December 31, 2011 and 2010

Clean Technology Fund

Administered by the International Bank for Reconstruction and Development as Trustee

World Bank Reference: TF069011

Special Purpose Financial Statements

The World Bank Group

Trust Funds Division, Client Services Department

Controller's Vice Presidency

www.worldbank.org

Clean Technology Fund
Special Purpose Financial Statements

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SPECIAL PURPOSE STATEMENTS OF FINANCIAL POSITION

December 31, 2011 and December 31, 2010

Expressed in U.S. dollars

	Note	2011	2010
Assets			
Share of cash and investments in the Pool	5	$ 2,215,853,132	$ 1,821,049,035
Contributions receivable	3	1,061,225,988	402,147,737
Returns/reflows receivable from MDBs	6	6,117,528	2,082,354
Total assets		**$ 3,283,196,648**	**$ 2,225,279,126**
Liabilities and Net Trust Fund Resources			
Liabilities			
Project liabilities	7	$ 1,564,285,500	$ 805,562,500
MDB fees payable	8	572,000	3,564,800
Loans payable	10	877,631,250	886,685,050
Loan interest payable	10	566,803	572,650
Total liabilities		**$ 2,443,055,553**	**$ 1,696,385,000**
Net Trust Fund Resources		840,141,095	528,894,126
Total liabilities and Net Trust Fund Resources		**$ 3,283,196,648**	**$ 2,225,279,126**

The Notes to the Special Purpose Financial Statements are an integral part of these statements.

SPECIAL PURPOSE STATEMENTS OF ACTIVITIES

For the fiscal years ended December 31, 2011 and December 31, 2010

Expressed in U.S. dollars

	Note	2011	2010
Revenues			
Contributions	3	$ 1,107,931,413	$ 650,000,000
Net investment income	4	29,183,167	6,050,550
Returns/reflows of CTF funds from MDBs	6	4,506,736	2,082,354
Total revenues		**$ 1,141,621,316**	**$ 658,132,904**
Expenses			
Project expense	7	$ 873,719,500	$ 636,403,000
MDB fees expense	8	2,356,775	5,702,800
Administrative budget expense	9	6,850,794	8,210,249
Interest expense	10	6,842,032	2,917,338
Total expenses		**$ 889,769,101**	**$ 653,233,387**
Foreign currency exchange gain		59,394,754	15,268,234
Change in Net Trust Fund Resources		311,246,969	20,167,751
Net Trust Fund Resources, beginning of the year		528,894,126	508,726,375
Net Trust Fund Resources, end of the year		**$ 840,141,095**	**$ 528,894,126**

The Notes to the Special Purpose Financial Statements are an integral part of these statements.

SPECIAL PURPOSE STATEMENTS OF CASH FLOWS

For the fiscal years ended December 31, 2011 and December 31, 2010

Expressed in U.S. dollars

	2011	2010
Cash flows from operating activities:		
Change in Net Trust Fund Resources	$ 311,246,969	$ 20,167,751
Adjustments to reconcile change in Net Trust Fund Resources to net cash used in operating activities:		
Unrealized foreign exchange (gains) losses	(58,651,242)	12,040,649
(Increase) decrease in contributions receivable	(609,480,809)	278,805,123
Increase in returns/reflows receivable from MDBs	(4,035,174)	(2,082,354)
Increase in project liabilities	758,723,000	439,158,500
(Decrease) increase in MDB fees payable	(2,992,800)	725,800
(Decrease) increase in loan interest payable	(5,847)	572,650
(Increase) in share of cash and investments in the Pool	(394,804,097)	(1,630,521,119)
Net cash used in operating activities	**$ -**	**$ (881,133,000)**
Cash flows from financing activities:		
Increase in loans payable	-	881,133,000
Net cash provided by financing activities	**$ -**	**$ 881,133,000**
Net increase in cash and cash equivalents		
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	**$ -**	**$ -**
Supplemental Disclosure		
(Increase) decrease in ending balances resulting from exchange rate fluctuation		
Operating Activities		
Contributions receivable	(49,597,442)	7,674,599
Project liabilities	-	(1,186,000)
Financing activities		
Loans Payable	(9,053,800)	5,552,050
Unrealized foreign exchange (gains) losses	**$ (58,651,242)**	**$ 12,040,649**

Note 1 - Organization

In July 2008, the Executive Directors of the World Bank, herein defined as the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), approved the creation of the Climate Investment Funds (CIF). The CIF is designed to provide interim scaled-up funding to help developing countries in their efforts to mitigate rises in greenhouse gas emissions and to adapt to climate change.

