CIF CLIMATE INVESTMENT FUNDS

Investing in the future

Meeting of the SCF Trust Fund Committee

Washington D.C. (Virtual)

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SCF RISK REPORT

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PROPOSED DECISION

The SCF Trust Fund Committee reviewed the document, SCF/SC.15/4/Rev.1, *SCF Risk Report*, and welcomes the progress that has been made in advancing the work of SCF.

The SCF Trust Fund Committee requests the CIF Administrative Unit to continue to identify, assess, monitor and report the key risk exposures to the program.

Contents

1 Introduction

1. CIF recipient countries continue to struggle due to the ongoing global and local economic challenges posed by the COVID-19 pandemic (the pandemic), and this is also impacting projects currently under implementation as well as projects in the CIF's programs' pipelines.
2. Developing countries including some CIF recipients, were already heavily indebted coming into the pandemic and face acute fiscal and monetary constraints to buffering their real economies from the adverse effects of travel restrictions, lock downs and social distancing measures put in place to limit the pandemic. Additionally, the risk remains heightened of governments in developing countries recalibrating their budgetary priorities away from funding climate-related projects as they focus on addressing the effects of the pandemic on their economies and fiscal sustainability.
3. All CIF programs continue to face heightened credit, market and operational risks due to the impacts of the pandemic. More specifically, the CIF Administrative Unit has observed numerous impacts of the pandemic on CIF projects' implementation, and CIF recipients' financial strength.

   - **Delays in project implementation:** Travel restrictions and lockdowns have impeded and continue to impede the ability of consultants to get to project locations, workers to perform the necessary works to implement projects, and stakeholders to engage. Supply chain disruptions are delaying or preventing the procurement of essential equipment and supplies. Much of the time, only certain aspects of a project are delayed without causing an extension in the overall implementation timeline, however, in many cases, extensions of up to 24 months and/or project restructurings are required. In rare cases (so far) projects have been cancelled altogether. Target dates for funding approvals have also been extended. For reflow-generating projects, these factors in turn delay disbursements and the timing within which reflows from these projects will be realized.
   - **Economic impacts:** The pandemic has depressed economic activity in most countries globally, with magnified effects in certain countries which are dependent on more vulnerable industries (e.g. travel and tourism). This has substantially weakened the fiscal strength of many countries, damaged the financial strength of many of CIF private sector recipients and industries, and created great financial uncertainty.

     Credit rating agencies have downgraded many of CIF's publicly rated recipients, citing the pandemic as a contributing factor. Consequently, for CIF public sector loan recipients, the expected losses implied by their credit ratings has increased. However, given CIF's experience to date with public sector borrowers (i.e. no defaults have been reported on CIF's public sector loans despite the fact that several of CIF's borrowers have defaulted on obligations to various bondholders) the CIF Administrative Unit believes that these credit rating downgrades are less of a concern than the risk of public sector funding recipients focusing their resources and efforts away from climate-related priorities in order to deal with the fallout from the pandemic in other areas.

     Additionally, the economic uncertainty resulting from the pandemic has had a chilling effect on the appetite for green finance in the private sector. Financial Intermediaries

(FI) are reporting sharp declines or even a complete cessation of green finance lending for mitigation finance, including renewable energy and energy efficiency due to the current economic uncertainties attributed to the pandemic. Some projects involving power purchase agreements (PPA) with either privates from retail or tourism sectors or public utilities are suffering from delays in construction, with various private investors deciding to retain cash rather than approve investments. Such projects are also experiencing payment delays via PPAs due to the economic slowdowns.

4. Additional potential impacts include:
    a. Increased demand for more concessionality by MDBs and funding recipients for pipeline projects, including requests to convert non-grant financing instruments into grants; and
    b. Altered timing of repayments from loan recipients due to loan restructurings to allow for longer grace periods and maturities.
5. On the brighter side, vaccines have now been developed and are being distributed to combat the pandemic. The CIF Administrative Unit anticipates that some of the impacts on project implementation will abate as COVID-19 vaccines become more widely available. Implementation delays due to travel restrictions, lockdowns and supply chain disruptions should decline. However, the rollout of vaccine distribution and administration has been very slow in most developing countries, and, for this reason, although the CIF Administrative Unit expects these implementation delays to improve, they will likely persist for at least the next 24 months.
6. In the meantime, improvements will depend on the frequency and severity of pandemic surges in recipient countries, as well as vaccines' efficacy against newer strains of the virus as these strains continue to develop.
7. The CIF Administrative Unit expects the economic impacts, and impacts on the credit quality and financial strength of funding recipients to persist for longer. In the past, individual public sector recipients have had to refocus their budgetary priorities away from climate-related initiatives in response to more localized natural disasters. The pandemic has been global in nature, and the CIF Administrative Unit believes there is a risk of more widespread budgetary recalibrations to address the impacts. The decline in private sector appetite for green finance is likely to persist well beyond the next 24 months.

2 Description of key risk types

8. Risk is defined as any threat to the achievement of an SCF program's objectives. This definition, along with the definition of each program's objectives, establishes the context for appraising an SCF program's risk exposure levels.

9. The SCF's programs are exposed to the following key risks.[1]

- Implementation Risk
- Currency Risk
- Resource Availability Risk
- Credit Risk

2.1 Implementation risk[2]

10. Implementation risk is the risk that a project, once effective, is not implemented in a timely manner. The CIF Administrative Unit flags a project for implementation risk if the project meets at least one of the following three criteria.

- The project has been effective for 36 months but has disbursed less than 20 percent of program funds.
- The project is within 15 months of the anticipated date of final disbursement but has disbursed less than 50 percent of program funds.
- The anticipated date of final disbursement for the project has been extended, and less than 50 percent of program funds have been disbursed.

11. The MDBs provide this information semi-annually, and the most recent information available is as of June 30, 2020. However, in some cases the MDBs may have provided more recent information which is included in the text, and the CIF Administrative Unit requests monthly updates from the MDBs on the impacts of the pandemic on CIF projects.

2.1.1 MDB cancellation guidelines and criteria

12. During the December 2017 CIF Trust Fund Committees' and Sub-Committees' meetings, members expressed interest in receiving information pertaining to MDBs' potential decisions to cancel projects. Some MDBs have provided the following links to their guidelines.

- ADB – Project Administration Instructions: Suspension and Cancellation of Loans
- ADB – Externally Financed Grant Regulations Applicable to Grants Financed from a Trust Fund or Other External Sources and Administered by ADB
- AfDB – Revised Guidelines on Cancellation of Approved Loans, Grants and Guarantees
- IBRD - Trust Fund Handbook (see Section 5.9)

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[1] Please note that other risks are also assessed, monitored and reported on each respective program's risk dashboard.

[2] Severity, in the risk scoring process, is determined (where possible) based on the estimated impact of a risk as a percentage of the program's total pledges and contributions.

- Severe represents an estimated potential impact > 5% of the program's total pledges and contributions.
- Moderate represents an estimated potential impact 1% - 5% of total pledges and contributions.
- Minimal represents an estimated potential impact < 1% of total pledges and contributions.

However, because the impact on funds exposed to implementation risk may simply be delays in the implementation of projects which are ultimately successful (vs. a complete loss of funding for projects as is the case with currency), the following ranges are used to classify implementation risk severity.

- Severe represents an estimated potential impact > 10% of the program's total pledges and contributions.
- Moderate represents an estimated potential impact 5% - 10% of total pledges and contributions.
- Minimal represents an estimated potential impact < 5% of total pledges and contributions.

2.2 Currency risk via promissory notes

13. Currency risk via promissory notes is the risk that fluctuations in currency exchange rates will cause the value of the foreign currency in which a promissory note is denominated to decline. During the reporting period, the GBP appreciated against the USD by seven percent causing a commensurate decline in the unrealized losses associated with FIP and SREP's outstanding promissory notes.

2.3 Resource availability risk[3]

14. Resource availability risk is the risk that the Trustee will not have sufficient resources, under a respective CIF program, to commit to fund all projects in the program's pipeline.

15. To mitigate this risk, the MDBs, and CIF Administrative Unit continuously monitor the resource availability situation and manage the pipeline development accordingly. Additionally, the TFC, MDBs, and CIF Administrative Unit have all consistently conveyed the message that resource allocations are not guaranteed until funds are committed to specific projects.

2.4 Fraud, and Sexual exploitation and abuse

16. At the February 2019 CIF Trust Fund Committees and Sub-Committees meetings, the members requested that the MDBs provide to the CIF Administrative Unit information regarding fraud and sexual exploitation and abuse associated with CIF projects implemented by them to the extent that such information is provided to their own MDB boards, and subject to any necessary legal/confidentiality arrangements prior to disclosure.

17. The MDBs did not report any allegations or instances of fraud or sexual exploitation, or abuse to the CIF Administrative Unit during the reporting period. However, MDBs issue the following annual reports on fraud and corruption highlighting statistics related to their anti-corruption efforts:

    - ADB – Office of Anti-Corruption and Integrity Annual Report
    - AfDB – Office of Integrity and Anti-Corruption Annual Report
    - EBRD – Integrity and Anti-Corruption Annual Report
    - IDB Group – Office of Institutional Integrity Annual Report
    - World Bank Group – Integrity Vice Presidency Annual Report

2.5 Credit risk

18. At the March 8, 2018, intersessional meeting of the SCF Trust Fund Committee, the committee decided that, "SCF Reflows may be used to finance Administrative Costs and shall be allocated to finance the potential shortfall of grant resources to cover Administrative Costs after they become available in each Program Sub-Account."

