi Sustainable Urban Transport Program - Project 1: Ha Noi Metro System Line 3	ADB	50.0	0.4	1%	10/28/2014	5/5/2017	57	64.8
India	Solar Rooftop PV	ADB	174.8	26.5	15%	5/16/2016	7/25/2017	54	330.0
MENA Region	Noor-Midelt Phase 1 Concentrated Solar Power Project	AFDB	20.0	0.0	0%	6/29/2017	10/28/2018	39	0.0

CTF Implementation Risk: CRITERIA 2

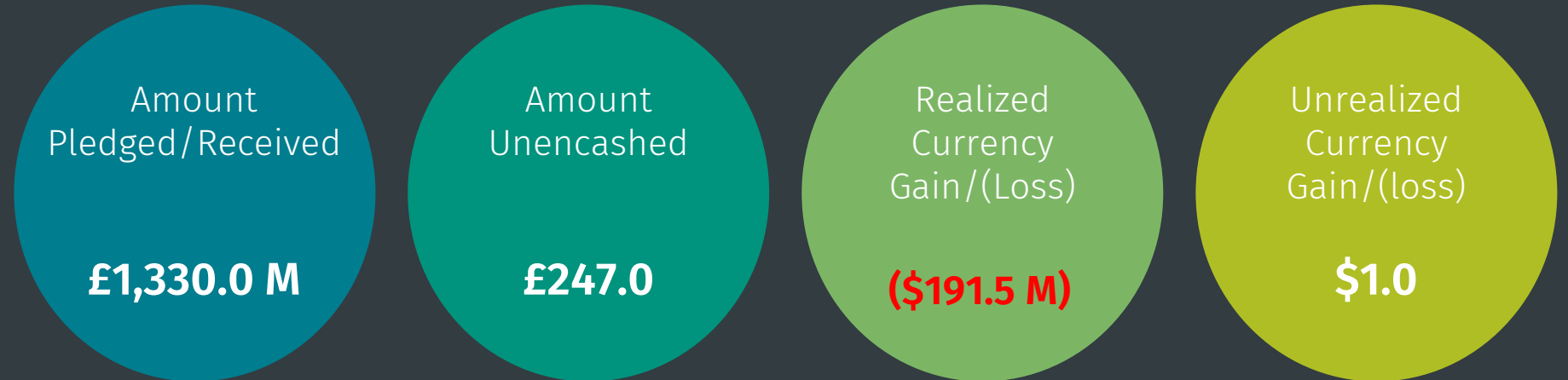
- All projects which had been flagged under the second criterion, have since been extended and are now flagged under the third criterion.

CTF Implementation Risk: Criteria 3

Country	Program / Project Title	MDB	Funding Amount (\$M)	Cumulative Disb. as of Dec 31, 2021	Disbursement Ratio	CTF Committee Approval Date	Effectiveness Date	Months After Effectiveness Date	Initial Anticipated Date of Final Disbursement	Extended Anticipated Date of Final Disbursement	MDB Co-Financing (\$M)
Philippines	Cebu Bus Rapid Transit Project	IBRD	25.0	0.0	0%	11/28/2012	12/3/2014	86	10/1/2021	6/30/2023	116.0
Ukraine	District Heating Energy Efficiency Project	IBRD	50.0	21.3	43%	1/28/2014	11/21/2014	87	2/1/2021	6/30/2023	332.5
Vietnam	Ha Noi Sustainable Urban Transport Program - Project 1: Ha Noi Metro System Line 3	ADB	50.0	0.4	1%	10/28/2014	5/5/2017	57	12/31/2022	6/30/2023	64.8
Vietnam	Ha Noi Sustainable Urban Transport Program - Project 2: Strengthening Sustainable Urban Transport for Hanoi Metro Line 3	ADB	49.0	1.2	3%	10/28/2014	7/9/2015	79	6/1/2019	6/30/2023	4.0
India	Shared Infrastructure for Solar Parks - Phase I	IBRD	25.0	5.6	22%	1/13/2016	1/31/2018	48	11/1/2022	1/31/2023	75.0
India	Rajasthan Renewable Energy Transmission Investment Program (Multi-tranche Financing Facility / MFF)	ADB	194.9	73.5	38%	7/29/2013	11/6/2014	87	12/31/2021	9/25/2023	300.0
India	Solar Rooftop PV	ADB	174.8	26.5	15%	5/16/2016	7/25/2017	54	12/31/2021	1/31/2022	330.0

CTF Currency Risk Summary

RISK EXPOSURE



RISK ASSESSMENT



CTF Resource Availability Risk Summary



RISK EXPOSURE



RISK ASSESSMENT

Likelihood

Possible

Severity

Moderate

Risk Score

Medium

Credit Risk

Committed Loan Portfolio Credit Risk Exposure (as of 3/31/2022)						
Sector	Portfolio Risk Rating	Total Committed Loans (\$M)	Estimated Probability of Default (PD)	Estimated Loss Given Default (LGD)	Expected Loss Rate	Expected Losses (\$M)
Public	BB-	3,063.2	0.0%	0.0%	0.0%	0.0
Private	CCC+	771.6	24.8%	50.3%	12.5%	96.2
Defaults	D	42.6	100.0%	76.6%	76.6%	32.6
Ukraine Exposures	D	152.5	100.0%	76.6%	76.6%	116.8
Portfolio		4,029.8			6.1%	245.6

- Expected losses increased to 6.1%, largely due to the assumption that CTF will experience a default on all funds which have been disbursed in Ukraine.
- As of 03/31/2021, USD 245 million from investment income was available to cover loan losses and admin expenses.
- The credit risk associated with the program remains **High**.

Fraud, forced labor and sexual exploitation & abuse

- No allegations or incidents of fraud, forced labor or sexual exploitation and abuse associated with a CIF project were reported during the reporting period.
- The CIFAU's Gender Team, is developing more proactive approaches to get a better understanding of potential child and forced labor (CFL) and SEAH risks that could be linked to CIF's portfolio.
- The Team also plans to map MDB's current policies and approaches on those issues, and identify potential additional innovative measures that could be piloted.

CIF



CLIMATE INVESTMENT FUNDS

Investing in the future