The CIF is jointly implemented by the following multilateral development banks (MDBs): African Development Bank (AfDB); Asian Development Bank (ADB); European Bank for Reconstruction and Development (EBRD); Inter-American Development Bank (IADB); International Finance Corporation (IFC); and the World Bank.

The CIF consists of two trust funds: the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF). IBRD serves as Trustee and administrator for both. Each of the MDBs listed above implements projects related to the CTF and SCF and administers funds transferred to it by the Trustee.

The CTF finances scaled-up demonstration, deployment, and transfer of low-carbon technologies for significant greenhouse gas reductions. The focus is on piloting investment in countries or regions with opportunities for large greenhouse gas abatement.

The SCF finances targeted programs in developing countries to pilot new climate or sectoral approaches with scaling-up potential.

The CTF is governed by the CTF Trust Fund Committee which oversees the operations and activities of the CTF. The CTF Trust Fund Committee is composed of contributor and recipient representatives, together with representatives from the World Bank, and the other MDBs. The World Bank and the other MDB representatives are non-decision making members. Decisions are made by consensus of the contributor and recipient representative members of the CTF Trust Fund Committee.

In order to facilitate CIF collaboration, coordination and information exchange among the MDBs, a committee comprising representatives of the MDBs, including the World Bank, was established (the MDB Committee) and is responsible for duties such as identifying specific areas in which the MDBs may harmonize their climate change programs, reviewing recommendations proposed by the Administrative Unit on program criteria for approval by the CTF Trust Fund Committee, and serving as a forum to ensure effective operational coordination among the MDBs.

The Administrative Unit supports the work of the CIF, including the CTF, and also supports the CTF Trust Fund Committee and other bodies of the CIF. The Administrative Unit is housed in the Washington, DC offices of the World Bank and comprises a team of professional and administrative staff. The Administrative Unit's responsibilities include the preparation of documentation for review by the CTF Trust Fund Committee, the formulation of recommendations on program criteria and priorities, and the preparation of the annual consolidated report on the CTF's activities, performance, status of implementation, in addition to managing partnerships and external relations.

The World Bank serves both as a Trustee and as an Implementing Entity (IE) for the CIF. In its capacity as the Trustee of the CTF, the World Bank established a trust fund (World Bank Reference TF0069011) for the CTF under administration by IBRD as Trustee (the "Trust Fund") on February 25, 2009 (date of inception, hereinafter referred to as "Inception"), to receive contributions from contributors. The Trust Fund holds the assets of the CTF, pursuant to the terms of the contribution agreements/arrangements entered into with the contributors. In accordance with the decisions taken by the CTF Trust Fund Committee, or the MDB Committee where relevant, and subject to the availability of applicable resources in the Trust Fund and the terms of the contribution agreements/arrangements, the Trustee makes commitments and transfers the CTF resources, in the manner agreed with the MDBs. In addition, in its capacity as an IE of the CTF, the World Bank has established a separate trust fund (i.e., the CTF trust fund under administration by the World Bank as IE) to receive CTF funds from this Trust Fund.

These special purpose financial statements report solely upon the activities of the Trust Fund. Separate special purpose financial statements are prepared for (i) the SCF trust fund under administration by IBRD as Trustee, (ii) the CTF trust fund under administration by the World Bank as IE, and (iii) the SCF trust fund under administration by the World Bank as IE. In addition, these special purpose financial statements do not include any activities undertaken by other MDBs as IEs of the CTF and SCF, as they are reported separately.

Note 2 - Significant Accounting Policies

Basis of Special Purpose Presentation – These special purpose financial statements have been prepared for the specific purpose of reflecting the sources and applications of contributions received from contributors and net Trust Fund resources, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) or International Financial Reporting Standards (IFRS).

These special purpose financial statements have been prepared solely for the information and use of the CTF Trust Fund Committee, IBRD as the Trustee of the Trust Fund, and the contributors to the Trust Fund, and are not intended to be and should not be used by anyone other than these specified parties.