19. The effects of the pandemic on countries and the global economy continue to evolve. A major impact of the pandemic on markets includes elevated default conditions as most countries pursue various measures to contain the pandemic.

[3] Available Resources excludes Currency Reserves as these reserves are not available for the Trustee to commit for programming. Additionally, if, before the remaining promissory notes are encashed, the GBP declines against the USD, some or all of the current amount of the Currency Reserves may never become Available Resources to commit for programming.

20. Because credit losses and delinquencies can impact the availability and timing of these reflows to finance administrative costs, it is important to assess the credit risk associated with each SCF program's loan portfolio.

3 Assessment of key risk exposures — FIP

21. The following matrix summarizes FIP's key risk exposures.

Summary Risk Matrix - FIP			
Risk	**Likelihood**	**Severity**	**Risk Score**
Implementation Risk	Likely	Moderate	High
Currency Risk	Likely	Moderate	High
Resource Availability Risk	Unlikely	Minimal	Low
Credit Risk	Possible	Moderate	Medium

22. Implementation risk for FIP remained **High**, as four out of 42 MDB Board-approved projects representing USD 65 million (9 percent) of program funding have been flagged for this risk. The program's implementation risk score has been **High** for the past three reporting cycles, and **Medium** for the four reporting cycles prior to that.

23. Although the appreciation in the GBP caused the unrealized decline in the value of FIP's uncashed promissory notes decreased to USD 21 million from USD 33 million as reported FIP's exposure to currency risk remains **High**. GBP 131 million promissory notes remain outstanding. The program's currency risk score has been **High** for the past seven reporting cycles.

24. Resource availability risk remains **Low** as FIP now has a surplus in both grant and capital resources. The program's resource availability risk score was **Low** in the last reporting cycle and **Medium** in the cycle before that, and had been **High** for the prior four reporting cycles.

25. Expected losses associated with committed loan portfolio are USD 24 million and the credit risk associated with the program remains **Medium**.

3.1 Implementation risk

26. Table 1 illustrates that the same project representing USD 24 million of program funding has been flagged under the first criterion as was flagged during the last seven reporting periods.

Table 1. Projects effective for 36 months with less than 20 percent of approved funds disbursed

COUNTRY	PROJECT TITLE	MDB	Funding (USD million)	Cumulative Disb. As of June 30, 2020	Disbursement Ratio	Effectiveness Date	Months After Effectiveness Date	MDB Co-Financing (USD millions)
Brazil	Environmental Regularization of Rural Lands in the Cerrado of Brazil	IBRD	24.5	2.2	9%	3/16/2016	52	0

27. **Environmental Regularization of Rural Lands in the Cerrado of Brazil (World Bank)** - This project disbursed USD 0.2 million during the reporting period. It has been flagged in each of the last seven reporting cycles and is now flagged under all three criteria.

a. *Reason(s) for delay:* The project startup coincided with an extraordinary turbulent period for the Brazilian state and its economy. The project suffered with this political and economic turmoil, principally because the federal government, rather than another public or private entity, was the recipient of FIP funds, which came in the form of a loan rather than a grant. While the loan had been approved by the World Bank in May 2015, a Loan Agreement could only be signed after the Annual Budget Law was approved by the Congress and budget resources could be allocated to implement the Project. The loan was submitted to the Senate in September 2015, but was not approved until April 2016, shortly before the impeachment trial in the Senate. Even after that approval, the loan still required a manifestation of the National Treasury in favor of loan signing, which proved difficult with drastically reduced federal budget provisions for the project. While the budget allocated to the project in 2015 was adequate at BRL 23 million, it dropped to only BRL 3 million in 2016, insufficient for implementing the project.

   The loan agreement was signed on May 22, 2017. Loan effectiveness occurred three months later, on August 18, 2017. The effort of the Project Implementation Unit to obtain approval to increase the allocation for loan funds in the budget to BRL 6 million was not successful.

   The annual spending cap and budget constraints imposed by the federal government continue to limit disbursements. The National Budget Freeze put in place by the government stipulates that no agency can increase their budget over the next 20 years. For 2018, the federal budget allocation for the loan funds increased to BRL 5 million, still low when considering the value of the loan of almost BRL 107 million at prevailing exchange rates. A new federal government was elected in late 2018. President Bolsonaro took power in January 2019.

   Additionally, the project was affected by the transfer of the executing agency, Brazilian Forest Service (SFB), from the Ministry of Environment to the Ministry of Agriculture, Livestock and Supply (MAPA). This shift in responsibility temporarily slowed down project implementation.

   Also, the BRL/USD exchange rate is a key consideration not only for procurement activities, but for the overall disbursement rate. The exchange rate adopted at appraisal was BRL 2.9 per USD, whereas the actual exchange rate as of December 31, 2019 was BRL 4.0 per USD, and BRL 5.3 on September 18, 2020. Thus, the value of the loan funds went from about BRL 94 million at appraisal to about BRL 176 million before cancellation, and to BRL 128 million after cancellation of USD 8.0 M million, suggesting that greater implementation is being achieved than indicated by the level of disbursed funds.
   The project team in SFB spent considerable effort seeking a solution to the delays caused by the budget constraints and slow release of federal budget funds. Nevertheless, the federal budget allocation of loans funds for 2021 are not yet officially approved by the National Congress. Remaining loan funds amount today to USD 20.1

million, equivalent to about BRL 113 million at the current exchange rate of BRL 5.4 per USD as of February 17, 2021.

b. *Measures underway to accelerate implementation:* A project restructuring was executed in September 2019, which included cancellation of USD 8.0 million from the loan amount, adjustment of the PDO to reflect the change in institutional responsibility to MAPA and the SFB; reallocation of (remaining) loan amount among disbursement categories, and new target values for some of the PDO and intermediate results indicators.

The Amendment and Restatement of the Loan Agreement was signed in late September 2019 by the World Bank Brazil Country Management Unit Director.

The project team in SFB is expending considerable effort seeking a solution to mitigate the problem of delays caused by the budget constraints and slow release of federal budget funds. The SBF is trying to increase this amount to approximately USD 4.6 million as promised by MAPA. By the end of October 2020, MAPA should respond to the request for additional/reallocation of funds.

To assist SFB in the carrying out of its procurement obligations and to speed up hiring of individual consultants, MAPA will transfer a portion of the loan proceeds to the Inter-American Institute for Cooperation on Agriculture (IICA) under a subsidiary agreement with terms and conditions acceptable to the World Bank. The SFB has advanced agreement negotiations with the IICA, which is being assessed from a financial and procurement standpoint to ensure that it has the necessary fiduciary arrangements in place to manage the funds that will be received. It is expected that it can be processed and start implementation by November 2020. This is crucial to strengthen the financial implementation capacity of the SFB, which lacks staff and capacity to process more procurement processes at once. This would allow the project to allocate more funds faster, enabling them to request additional funds to MAPA. It is estimated that USD 9 million is the total amount to be transferred to the IICA. The World Bank team is closely working with MAPA/SFB to obtain a supplementary budget for 2020.

SFB proposes to dedicate work during the remaining 12 months of the project to the following tasks:

- Registration of territories of traditional communities and their families on the rural environmental registry system (CAR) in the states of Bahia, Goiás, Maranhão, Minas Gerais and Piauí. This work was started, but was **interrupted due to the pandemic**. Some 3,000 families in territories in Minas Gerais, Piauí and Maranhão states are expected to be registered in CAR.
- Hiring consultants for quality control of work by firms doing registration in the field.
- Acquisition of software (ArcGIS) by the SFB and for the federal district: ArcGIS and acquisition of additional images and thematic maps. This is crucial for the analysis module of national information system (SICAR).
- Making available to all states a SICAR module for automated checking and validation

(“*análise dinamizada*”) of CAR entries already registered.

- Training state staff to perform the automated and manual analysis of CAR entries.
- Support to states through firm(s) helping with the analysis and validation of CAR entries.
- Analysis of CAR entries by contracted firms and by state teams, including resolution of data conflicts and inconsistencies, rectification by landholders, and approval of CAR registers (emission of certificates).

Registration of holdings is largely completed in Brazil. There are a few small holding still to be registered in CAR. Remaining cases are mostly due to problems with proof of ownership/possession or issues of overlap with other holdings. Other cases remaining are the holdings in land reform settlements and the territories of traditional communities and their families. There is a consensus among SFB and the state agencies that the most pressing need now is carrying out the analysis of CAR entries already submitted, their rectification, if necessary, and subsequent approval.

The implementation plan aims to obtain approval (by state agencies) of a maximum number of CAR entries. Thereafter, the CAR process will have to go one step further: the signing of commitments by farmers with a shortfall of legal reserves and permanent protection areas, whose holdings are thus “irregular”, adhesion to the state Program for Environmental Regularization (PRA), and the drawing of individual plans for restoration of vegetation cover on degraded or denuded areas (PRADA).

c. *Estimated timeframe within which project will have disbursed 20 percent of FIP funds:* An additional disbursement was requested at the end of November 2020, and disbursed on December 1, 2020, in the amount of USD 2.2 million. Thus, the total disbursement of the loan is USD 4.4 million or about 18 percent. A new project restructuring is expected in April 2021, which will include a partial cancellation of the loan amount.

d. *Projected disbursement of FIP funds over the next 12 and 24 months:* The project may not have enough time left to address the last phase of the cadaster and regularization process, as the current project closing date is December 31, 2021.

In 2020, the Brazilian Government reiterated its commitment to the project and requested another extension to December 2023. Nevertheless, there is no possibility for the full use of the remaining loan funds, not even with further extensions of the loan closing date.

28. Table 2 illustrates that two projects representing USD 26 million of approved funding have been flagged under the second criterion (versus five projects representing USD 82 million flagged in the previous Risk Report).

Table 2. Projects within 15 months of closing with less than 50 percent of approved funds disbursed

COUNTRY	PROJECT TITLE	MDB	Funding (USD million)	Cumulative Disb. as of June 30, 2020	Disbursement Ratio	Anticipated Date of Financial Closure	Months Before Anticipated Date of Financial Closure
Burkina Faso	Climate change mitigation and poverty reduction through the development of the cashew sector in Burkina Faso (Wouol project)	AfDB	4.0	1.0	24%	8/28/2020	2
DRC	REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins	AfDB	21.5	8.5	39%	6/30/2021	12

29. **Climate change mitigation and poverty reduction through the development of the cashew sector in Burkina Faso (Wouol project) – Burkina Faso (AfDB)**

a. *Reason(s) for delay:* Prior to COVID-19, the project had been progressing across five sub-components that reflect various points of entry to support the cashew supply chain: plantation development, improving yields and modes of production, modernizing commercial processing facilities, capacity building of local actors in the supply chain, and project management. The project has made the most progress to date in upstream interventions, such as plantations developed (96 percent of target reached), and support for improved agricultural techniques (100 percent of targeted farmers trained on organic practices).

Delays have occurred in the processing facilities sub-component, which relies on investment credits being approved by the Réseau des caisses populaires du Burkina Faso (RCPB) for separate sub-projects. As of late 2019, 64 sub-projects had been submitted to the RCPB, but none having moved to implementation phase. RCPB cited lack of sufficient economic and financial profitability studies and other quality control mechanisms for the proposals as a barrier to their timely approval.

The onset of the pandemic has caused further delays in project implementation, and from March 2020, activities in the field have been suspended due to restrictions on movement. This has led to an inability to work with local cooperatives and other field-level actors to advance project activities.

b. *Measures underway to accelerate implementation:* Following the latest supervision, AfDB is urging the RCPB, in coordination with the Project Implementation Unit (PIU), to accelerate and prioritize the preselection of equipment and infrastructure sub-components, which will require further technical and environmental studies to proceed. The mission further recommended that each sub-project involving a processing unit incorporate an economic and financial profitability study upfront, and for the PIU to provide technical support for this where needed. AfDB is closely monitoring the COVID-19 situation in Burkina Faso and assessing the ability of certain project activities to resume. A project Mid-Term Review is scheduled for Q3 2020, at which point the discussion of key implementation priorities and any necessary adjustments to timeline/project scope will also take place.

c. *Estimated timeframe within which the project will have disbursed 50 percent of FIP funds*: As of September 2020, FIP funds reached a cumulative disbursement rate of 24 percent. It is important to note, however, that AfDB co-financing had reached a cumulative disbursement rate of 77 percent by the same period. AfDB estimates that 50 percent of FIP funds will have been disbursed by December 31, 2021. This estimated timeframe may be subject to further adjustment following a more in-depth analysis of the situation during the upcoming Mid-Term Review.

30. **REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins – DRC (AfDB) - The CIF Administrative Unit did not receive any information on the status of this project.**

31. Table 3 illustrates that two projects representing USD 40 million of program funding have been flagged under the third criterion (versus three representing USD 70 million flagged in the previous Risk Report).

Table 3. Projects with extended anticipated dates of final disbursement, and less than 50 percent of approved funds disbursed

COUNTRY	PROJECT TITLE	MDB	FIP Funding (USD million)	Cumulative Disb. As of June 30, 2020 (USD million)	Disbursement Ratio	Effectiveness Date	Months Since Effectiveness Date	*Initial* Anticipated Date of Final Disbursement	*Extended* Anticipated Date of Final Disbursement
Brazil	Environmental Regularization of Rural Lands in the Cerrado of Brazil	IBRD	24.5	2.2	9%	3/16/2016	52	5/29/2020	12/31/2021
Cote d'Ivoire	Forest Investment Project	IBRD	15.0	3.6	24%	5/16/2018	20	5/31/2021	5/23/2023

32. **Environmental Regularization of Rural Lands in the Cerrado of Brazil (World Bank)** was also flagged under the first criterion (see description above).

33. **Forest Investment Project - Cote d'Ivoire (World Bank)**

a. *Reason(s) for delay:* Implementation was impeded by two years by the Government in: (i) institutionalizing the Integrated Project Administration Unit (UIAP) responsible for the implementation of all World Bank financed environmental and natural resource management projects, created before project effectiveness; and (ii) formally nominating the UIAP Coordinator. Furthermore, the allocation of the 2020 budget by the Government was delayed by six months, which in turn delayed implementation of the work plan for 2020. As a result, the project was classified as a problem project until recently, following the mid-term review (MTR) initially planned for January 2021 but advanced to October 2020 to address the poor performance of the project.

b. *Measures underway to accelerate implementation:* IBRD reports that disbursements have now reached USD 6.3 million representing a 42 percent disbursement rate. Resolution of the above-mentioned issues has accelerated project implementation as demonstrated by an uptick in disbursements (10 to 36 percent) in the previous six months. As a result, and following the MTR, overall implementation progress has been upgraded from moderately unsatisfactory (MU) to moderately satisfactory (MS).

The project is underway for receiving approval for a restructuring to closely align its activities with the national Forest Preservation, Rehabilitation, and Extension Strategy (SPREF) and to complement activities needed for the preparation of the Cocoa Integrated Value Chain Development Project (PDIC) (P168499) currently under preparation under the Agriculture Global Practice, which also supports the implementation of the SPREF.

c. *Estimated timeframe within which project will have disbursed 50 percent of FIP funds:* World Bank estimates that 50 percent disbursement will be reached in 1-2 months once the project restructuring has been approved (awaiting the Country Director's signature to send to the Borrower for countersignature).

d. *Projected disbursement of FIP funds over the next 12 and 24 months:* World Bank estimates that in the next 12 months the project disbursements will reach 80 percent, and 96 percent after 24 months.

3.2 Currency risk via promissory notes

34. Between September 30, 2020, and March 31, 2021, the unrealized losses associated with FIP's outstanding promissory notes declined from USD 33 million to USD 21 million due to the appreciation of the GPB against the USD. Although decreased, FIP currency risk exposure remains **High**.

35. Table 4 illustrates that it is likely that FIP will realize a moderate decline (relative to the size of the program) in available resources due to the currency risk exposures via GBP-denominated promissory notes.

Table 4: FIP currency risk exposure summary

Currency Risk Exposure (Millions) as of March 31, 2021							
Program	Original Amount Pledged/ Received	Pledged Amount Outstanding/ Unencashed	Realized Currency Gain/ (Loss)	Unrealized Currency Gain/ (Loss)	Risk Likelihood	Risk Severity	Risk Score
FIP	£223.0	£130.6	($11.2)	**($21.2)**	Likely	Moderate	**High**

3.3 Resource availability risk[4]

36. Table 5 illustrates that, as of March 31, 2021, FIP had eliminated the deficit in available grant resources and now holds the surpluses of grant and capital resources of USD 7 and USD 39 million (see also Annex A). The risk that the Trustee will not have sufficient resources to commit to fund all projects in FIP's pipeline remains **Low**.

[4] Available Resources excludes Currency Reserves as these reserves are not available for the Trustee to commit for programming. Additionally, if, before the remaining promissory notes are encashed, the GBP declines against the USD, some or all of the current amount of the Currency Reserves may never become Available Resources to commit for programming.

Table 5: FIP resource availability risk summary

Available Resources as of March 31, 2021				
Program	**Available Resources for Projects/Programs ($Million)***	**Risk Likelihood**	**Risk Severity**	**Risk Score**
FIP Grant	$7.4	Very Unlikely	Minimal	**Low**
FIP Capital	$39.0			

3.4 Credit risk

37. Tables 6 and 7 illustrate that the expected losses associated with FIP's public and private sector loan portfolios total USD 24 million and the credit risk associated with the program remains **Medium**.

Table 6: Public sector loan commitments credit risk exposures by country

Beneficiary Country	Loan Amount	Least Rating (S&P Equivalent)*	S&P	Moody's	Fitch	PD	LGD
Brazil	24.5	BB-	BB-	Ba2	BB-(N)	12.0%	59.0%
Burkina Faso	4.0	B	B	NR	NR	20.5%	62.0%
Congo, Republic of	18.0	CCC+	CCC+	Caa1	NR	32.9%	62.1%
Cote d'Ivoire	15.8	B+	NR	Ba3	B+	15.6%	62.0%
Ghana	7.0	B-	B-	B3(N)	B	25.9%	62.0%
Guatemala	18.9	BB-	BB-	Ba1	BB-	12.0%	59.0%
Mexico	24.7	BBB-	BBB(N)	Baa1(N)	BBB-	2.1%	56.1%
Mozambique	13.2	CCC	CCC+	Caa2	CCC	64.7%	62.1%
Nepal	17.9	CCC+	NR	NR	NR	32.9%	62.1%
Peru	23.2	BBB+	BBB+	A3	BBB+	0.9%	56.1%
Total/Portfolio Average	**167**					**18.8%**	**59.6%**
Expected Loss Rate Implied by Credit Ratings							**11.2%**

*In the absence of a credit agency rating, a rating of CCC+ is assumed.