Basis of Accounting **–** The Trustee approved the special purpose basis of accounting. The Trust Fund's special purpose financial statements are prepared on the accrual basis of accounting, with the exception of (i) administrative budget expenses, which are accounted for on a cash basis; and (ii) net investment income earned by the other MDBs on funds received from the CTF Trustee, which are also accounted for on a cash basis. Reflows and returns of CTF funds disbursed by MDBs, such as principal repayment, interest and other reflows are accrued when the cash is received by the MDBs from the project recipients. The specific accounting policies are as described below:

Share of cash and investments in the Pool – Amounts paid into the Trust Fund but not yet disbursed are managed by IBRD, which maintains an investment portfolio (the Pool) for all of the trust funds administered by IBRD, IDA, IFC, the Multilateral Investment Guarantee Agency, and the International Centre for Settlement of Investment Disputes (collectively, the "World Bank Group"). IBRD, on behalf of the World Bank Group maintains all trust fund assets separate and apart from the funds of the World Bank Group. The Pool is divided into sub-portfolios to which allocations are made based on fund specific investment horizons, risk tolerances and/or other eligibility requirements for trust funds with common characteristics as determined by IBRD, on behalf of the World Bank Group. These sub-portfolios may hold all or a portion of the instruments held by the Pool.

Generally, the Pool includes cash and liquid financial instruments such as time deposits, money market securities, government and agency obligations, and asset-backed securities. The Pool may also include securities pledged as collateral under repurchase agreements with other counterparties and receivables from resale agreements for which it has accepted collateral. Additionally, the Pool includes derivative contracts such as currency forward contracts, currency swaps, interest rate swaps, and the contracts to purchase or sell mortgage-backed securities to-be-announced (TBAs). Payables and receivables associated with the investment activities are also included in the Pool.

The Pool is a trading portfolio and is reported at fair value, with gains/losses included in net investment income. The share in pooled cash and investments represents the Trust Fund's share of the Pool's fair value at the end of each reporting period and is not deemed to be equivalent to cash for the purpose of the special purpose statements of cash flows.

Contributions and contributions receivable – The Trust Fund holds all paid in contributions, and the Trustee manages them in accordance with the contribution agreements/arrangements with the contributors and based on the funding decisions made by the CTF Trust Fund Committee.

Contributors may make contributions in the form of (i) a grant contribution, (ii) a capital contribution, or (iii) with the consent of all contributors to the Trust Fund and the Trustee, a loan contribution.

A grant contribution to the CTF may be used to finance grants, concessional loans and other financial products, such as guarantees. Capital contributions to the CTF may be used to finance concessional loans and other financial products, such as guarantees, but not grants. Loan contributions to the CTF may be used to finance concessional loans and other financial products, such as guarantees, on terms no more concessional than the contributions. The term "capital contribution" defines the permitted use of funds vis-à-vis "grant contribution" and "loan contribution", and does not mean that share capital or equity instruments have been issued to contributors in return for capital contributions received.

Upon termination of the Trust Fund, any remaining unallocated funds, including related reflows and returns of other funds, and net investment income, if any, held by the Trust Fund will be returned to contributors on a pro-rata basis, to be calculated using specific measurements which differ for grant contributors and capital contributors as defined in the relevant contribution agreements/arrangements.

Unconditional grant and capital contributions are recorded as revenue in the special purpose statements of activities upon execution of a contribution agreement/arrangement between a contributor and the Trustee. Contributions receivable are reported at nominal value, net of an allowance for doubtful receivables, if any. Contributions receivable are individually assessed for impairment at each date of the statement of financial position. When contributions receivable are overdue beyond dates specified in the contribution agreements/arrangements, the Trustee reduces the carrying value by recognizing a provision and an allowance for doubtful receivables as specified in the table below:

Contributions Receivable	
Period in arrears	**Allowance percentage**
24 months	50%
36 months	100%

Loan contributors provide loans to the CTF at a rate of 0.75% interest per annum, with a 20 year maturity and a 10 year grace period on principal repayment. Therefore repayments will begin from year 11 through year 20. Contributors that have made loan contributions to the Trust Fund will receive repayments based on the agreed loan terms.

Project expense and liabilities – The CTF Trust Fund Committee approves project funding to be disbursed by the Trust Fund to MDBs to fund CTF projects. Project expenses and liabilities to the MDBs are recognized upon the CTF Trust Fund Committee's approval. Project liabilities are paid to the MDBs upon their request in accordance with the financial procedure agreements between the Trustee and the MDBs (the FPAs). Project liabilities may be denominated in either U.S. dollars or euro.