Table 7: Public and private sector credit risk exposure summary based on loan commitments

Committed Loan Portfolio Credit Risk Exposure (as of 3/31/2021)									
Sector	**Portfolio Risk Rating[5]**	**Total Committed Loans (MM USD equivalent)[1]**	**Estimated Probability of Default (PD)**	**Estimated Loss Given Default (LGD)[6]**	**Expected Loss Rate[3]**	**Expected Losses (MM USD equivalent)[2]**	**Total Loan Originated Principal in Default[5] (MM USD equivalent)**	**# of Loans Experiencing Payment Default**	**Loan Principal in Default vs. Total Loan Amount Originated**
Public	BB-[8]	167.2	18.8%	59.6%	11.2%	18.7	0.0	0.0	0.0%
Private	CCC[7,4]	12.8	64.7%	62.1%	40.1%	5.1	0.0	0.0	0.0%
Portfolio	**B**	**180.0**	**22.0%**	**59.8%**	**13.2%**	**23.7**	**0.0**	**0.0**	**0.0%**

1. Committed loan amounts are provided by the Trustee.
2. Expected losses are in addition to total loan principal reported to be in default.
3. Expected Loss Rate = (PD x LGD) and does not take into account any correlations between the performance of loans within the portfolio.
4. Methodologies used to calculate credit ratings and PDs may differ amongst MDBs, as well as between a given MDB and external rating agencies.
5. Derived based on the mapping of the portfolio's estimated PD to the corresponding rating agency credit rating as published in *Moody's Annual Default Study: Following a sharp rise in 2020, corporate defaults will drop in 2021* .
6. LGDs are based on the Portfolio Risk Rating's mapping to the LGD associated with Moody's credit rating equivalent as published in *Moody's Annual Default Study: Following a sharp rise in 2020, corporate defaults will drop in 2021* (i.e. LGD = 1 - Average Sr. Unsecured Bond Recovery Rate from the period of 1983-2020).
7. Based on internal credit ratings or PDs assigned to their respective private sector CTF loans by reporting MDBs (EBRD, IDB and IFC), weighted by loan amount. The resulting credit rating for the
8. Based on weighted average PD (weighted by loan amount) associated with the external rating agency credit rating assigned to each recipient (in the case of split ratings, the PD associated with the lowest of Fitch, Moody's and S&P ratings is used) as of March31, 2021. 5-year Average Cumulative Issuer-Weighted Global Defalt Rates from the period of 1983-2019 as published in *Moody's Annual Default Study: Following a sharp rise in 2020, corporate defaults will drop in 2021* were used.

4 Assessment of key risk exposures — PPCR

38. The following matrix summarizes PPCR's key risk exposures.

Summary Risk Matrix - PPCR			
Risk	**Likelihood**	**Severity**	**Risk Score**
Implementation Risk	Possible	Minimal	Low
Credit Risk	Possible	Severe	High

39. Implementation risk for PPCR decreased significantly from **High** to **Low**, as 1 out of 65 projects representing USD 10 million of MDB-approved program funding was flagged for this risk. The program's implementation risk score had been **High** for the prior six reporting cycles.

40. Expected losses associated with committed loan portfolio are USD 66 million and the credit risk associated with the program remains **High**.

4.1 Implementation risk

41. Table 8 illustrates that one project representing USD 10 million of program funding was flagged under the first criterion (vs. four projects totaling USD 48 million as of June 30, 2019).

Table 8: Projects effective for 36 months with less than 20 percent of program funds disbursed

COUNTRY	PROJECT TITLE	MDB	Funding (USD million)	Cumulative Disb. As of June 30, 2020 (USD Millions)	Disbursement Ratio	Effectiveness Date	Months After Effectiveness Date	MDB Co-Financing (USD millions)
Cambodia	Flood-resilient Infrastructure Development in Pursat and Kampong Chhnang Towns as part of the Integrated Urban Environmental Management in the Tonle Sap Basin Project	ADB	10.0	1.2	12%	1/5/2016	55	37

42. **Flood-resilient Infrastructure Development in Pursat and Kampong Chhnang Towns as part of the Integrated Urban Environmental Management in the Tonle Sap Basin Project – Cambodia (ADB) –** This project has been flagged in each of the last four reporting cycles. USD 0.3 million of PPCR funds were disbursed during the current reporting period.

    a. *Reason(s) for delay:* Preparation of detailed engineering designs for the new package (Kampong Chhnang Sewerage and Drainage System Subproject) has been delayed as **consultants responsible for DED preparation contracted the COVID-19 virus. Also, the required site visits to facilitate safeguards due diligence were delayed due to travel restrictions.** The contract, initially envisaged to be awarded in late Q1 2021 or Q2 2021, is now expected for late Q3 2021 award

    The SCF grant and loan are associated with 3 packages – Pursat drainage (CW05), Kampong Chnnang flood protection (CW04), and the community works (CW09).

    CW05: Detailed design was delayed due to changes in the town infrastructure carried out by the provincial government between the conclusion of the preparatory technical assistance and the inception of work by the project implementation consultants (PIC). This necessitated a complete redesign of the proposed solution. Works are now underway, and the grant has enabled the project to be flood resilient, resisting the recent flooding which affected large areas of the town.

CW09: has also been delayed due to the original project concept being non-viable (building latrines using public funds for private households occupying public river-front land illegally, which are flooded to a depth of several meters and not approved for construction generally). However, in the villages where the project is viable, the detailed engineering design (DED) is complete and procurement is underway.

b. *Measures underway to accelerate implementation:* In July 2019, a variation order for the PPCR grant component, to permit modifications to the implementation process, was signed allowing for some contingency to be used for the existing consultants.

CW04: The Government of Cambodia has requested that **the major project component in Kampong Chnnang (embankment, USD 19 million) be cancelled, as the government is unable to meet ADB safeguard requirements for this component. This has caused considerable delay**, and alternative investments to meet the project objectives are currently being developed. The alternative sub-project is stormwater drainage, sewage and wastewater treatment (USD 19 million), which involves USD 4.9 million of climate adaptation costs (mostly in backfill for raising and larger pipe capacity).

Both the PIC and NGO contracts were successfully modified in early 2020. Although the DED of the new replacement package had been expected to be completed by the end of September 2020, this did not occur and is now anticipated by February 2021. Procurement will commence immediately. The CW09 package is being accelerated through shopping for faster procurement and should be entirely committed within this year.

Scope change: The decision has been made by ADB's Southeast Asia Urban Development and Water Division to proceed with a major scope change request and the decision on re-allocation (or cancellation) of loan proceeds will be made then. The major scope change memo including details of the circumstances surrounding the cancellation, was circulated, on Monday, September 28, 2020 and is ready for board submission. A management decision was made to submit the Major Scope Change memo for the project together with another Cambodia project, which is not yet ready for Board Submission.[5] The expected Board date for both project scope changes is April 2021.

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[5] The proposal for a scope change stems from the Government's request to cancel a major subproject (package CW04, Construction of a 15km River Embankment) and to reallocate the funds to wastewater, stormwater drainage, and wastewater treatment in Kampong Chhnang (CW10).

- The full $5 million under Loan 8295 is intended for Kampong Chhnang Flood Protection. The original estimate for CW04 is $19 million, to be funded by both the SCF loan ($5million) and COL loan($14 million).
- The DMF outcome (flood protection) is still the same, but with a different method of delivery as advised earlier. CW04 was a flood embankment to stop river flooding, while CW10 is a separated sewer and stormwater network (to stop rain driven flooding), and a wastewater treatment plant. It is expected that there will be about 4,900 fewer people who experience frequent flooding.

c. *Estimated timeframe within which project will have disbursed 20 percent or more of PPCR funds:* As of two reporting cycles ago, it was expected to take nine months for the completion of the new detailed design packages plus another six months for contract award. With the award of these two packages (Pursat Drainage and Kampong Chnnang flood protection replacement investment), the project should have awarded USD 27 million out of a project total of USD 47 million. ADB expected, at the time, that the project would no longer be flagged by July 2020. As of September 2020, USD 18 million had been awarded.

d. *Projected disbursement of CTF funds over the next 12 and 24 months*: ADB expects USD 1.4 million and USD 7.0 million to be disbursed over the next 12 and 24 months.

43. Table 9 illustrates that one projects representing USD 10 million of program funding have been flagged under the second criterion (versus seven projects totaling USD 109 million flagged in the last Risk Report).

Table 9: Projects within 15 months of closing with less than 50 percent of approved funds disbursed

COUNTRY	PROJECT TITLE	MDB	Funding (USD million)	MDB Board Approval Date	Cumulative Disb. as of June 30, 2020	Disbursement Ratio	Anticipated Date of Financial Closure	Months Before Anticipated Date of Financial Closure	MDB Co-Financing (USD millions)
Cambodia	Flood-resilient Infrastructure Development in Pursat and Kampong Chhnang Towns as part of the Integrated Urban Environmental Management in the Tonle Sap Basin Project	ADB	10.0	Nov-15	1.2	12%	Dec-19	(6)	37

44. **Flood-resilient Infrastructure Development in Pursat and Kampong Chhnang Towns as part of the Integrated Urban Environmental Management in the Tonle Sap Basin Project – Cambodia (ADB):** This project was also flagged under the first criterion (see description above).

45. No projects were flagged under the third criterion.

4.2 Credit risk

46. Table 10 and 11 illustrate that the expected losses associated with PPCR's public and private sector loan portfolios total USD 66 million and the credit risk associated with the program remains **High**.

• The DMF outcome performance indicator and the project output relevant to the SCF loan are proposed to be changed due to (i) the cancellation of the original flood protection package; (ii) change in the infrastructure to be built to address flood protection (among other issues that CW10 will address), (iii) properly measure what would be achieved by the project in terms of design and capacity of CW10; and (iii) revise baseline (and target) figures on the households that would have reduced flooding it appears that there was a miscalculation done during the PPTA.

Table 10: Public sector loan commitments credit risk exposures by country

Beneficiary Country	Loan Amount	Least Rating (S&P Equivalent)*	S&P	Moody's	Fitch	PD	LGD
Bangladesh	50	BB-	BB-	Ba3	BB-	12.0%	59.0%
Bolivia	36	B	B+(N)	B2	B	20.5%	62.0%
Cambodia	36	B	NR	B2	NR	20.5%	62.0%
Dominican Republic	9	BB-	BB-(N)	Ba3	BB-(N)	12.0%	59.0%
Grenada	12	CCC+	SD	NR	NR	32.9%	62.1%
Jamaica	10	B	B+(P)	B2	B+	20.5%	62.0%
Mozambique	26	CCC	CCC+	Caa2	CCC	64.7%	62.1%
Nepal	15	CCC+	NR	NR	NR	32.9%	62.1%
Niger	59.6	B-	NR	B3	NR	25.9%	62.0%
Rwanda	2.4	B	B+(N)	B2(N)	B+	20.5%	62.0%
Saint Lucia	15	CCC+	NR	NR	NR	32.9%	62.1%
St Vincent & The Grenadines	3	B-	NR	B3	NR	25.9%	62.0%
Zambia	36	CCC-	SD	Ca	RD	64.7%	62.1%
Total/Portfolio Average	**310**		`			**30.5%**	**61.5%**
Expected Loss Rate Implied by Credit Ratings							**18.7%**

*In the absence of a credit agency rating, a rating of CCC+ is assumed.

Table 11: Public and private sector credit risk exposure summary based on loan commitments

Committed Loan Portfolio Credit Risk Exposure (as of 3/31/2021)									
Sector	Portfolio Risk Rating[5]	Total Committed Loans (MM USD equivalent)[1]	Estimated Probability of Default (PD)	Estimated Loss Given Default (LGD)[6]	Expected Loss Rate[3]	Expected Losses (MM USD equivalent)[2]	Originated Principal in Default[5] (MM USD equivalent)	# of Loans Experiencing Payment Default	Principal in Default vs. Total Loan Amount Originated
Public	B-[8]	310.0	30.5%	61.5%	18.7%	58.0	0.0	0.0	0.0%
Private	CCC[7,4]	44.9	36.5%	45.5%	16.6%	7.5	0.0	0.0	0.0%
Portfolio	**CCC+[7,4]**	**354.9**	**31.2%**	**59.4%**	18.6%	**65.9**	**0.0**	**0.0**	**0.0%**

1. Committed loan amounts are provided by the Trustee.
2. Expected losses are in addition to total loan principal reported to be in default.
3. Expected Loss Rate = (PD x LGD) and does not take into account any correlations between the performance of loans within the portfolio.
4. Methodologies used to calculate credit ratings and PDs may differ amongst MDBs, as well as between a given MDB and external rating agencies.
5. Derived based on the mapping of the portfolio's estimated PD to the corresponding rating agency credit rating as published in *Moody's Annual Default Study: Following a sharp rise in 2020, corporate defaults will drop in 2021* .
6. LGDs are based on the Portfolio Risk Rating's mapping to the LGD associated with Moody's credit rating equivalent as published in *Moody's Annual Default Study: Following a sharp rise in 2020, corporate defaults will drop in 2021* (i.e. LGD = 1 - Average Sr. Unsecured Bond Recovery Rate from the period of 1983-2020).
7. Based on internal credit ratings or PDs assigned to their respective private sector CTF loans by reporting MDBs (EBRD, IDB and IFC), weighted by loan amount. The resulting credit rating for the combined portfolio of private sector CTF loans administered by these three MDBs is then applied to the entire portfolio of private sector CTF loans.
8. Based on weighted average PD (weighted by loan amount) associated with the external rating agency credit rating assigned to each recipient (in the case of split ratings, the PD associated with the lowest of Fitch, Moody's and S&P ratings is used) as of March 31, 2021. 5-year Average Cumulative Issuer-Weighted Global Defalt Rates from the period of 1983-2019 as published in *Moody's Annual Default Study: Following a sharp rise in 2020, corporate defaults will drop in 2021* were used.

4.2.1 Zambia

47. On September 22, 2020, the government of Zambia issued a "consent solicitation" to holders of three global bonds, requesting a suspension of debt service payments for six months from

October 14, 2020. External rating agencies acknowledge that if an agreement is reached it would provide short-term reprieve through temporary debt service suspension but will do little to address Zambia's debt sustainability issues as it continues to face serious external liquidity challenges which have been deepened by the pandemic. Zambia has received USD 36 million in PPCR loans but has not, however, announced any intention to suspend debt repayments to multilateral creditors.

48. According to Fitch Rating Agency, the Zambian government has not serviced its outstanding Eurobonds, pending a restructuring, since its failure to pay the coupon which was due in October 2020 on its USD 1 billion Eurobond maturing in 2024. The government has, however, continued to service its foreign currency-denominated debt to multilateral financial institutions including loans from PPCR and debt on a few priority projects that have immediate social and economic impact. The World Bank projects the Zambian economy to continue to face tight domestic financing conditions and weak public finances which are being amplified by external shocks due to the COVID-19 pandemic. The CIF Administrative Unit expects Zambia to continue to service its obligations to PPCR.

5 Assessment of key risk exposures—SREP

49. The following matrix summarizes SREP's key risk exposures.

Summary Risk Matrix - SREP			
Risk	**Likelihood**	**Severity**	**Risk Score**
Implementation Risk	Likely	Severe	High
Currency Risk	Likely	Moderate	High
Resource Availability Risk - Sealed and Reserve Pipelines	Possible	Moderate	Medium
Resource Availability Risk - Sealed Pipeline Only	Very Unikely	Minimal	Low
Credit Risk	Likely	Moderate	High

50. SREP's risk score for implementation risk increased and remains **High**. Seven projects out of 46 projects representing USD 106 million (14 percent) of program funding flagged for this risk. The program's implementation risk exposure was also **High** as of the last reporting cycle, and has fluctuated between **Low** and **Medium** for the five reporting cycles before that.

51. Currency risk for SREP remains **High** as GBP 94 million promissory notes remain outstanding and have declined in value by USD 18 million. The program's exposure to currency risk via promissory notes has been **High** for the last five reporting cycles.

52. SREP's risk of being unable to fund all projects in the combined sealed and reserve pipelines declined to **Medium**, however there is **Low** risk that SREP will be unable to fund the projects in its sealed pipeline. The program's resource availability risk exposure for the combined sealed and reserve pipelines has been High for the last six reporting cycles.

53. Expected losses associated with committed loan portfolio are USD 25 million and the credit risk associated with the program remains **High**.

5.1 Implementation risk

Table 12 illustrates the same two projects representing USD 15 million of SREP funding have been flagged under the first criterion as were flagged in the last Risk Report.

Table 12: Projects effective for 36 months with less than 20 percent of approved funds disbursed

COUNTRY	PROJECT TITLE	MDB	Funding (USD million)	Disbursement as of June 30, 2019 (USD million)	Disbursement Ratio	Effectiveness Date	Months Since Effectiveness Date	MDB Co-financing (USD Millions)
Kenya	Electricity Modernization Project	IBRD	7.5	-	0%	9/17/2015	58	0
Nicaragua	Nicaragua Geothermal Exploration and Transmission Improvement Program under the PINIC	IDB Group	7.5	-	0%	9/7/2016	46	51

54. **Electricity Modernization Project – Kenya (World Bank)** - This project has been flagged for the past four reporting cycles and is now flagged under the first two criteria. **This project has not disbursed any funds. The CIF Administrative Unit did not receive any updates to the status of this project.**

55. **Nicaragua Geothermal Exploration and Transmission Improvement Program under the PINIC – Nicaragua (IDB Group)**

    a. *Reason(s) for delay:* A tender to build the access road was declared unsuccessful because there were very few bidders in that call and the prices were considerably different. As a result, the bidding documents were adjusted, and more details were provided on the scope of the works. The technical specifications of the bidding documents were updated, and a new call was conducted.

    The Geothermal project will be conducted in Chinandega Department. This Department has been severely affected by high number of COVID-19 cases which made makes it difficult to do consultancies or work in this geographic area.

    The contract for the access road was awarded in December 2020 after the bidding process. There was a month delay in getting the guarantees from the Contractor. Currently the contract is in execution according to the project schedule.

    b. *Measures underway to accelerate implementation:* The next activity after the access road is the drilling contract and the feasibility study. Six firms were already preselected. There is a continuous follow up to the work program.

    c. *Estimated timeframe within which project will have disbursed 20 percent or more of SREP funds:* The IDB Group has now disbursed 11 percent of SREP funds. When the next disbursement is made (scheduled for April 2021), 24 percent will have been disbursed.

    d. *Projected disbursement of SREP funds over the next 12 and 24 months:* The IDB Group expects that in December 2021 disbursements of SREP funds will reach 42 percent. The remaining resources will be disbursed in 2022. Due to delays in the project implementation the Government has requested to extend the execution period by one year.