MDB fees expense and MDB fees payable – In accordance with the FPAs, fees are paid to the MDBs to cover their expenses associated with the project cycle management of CTF projects. The Trust Fund recognizes MDB fee expenses and MDB fees payable upon approval by the CTF Trust Fund Committee. MDB fees are paid to the MDBs upon their request.

Administrative budget expense – The CTF Trust Fund Committee, on an annual basis, approves the budget for administrative services to be paid by the Trust Fund. The administrative budgets primarily cover the costs incurred by the Trustee, the Administrative Unit and the MDBs for the performance of their administrative services and other activities in support of the CTF. Once approved, and further allocated by the MDB Committee in the case of country programming budgets, administrative budget amounts pertaining to the Trustee, the Administrative Unit and the MDBs are paid upon their request. The administrative budget is reported on a cash basis.

Net investment income – Investment income earned on CTF funds held by the World Bank and IFC is credited directly in the Trust Fund on an accrual basis. Net investment income includes realized and unrealized investment income/loss.

Net investment income from other MDBs – In accordance with the FPAs, net investment income earned on CTF funds held by the MDBs shall be returned to the Trust Fund upon the Trustee's request. Net investment income from other MDBs is reported on a cash basis. No investment income earned by the other MDBs has been received.

Returns/reflows of CTF funds disbursed by MDBs – Upon transfer of funds to MDBs through project expense, MDBs may disburse CTF funds to project recipients in the form of loans or other financial products, such as guarantees. In accordance with the FPAs, repayments of principal, interest or other fees from MDB loans and other financial products issued using CTF funds are reported and remitted by the MDB to the Trustee. These amounts are reflected in the Trust Fund when they are received and reported by the MDBs.

Change in Accounting Policy – During the year, the accounting policy for the Trust Fund recording returns/reflows of CTF funds disbursed by MDBs was changed from cash basis (recording returns/reflows when received by the Trust Fund) to the accrual basis (recording returns/reflows when the cash is received by the MDBs from the recipients). The purpose of the change was to report in the special purpose financial statements the returns/reflows received by the MDBs but not yet transferred to the Trust Fund. This change has been applied retrospectively. For the fiscal year ended December 31, 2010, the impact of the change was an increase in the returns/reflows of CTF funds disbursed by MDBs, the returns/reflows receivable from the MDBs, and the net trust fund resources by $2,082,354.

In addition, the presentation of the special purpose statements of cash flow was changed to separately present unrealized gains and losses arising from changes in foreign currency exchange rates. This change had no net impact on the special purpose statements of cash flows. In prior years, unrealized gains and losses arising from changes in foreign currency exchange rates were presented net as changes in the associated assets and liabilities within operating activities and financing activities. This change has been applied retrospectively in the special purpose statements of cash flows. For the fiscal year ended December 31, 2010, the unrealized foreign exchange gains separately presented amounts to $12,040,649.

Reclassification – Certain reclassifications of prior year amounts have been made to conform to the current year's presentation. Specifically, in the special purpose statements of activities, "contributions" now includes the amount previously presented as "transfer from other trust fund" of $350,000,000 in 2010. The reclassification was made because while the amount was received as a transfer from another trust fund, it is a contribution to this Trust Fund.

Translation of currencies – The Trust Fund's special purpose financial statements are presented in U.S. dollars, which is the Trust Fund's functional and presentation currency. Transactions in currencies other than the U.S. dollar are reported at the market rates of exchange in effect on the date of the transaction. At the end of each reporting period, assets and liabilities that are not denominated in U.S. dollars are revalued at the market rate of exchange prevailing at the end of the respective reporting period. Any adjustment resulting from currency exchange rate changes is recognized as foreign currency exchange gain/loss.

Use of estimates – The preparation of the special purpose financial statements requires management to make estimates and assumptions based upon information available as of the date of the special purpose financial statements. Actual results could differ from these estimates. The main area in which management makes estimates and assumptions in determining the amounts to be recorded is the fair value of financial instruments.