56. Table 13 illustrates that two projects representing USD 48 million of SREP funding has been flagged under the second criterion (versus one project totaling USD 24 million flagged in the previous Risk Report).

Table 13: Projects within 15 months of closing with less than 50 percent of approved funds disbursed

COUNTRY	PROJECT TITLE	MDB	Funding (USD million)	MDB Board Approval Date	Cumulative Disb. As of June 30 2020	Disbursement Ratio	Anticipated Date of Financial Closure	Months Before Anticipated Date of Financial Closure	MDB Co-financing (USD million)
Ethiopia	Geothermal Sector Development Project (GSDP)	IBRD	24.5	5/29/2014	5.9	24%	10/1/2020	3	178.5
Bangladesh	Off-Grid Solar PV-Solar Irrigation	ADB	22.4	7/5/2018	0.0	0%	6/30/2021	12	20.0

57. **Geothermal Sector Development Project – Ethiopia (World Bank)** – This project has been flagged in each of the last two reporting cycles and no funds were disbursed during the reporting period. **The CIF Administrative Unit did not receive any updates to the status of this project.**

Off-Grid Solar PV-Solar Irrigation – Bangladesh (ADB)

a. *Reason(s) for delay:*
Uncertainties in demand have delayed the procurement of four SPV pumps packages. At project implementation stage, the demand of SPV pumps has drastically reduced due to improvement in access to grid supply, higher upfront cost of SPV pumps, low return on investment of SPV pumps, little knowledge of the operations and maintenance of SPV technology, and absence of a business model for alternative usage of energy through grid integration of solar energy.

b. *Measures underway to accelerate implementation:*
To improve the demand of SPV pumps, the Government approved a revised business model in November 2020. The changes are:
(a) reducing the down payment for SPV pumps to 10 from 15 percent;
(b) reducing the farmer's contribution cost through subsidized equity amount from BREB and Government;
(c) grid integration at project cost and provision of feed-in-tariffs[6]; and
(d) setting equal cost for the same pumps among all packages.

The new business model developed by the government was extensively assessed by the project unit during the project review mission June 14–24, 2020. An additional procurement package for line construction for grid integration will be processed from

[6] Solar pumps use is limited to 6-8 months per year. Due slow off-take of the solar pumps because of BREB's 98% household electrification in 2020, the business model of the project is revised. The surplus electricity generated from the solar PV modules during the lean period (when there is no need for agricultural irrigation) will be exported to the main grid by using net metering system. The revenue from the sale of electricity from the PV modules will be netted against the farmers' payable installment.

the loan saving. It is expected that, with the new business model, there will be enough demand for 2,000 SPV pumps. With the new business model, the SPV pumps will be at grid parity, cost effective and sustainable. Government has requested to extend the grant closing date from June 30, 2021 to June 30, 2023. However, ADB will approve the grant closing date extension up to December 31, 2022.

c. *Estimated timeframe within which project will have disbursed ≥ 50% of SREP funds:* By Q2 2022 ADB expects that the project will disburse ≥ 50% SREP funds.

d. *Projected disbursement of SREP funds over the next 12 and 24 months:*

Period	**Projected Disbursements**
Q1 2021	60,324
Q2 2021	578,105
Q3 2021	1,422,641
Q4 2021	50,270
Q1 2022	5,011,919
Q2 2022	4,373,490
Q3 2022	3,503,819
Q4 2022	6,243,534

58. Table 14 illustrates the same three projects representing USD 27.1 million of program funding which were flagged under the third criterion in the last Risk Report, have been flagged again. **The CIF Administrative Unit did not receive any updates to the status of these projects.**

Table 14: Projects within extensions of closing and less than 50 percent of approved funds disbursed

COUNTRY	PROJECT TITLE	MDB	Program Funding (USD million)	Cumulative Disb. As of Dec 31, 2019 (USD million)	Disbursement Ratio	Effectiveness Date	Months Since Effectiveness Date	*Initial* Anticipated Date of Final Disbursement	*Extended* Anticipated Date of Final Disbursement
Kenya	Kenya Electricity Modernization Project	IBRD	7.5	0.0	0%	8/31/2016	45	6/30/2020	12/31/2021
Maldives	Accelerating Sustainable Private Investments in Renewable Energy (ASPIRE) Program	IBRD	11.7	2.4	21%	8/31/2014	69	12/31/2019	2024
Nepal	Biogas Extended Program	IBRD	7.9	2.3	28%	11/24/2014	67	12/12/2019	8/31/2021
Liberia	Renewable Energy for Electrification in North and Center Liberia Project-Mini Grids	IBRD	25.0	5.1	20%	1/11/2016	53	6/30/2021	12/31/2023

59. **Electricity Modernization Project – Kenya (World Bank)** - This project was also flagged under the first criterion (please see above for description)

60. **Accelerating Sustainable Private Investments in Renewable Energy (ASPIRE) Program– Maldives (World Bank)** - The CIF Administrative Unit did not receive any updates on the status of this project.

61. **A Biogas Extended Program – Nepal (World Bank)** - **The CIF Administrative Unit did not receive any updates on the status of this project.**

62. **Renewable Energy for Electrification in North and Center Liberia Project-Mini Grids – Liberia (World Bank) – The CIF Administrative Unit did not receive any information on the status of this project.**

5.2 Currency risk via promissory notes

63. SREP's exposure to currency risk remains **High**. There have been no further encashments since September 30, 2020, and GBP 94 million remained outstanding as of March 31, 2021. Between September 30, 2020 and March 31, 2021, the unrealized decline in the value of the outstanding promissory notes decreased from USD 27 million to USD 18 million due to the appreciation of the GBP.

64. Table 15 illustrates that it is likely that SREP will realize a moderate (relative to the size of the program) decline in available resources due to the currency risk exposures via GBP-denominated promissory notes.

Table 15: SREP currency risk exposure summary

Currency Risk Exposure (Millions) as of March 31, 2021							
Program	Original Amount Pledged/ Received	Pledged Amount Outstanding/ Unencashed	Realized Currency Gain/ (Loss)	Unrealized Currency Gain/ (Loss)	Risk Likelihood	Risk Severity	Risk Score
SREP	£268.0	£93.5	($37.0)	**($18.0)**	Likely	Moderate	**High**

5.3 Resource Availability Risk

65. During the period from September 30, 2020 March 31, 2021, SREP's deficit in available resources to fund the *combined sealed and reserve pipelines* decreased from USD 45 million to USD 32 million (see Table 16 and Annex B) and SREP's risk of being unable to fund all projects in both of these pipelines declined to **Medium**. However, SREP has a surplus in available capital and grant resources to fund its *sealed pipeline only* (see Table 17 and Annex C) and therefore the risk that the program will be unable to fund its sealed pipeline remains **Low**.

Table 16: Resource availability risk summary, sealed and reserve pipelines

Available Resources as of March 31, 2021				
Program	Available Resources for Projects/Programs ($Million)*	Risk Likelihood	Risk Severity	Risk Score
SREP** Grant	($25.2)	Possible	Moderate	**Medium**
SREP** Capital	($7.2)			

*Available Resources for Projects/Programs represesent Unrestricted Fund Balance for Project/Program Commitments less Total Anticipated Commitments, as reflected in Annex A.

**SREP's resource availability is based on the sealed and reserve pipelines.

Table 17: Resource availability risk summary, sealed pipeline only

Available Resources as of March 31, 2021				
Program	Available Resources for Projects/Programs ($Million)*	Risk Likelihood	Risk Severity	Risk Score
SREP** Grant	$21.2	Very Unlikely	Minimal	Low
SREP** Capital	$21.3			

*Available Resources for Projects/Programs represesent Unrestricted Fund Balance for Project/Program Commitments less Total Anticipated Commitments, as reflected in Annex A.

**SREP's resource availability is based on the sealed pipeline only.

5.4 Credit Risk

66. Table 18 and 19 illustrate that the expected losses associated with SREP's public and private sector loan portfolios total USD 25 million and the credit risk associated with the program remains **High**.

Table 18: Public sector loan commitments credit risk exposures by country

Beneficiary Country	Loan Amount	Least Rating (S&P Equivalent)*	S&P	Moody's	Fitch	PD	LGD
Bangladesh	26.4	BB-	BB-	Ba3	BB-	12.0%	59.0%
Cambodia	11.0	B	NR	B2	NR	20.5%	62.0%
Honduras	5.0	B+	BB-	B1	NR	15.6%	62.0%
Kenya	5.4	B	B+(N)	B2(N)	B+(N)	20.5%	62.0%
Lesotho	8.0	B-	NR	NR	B-	25.9%	62.0%
Nepal	2.0	CCC+	NR	NR	NR	32.9%	62.1%
Rwanda	27.5	B	B+(N)	B2(N)	B+	20.5%	62.0%
Total/Portfolio Average	**85.3**					**18.4%**	**61.1%**
Expected Loss Rate Implied by Credit Ratings							**11.2%**

*In the absence of a credit agency rating, a rating of CCC+ is assumed.

Table 19: Public and private sector credit risk exposure summary based on loan commitments

Committed Loan Portfolio Credit Risk Exposure (as of 3/31/2021)									
Sector	Portfolio Risk Rating[5]	Total Committed Loans (MM USD equivalent)[1]	Estimated Probability of Default (PD)	Estimated Loss Given Default (LGD)[6]	Expected Loss Rate[3]	Expected Losses (MM USD equivalent)[2]	Originated Principal in Default[5] (MM USD equivalent)	# of Loans Experiencing Payment Default	Principal in Default vs. Total Loan Amount Originated
Public	B+[8]	85.3	18.4%	61.1%	11.2%	9.6	0.0	0.0	0.0%
Private	CCC[7,4]	43.4	59.8%	59.1%	35.4%	15.3	0.0	0.0	0.0%
Portfolio	**CCC**	**128.7**	**32.4%**	**60.4%**	**19.5%**	**25.1**	**0.0**	**0.0**	**0.0%**

1. Committed loan amounts are provided by the Trustee.

2. Expected losses are in addition to total loan principal reported to be in default.

3. Expected Loss Rate = (PD x LGD) and does not take into account any correlations between the performance of loans within the portfolio.

4. Methodologies used to calculate credit ratings and PDs may differ amongst MDBs, as well as between a given MDB and external rating agencies.

5. Derived based on the mapping of the portfolio's estimated PD to the corresponding rating agency credit rating as published in *Moody's Annual Default Study: Following a sharp rise in 2020, corporate defaults will drop in 2021* .

6. LGDs are based on the Portfolio Risk Rating's mapping to the LGD associated with Moody's credit rating equivalent as published in *Moody's Annual Default Study: Following a sharp rise in 2020, corporate defaults will drop in 2021* (i.e. LGD = 1 - Average Sr. Unsecured Bond Recovery Rate from the period of 1983-2020).

7. Based on internal credit ratings or PDs assigned to their respective private sector CTF loans by reporting MDBs (EBRD, IDB and IFC), weighted by loan amount. The resulting credit rating for the combined portfolio of private sector CTF loans administered by these three MDBs is then applied to the entire portfolio of private sector CTF loans.

8. Based on weighted average PD (weighted by loan amount) associated with the external rating agency credit rating assigned to each recipient (in the case of split ratings, the PD associated with the lowest of Fitch, Moody's and S&P ratings is used) as of March 31, 2021. 5-year Average Cumulative Issuer-Weighted Global Defalt Rates from the period of 1983-2019 as published in *Moody's Annual Default Study: Following a sharp rise in 2020, corporate defaults will drop in 2021* were used.

Annex A: FIP resource availability

FIP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS *Inception through March 31, 2021* *(USD millions)*		Total	Capital	Grant
Cumulative Funding Received				
Contributions Received				
Cash Contributions		569.0	80.7	488.3
Unencashed promissory notes	b/	179.8	179.8	
Unencashed promissory notes- TAF		3.0		3.0
Allocation of Capital to Grants from Unencashed Promissory Notes	k/	-	(13.6)	13.6
Total Contributions Received		751.8	246.8	505.0
Other Resources				
Investment Income earned -up to Feb 1, 2016	c/	14.5	-	14.5
Total Other Resources		14.5	-	14.5
Total Cumulative Funding Received (A)		**766.3**	**246.8**	**519.5**
Cumulative Funding Commitments				
Projects/Programs		649.1	207.6	441.5
MDB Project Implementation and Supervision services (MPIS) Costs		33.6	-	33.6
Administrative Expenses-Cumulative to 1st Feb 2016	c/	25.6	-	25.6
Country Programming Budget from 1st Jan 2018	c/	0.5		0.5
Technical Assistance Facility	h/	3.0		3.0
Total Cumulative Funding Commitments		711.8	207.6	504.2
Project/Program,MPIS and Admin Budget Cancellations	d/	(48.4)	(24.6)	(23.8)
Net Cumulative Funding Commitments (B)		**663.4**	**182.9**	**480.5**
Fund Balance (A - B)		**102.9**	**63.9**	**39.0**
Currency Risk Reserves	e/	**(27.0)**	**(24.9)**	**(2.0)**
Currency Risk Reserves-TAF		**(0.5)**		**(0.5)**
Unrestricted Fund Balance (C)		**75.5**	**39.0**	**36.5**
Future Programming Reserves:				
Admin Expenses-Reserve (includes Country Programing budget/Learning and Knowledge exchange reserve) and for FY 20-28 (net of estimated investment income and reflows). Breakup of various components are provided below. (Model Updated as of December 31,2017)	f/	(11.1)		(11.1)
subtract				
Administration Expense reserve for CIFAU, MDB & Trustee — USD 20.9 Million				
Country Programming Budget Reserve — USD 1.1 Million				
Learning and Knowledge Exchange Reserve — USD 1.1 Million				
add				
Estimated Investment Income Share for FIP — USD 5.4 Million				
Projected Reflows — USD 6.6 Million				
Technical Assistance Facility	h/ i/	**(0.9)**		(0.9)
Unrestricted Fund Balance (C) after reserves		**63.6**	**39.0**	**24.6**
Anticipated Commitments (FY21-22)				
Program/Project Funding and MPIS Costs		14.7	-	14.7
Technical Assistance Facility		2.57		2.6
Total Anticipated Commitments (D)	j/	**17.2**	**-**	**17.2**
Available Resources (C - D)		**46.3**	**39.0**	**7.4**
Potential Future Resources (FY21-22)				
Pledges	a/	0.3		0.3
Contributions Receivable		-		-
Release of Currency Risk Reserves	e/	27.0	24.9	2.0
Release of Currency Risk Reserves-TAF	e/	0.45		0.5
Total Potential Future Resources (E)		**27.8**	**24.9**	**2.8**
Potential Available Resources (C - D + E)		**74.1**	**63.9**	**10.2**
Reflows from MDBs	g/	1.9		1.9

a/ The balance of the pledge amount from the U.S

b/ This amount represents USD equivalent of GBP 130.62 million.

c/ From Feb 1, 2016, Investment income across all SCF programs has been posted to a notional Admin "account", from which approved Administrative Budget expenses for the Trustee, Secretariat and MDBs are committed. The Country Programming budgets are recorded under individual programs.

d/ This refers to cancellation of program and project commitments approved by the SCF TFC

e/ Amounts withheld to mitigate over-commitment risk resulting from the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated promissory notes.

f/The amount of this reserve is estimated by the CIFAU and Trustee using the 10-year forecast of the Admin Budget less the 10-year estimate of Investment Income and reflows. Pro-rata estimates across three SCF programs are based on the 22% fixed pro rata share of the FIP's cash balance as at December 31, 2017 approved by the SCF TFC on March 8, 2018. The decision reads as "allocate USD 11.6 million from the available grant resources in the FIP Program Sub-Account to finance estimated Administrative Costs from FY19 to FY28, such that the projected, indicative amount of approximately USD 81.8 million in FIP grant resources remains available for allocation to FIP project's. This reserve amount has been reduced by USD 0.5 million approved for country engagement from January 2018.

g/ Any payments of principal, interest from loans , which are due to be returned to the Trust Fund pursuant to the Financial Procedures Agreements consistent with the pertinent SCF funding approved by the SCF Trust Fund Committee. For the avoidance of doubt, the Reflow does not include any return of funds from SCF grants or Administrative Costs, including cancelled or unused funds, or any investment income earned on SCF resources held by any MDB.The usage of reflow from MDBs are approved by the SCF TFC on March 8, 2018 to cover the shortfall in administrative expenses net of the SCF investment income. The reflows includes the commitment fee, front end fee and late payment fee.

h/ The CTF and SCF Trust Fund Committees agreed on July 20, 2018 to establish the Technical Assistance Facility for Clean Energy Investment Mobilization under the terms of the SCF.

i/ Commitments for the Technical Assistance Facility, as estimated by the CIFAU.

J/ Anticipated commitments as estimated by the CIFAU.

k/Promissory Notes amounting to GBP 9.9 million received as capital contributions are available to finance grants (including administrative costs) according to the terms of the contribution agreements/arrangements. The Promissory Notes are valued as of January 31, 2021 exchange rate.

Annex B: SREP resource availability—sealed pipeline only

SREP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS *Inception through March 31, 2021* *(USD millions)*		Total	Capital	Grant
Cumulative Funding Received				
Contributions Received				
Cash Contributions		647.0	151.1	495.9
Unencashed Promissory Notes	b/	128.6	128.6	-
Unencashed promissory notes- TAF		5.1		5.1
Allocation of Capital to Grants	a/		(27.3)	27.3
Total Contributions Received		780.8	252.5	528.3
Other Resources				
Investment Income earned -up to Feb 1, 2016	c/	9.9		9.9
Other Income		-		
Total Other Resources		9.9		9.9
Total Cumulative Funding Received (A)		790.7	**252.5**	**538.2**
Cumulative Funding Commitments				
Projects/Programs		691.3	232.3	459.0
MDB Project Implementation and Supervision services (MPIS) Costs		20.0	-	20.0
Administrative Expenses-Cumulative to 1st Feb 2016	c/	14.2	-	14.2
Country Programming Budget expense from 1st Jan 2018	c/	(0.2)		(0.2)
Technical Assistance Facility		2.5		2.5
Total Cumulative Funding Commitments		727.9	232.3	495.6
Project/Program, MPIS and Admin Budget Cancellations	d/	(94.0)	(41.4)	(52.6)
Net Cumulative Funding Commitments (B)		**633.9**	**190.9**	**443.0**
Fund Balance (A - B)		**156.8**	**61.5**	**95.2**
Currency Risk Reserves	e/	**(19.3)**	**(15.2)**	**(4.1)**
Currency Risk Reserves-TAF		**(0.8)**		**(0.8)**
Unrestricted Fund Balance		**136.7**	**46.3**	**90.4**
Future Programming Reserves:				
Admin Expenses-Reserve (includes Country Programing budget/Learning and Knowledge exchange reserve) and for FY 20-28 (net of estimated investment income and reflows). Breakup of various components are provided below. (Model Updated as of December 31,2017)	f/	(31.8)		(31.8)
Subtract				
Administration Expense reserve for CIFAU, MDB & Trustee USD 37.9 Million				
Country Programming Budget Reserve USD 1.9 Million				
Learning and Knowledge Exchange Reserve USD 1.1 Million				
Add				
Estimated Investment Income Share for SREP USD 9.0 Million				
Projected Reflows USD 0.6 Million				
Technical Assistance Facility	i/j/	(4.0)		(4.0)
Unrestricted Fund Balance (C) after reserves		**100.9**	**46.3**	**54.6**
Anticipated Commitments (FY20-FY21)				
Program/Project Funding and MPIS Costs	g/	54.0	25.0	29.0
Technical Assistance Facility	i/j/	4.3		4.3
Total Anticipated Commitments (D)		**58.4**	**25.0**	**33.4**
Available Resources (C - D)		**42.6**	**21.3**	**21.2**
Potential Future Resources (FY20-FY21)				
Pledges		-		-
Contributions Receivable		-		-
Release of Currency Risk Reserves	e/	19.3	15.2	4.1
Release of Currency Risk Reserves-TAF		0.8		0.8
Total Potential Future Resources (D)		**20.1**	**15.2**	**4.9**
Potential Available Resources (C - D + E)		**62.6**	**36.5**	**26.1**
Reflows from MDBs	h/	0.0		0.0

a/ Promissory Notes amounting to GBP 19.84 million received as capital contributions are available to finance grants (including administrative costs) according to the terms of the contribution agreements/arrangements. The Promissory Notes are valued as of March 31, 2021 exchange rate.

b/ This amount includes USD equivalent of GBP 93.47 million from the UK.

c/ From Feb 1, 2016, Investment income across all SCF programs has been posted to a notional Admin "account", from which approved Administrative Budget expenses for the Trustee, Secretariat and MDBs are committed. The Country Programming budgets are recorded under individual programs.

d/ This refers to cancellation of program and project commitments approved by the SCF TFC

e/ Amounts withheld to mitigate over-commitment risk resulting from the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated promissory notes.

f/ The amount of this reserve is estimated by the CIFAU and Trustee using the 10-year forecast of the Admin Budget less the 10-year estimate of Investment Income and reflows. Pro-rata estimates across three SCF programs are based on the 37% fixed pro rata share of the SREP's cash balance as at December 31, 2017 approved by the SCF TFC on March 8, 2018. The decision reads as "allocate USD 31.6 million from the available grant resources in the SREP Program Sub-Account to finance estimated Administrative Costs from FY19 to FY28, such that the projected, indicative amount of approximately USD 59.6 million in SREP grant resources remains available for allocation to SREP projects".This reserve amount has been inreased by the approved commitment amount of USD 0.3 million for country engagement cancellation from January 2018.The reflows includes the commitment fee, front end fee and late payment fee.

g/ Includes only sealed pipeline

h/ Any payments of principal, interest from loans , which are due to be returned to the Trust Fund pursuant to the Financial Procedures Agreements consistent with the pertinent SCF funding approved by the SCF Trust Fund Committee. For the avoidance of doubt, the Reflow does not include any return of funds from SCF grants or Administrative Costs, including cancelled or unused funds, or any investment income earned on SCF resources held by any MDB.The usage of reflow from MDBs are approved by the SCF TFC on March 8, 2018 to cover the shortfall in administrative expenses net of the SCF investment income.

i/ The CTF and SCF Trust Fund Committees agreed on July 20, 2018 to establish the Technical Assistance Facility for Clean Energy Investment Mobilization under the terms of the SCF.

j/ Commitments for the Technical Assistance Facility, as estimated by the CIFAU.

Annex C: SREP resource availability—sealed reserve pipeline

SREP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS Inception through March 31, 2021		Total	Capital	Grant
Cumulative Funding Received				
Contributions Received				
Cash Contributions		647.0	151.1	495.9
Unencashed Promissory Notes	b/	128.6	129	-
Unencashed promissory notes- TAF		5.1		5.1
Allocation of Capital to Grants from Unencashed Promissory Notes	a/		(27.3)	27.3
Total Contributions Received		780.8	252.5	528.3
Other Resources				
Investment Income earned -up to Feb 1, 2016	c/	9.9		9.9
Other Income		-		
Total Other Resources		9.9		9.9
Total Cumulative Funding Received (A)		790.7	**252.5**	**538.2**
Cumulative Funding Commitments				
Projects/Programs		691.3	232.3	459.0
MDB Project Implementation and Supervision services (MPIS) Costs		20.0	-	20.0
Administrative Expenses-Cumulative to 1st Feb 2016	c/	14.2	-	14.2
Country Programming Budget expense from 1st Jan 2018	c/	(0.2)		(0.2)
Technical Assistance Facility		2.5		2.5
Total Cumulative Funding Commitments		727.9	232.3	495.6
Project/Program, MPIS and Admin Budget Cancellations	d/	(94.0)	(41.4)	(52.6)
Net Cumulative Funding Commitments (B)		**633.9**	**190.9**	**443.0**
Fund Balance (A - B)		**156.8**	**61.5**	**95.2**
Currency Risk Reserves	e/	**(19.3)**	**(15.2)**	**(4.1)**
Currency Risk Reserves-TAF		**(0.8)**		**(0.8)**
Unrestricted Fund Balance		**136.7**	**46.3**	**90.4**
Future Programming Reserves:				
Admin Expenses-Reserve (includes Country Programing budget/Learning and Knowledge exchange reserve) and for FY 20-28 (net of estimated investment income and reflows).Breakup of various components are provided below. (Model Updated as of December 31,2017)	f/	(31.8)		(31.8)
Subtract				
Administration Expense reserve for CIFAU, MDB & Trustee — USD 37.9 Million				
Country Programming Budget Reserve — USD 2.4 Million				
Learning and Knowledge Exchange Reserve — USD 1.1 Million				
Add				
Estimated Investment Income Share for SREP — USD 9.0 Million				
Projected Reflows — USD 0.6 Million				
Technical Assistance Facility	i/j/	(4.0)		(4.0)
Unrestricted Fund Balance (C) after reserves		**100.9**	**46.3**	**54.6**
Anticipated Commitments (FY21-FY22)				
Program/Project Funding and MPIS Costs	g/	128.9	53.5	75.4
Technical Assistance Facility	i/j/	4.3	-	4.3
Total Anticipated Commitments (D)		**133.3**	**53.5**	**79.8**
Available Resources (C - D)		**(32.3)**	**(7.2)**	**(25.2)**
Potential Future Resources (FY21-FY22)				
Pledges		-		-
Contributions Receivable		-		-
Release of Currency Risk Reserves	e/	19.3	15.2	4.1
Release of Currency Risk Reserves-TAF		0.8		0.8
Total Potential Future Resources (D)		**20.1**	**15.2**	**4.9**
Potential Available Resources (C - D + E)		**(12.3)**	**8.0**	**(20.3)**

Reflows from MDBs	h/	0.03		0.03

a/ Promissory Notes amounting to GBP 19.84 million received as capital contributions are available to finance grants (including administrative costs) according to the terms of the contribution agreements/arrangements. The Promissory Notes are valued as of March 31, 2021 exchange rate.

b/ This amount includes USD equivalent of GBP 93.47 million from the UK.

c/ From Feb 1, 2016, Investment income across all SCF programs has been posted to a notional Admin "account", from which approved Administrative Budget expenses for the Trustee, Secretariat and MDBs are committed. The Country Programming budgets are recorded under individual programs.

d/ This refers to cancellation of program and project commitments approved by the SCF TFC.

e/ Amounts withheld to mitigate over-commitment risk resulting from the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated promissory notes.

f/ The amount of this reserve is estimated by the CIFAU and Trustee using the 10-year forecast of the Admin Budget less the 10-year estimate of Investment Income and reflows. Pro-rata estimates across three SCF programs are based on the 37% fixed pro rata share of the SREP's cash balance as at December 31, 2017 approved by the SCF TFC on March 8, 2018. The decision reads as "allocate USD 31.6 million from the available grant resources in the SREP Program Sub-Account to finance estimated Administrative Costs from FY19 to FY28, such that the projected, indicative amount of approximately USD 59.6 million in SREP grant resources remains available for allocation to SREP projects".This reserve amount has been increased by the approved commitment amount of USD 0.3 million for country engagement cancellation from January 2018.The reflows includes the commitment fee, front end fee and late payment fee.

g/ Anticipated commitments for SREP program includes both Sealed and Reserve pipeline. Anticipated commitments as estimated by the CIFAU.

h/ Any payments of principal, interest from loans , which are due to be returned to the Trust Fund pursuant to the Financial Procedures Agreements consistent with the pertinent SCF funding approved by the SCF Trust Fund Committee. For the avoidance of doubt, the Reflow does not include any return of funds from SCF grants or Administrative Costs, including cancelled or unused funds, or any investment income earned on SCF resources held by any MDB.The usage of reflow from MDBs are approved by the SCF TFC on March 8, 2018 to cover the shortfall in administrative expenses net of the SCF investment income.

i/ The CTF and SCF Trust Fund Committees agreed on July 20, 2018 to establish the Technical Assistance Facility for Clean Energy Investment Mobilization under the terms of the SCF.

j/ Commitments for the Technical Assistance Facility, as estimated by the CIFAU.