Note 3 – Contributions and Contributions Receivable

The amounts pledged by contributors and received by the Trust Fund for the period from Inception to December 31, 2011, are as follows:

Contributors	Type	Currency	Pledged Amounts	Paid in Cash	Contributions Receivable
Australia	Grant	Australian dollars	100,000,000	100,000,000	-
France	Loan	Euro	203,000,000	203,000,000	-
Germany	Loan	U.S. dollars	615,000,000	615,000,000	-
Japan	Grant	Japanese Yen	92,655,000,000	41,694,750,000	50,960,250,000
Spain	Capital	Euro	80,000,000	50,000,000	30,000,000
Sweden	Grant	Swedish kronor	600,000,000	600,000,000	-
United Kingdom	Capital	Pounds sterling	518,429,584	282,949,000	235,435,584
United States	Grant	U.S. dollars	484,630,000	484,630,000	-

The contribution of £518,429,584, including an additional contribution of £133,429,584 (USD equivalent of $206,882,570) signed during the fiscal year ended December 31, 2011, made by the United Kingdom to the Trust Fund was in the form of a transfer from the SCF to the CTF pursuant to the contribution arrangement between the IBRD as Trustee to the SCF and the CTF and the United Kingdom of Great Britain and Northern Ireland, which authorized the transfer to the CTF.

The contribution of ¥92,655,000,000, including ¥60,255,750,000 (USD equivalent of $716,418,843) allocated during the fiscal year ended December 31, 2011, made by Japan to the Trust Fund was in the form of a transfer from the SCF to the CTF pursuant to the contribution agreement between the IBRD as Trustee to the SCF and the CTF and the Government of Japan, which authorized the transfer to the CTF.

All amounts expressed in U.S. dollars unless otherwise noted

Grant and capital contributions and contributions receivables are presented below. The loan contributions summary is in Note 10.

Contributing Participants	Type	Contributions for the fiscal year ended December 31, 2011	Contributions for the fiscal year ended December 31, 2010	Contributions Receivable at December 31, 2011	Contributions Receivable at December 31, 2010
Japan	Grant	$ 716,418,843	$350,000,000	$ 658,571,336	$56,944,871
Sweden	Grant	-	-	-	14,911,686
United States	Grant	184,630,000	300,000,000	-	-
Grant Total		**901,048,843**	**650,000,000**	**658,571,336**	**71,856,557**
Spain	Capital	-	-	38,812,500	40,150,500
United Kingdom	Capital	206,882,570	-	363,842,152	290,140,680
Capital Total		**206,882,570**	**-**	**402,654,652**	**330,291,180**
Total Contributions/Receivables		**$1,107,931,413**	**$650,000,000**	**$1,061,225,988**	**$402,147,737**

The contributions receivable are expected to be received based on installment schedules in the respective contribution agreements. Per the schedule in the contribution agreement between the IBRD as Trustee to the CTF and Government of Spain, the contribution receivable of EUR 30,000,000 (USD equivalent of $38,812,500) was receivable in calendar year 2011. Although there is a delay in receiving the amount, no allowance for doubtful receivables has been made. Allowances for doubtful receivables are made in accordance with the table specified in note 2. As of December 31, 2011 and December 31, 2010 none of the contributions receivable were assessed to be uncollectible and no allowance has been established.

Note 4 – Net Investment Income

Net investment income consists of the World Bank and IFC CTF trust funds' allocated share of the following: interest income earned by the Pool, realized gains/losses from sales of securities and unrealized gains/losses resulting from recording the assets held by the Pool at fair value. Net investment income of $29,183,167 and $6,050,550 was credited to the Trust Fund during the fiscal years ended December 31, 2011 and December 31, 2010, respectively.

Note 5 - Fair value of Financial Instruments

The Trust Fund's share in the Pool is not traded in any market; however, the underlying assets within the Pool are reported at fair value. All investment decisions are made and performance monitored at the Pool level. The disclosure on fair value measurement and fair value hierarchy is therefore at the Pool level. The fair value amount of the Trust Fund's share of the cash and investments in the Pool at the end of each reporting period is also disclosed.

Fair Value Measurements

IBRD, on behalf of the World Bank Group, has an established and documented process for determining fair values. Fair value is based upon quoted market prices for the same or similar securities, where available. Financial instruments for which quoted market prices are not readily available are valued based on discounted cash flow models. These models primarily use market-based or independently-sourced market parameters such as yield curves, interest rates, volatilities, foreign exchange rates and credit curves, and may incorporate unobservable inputs. Selection of these inputs involves judgment. The Pool may include financial instruments such as government and agency obligations, time deposits and money market securities, asset-backed securities, securities purchased under resale agreements and securities sold under repurchase agreements, and derivatives.

The techniques applied in determining the fair values of financial instruments are summarized below:

Government and agency obligations and asset-backed securities

Where available, quoted market prices are used to determine the fair value of government and agency obligations and asset-backed securities. For securities for which quoted market prices are not readily available, fair values are determined using model-based valuation techniques, either internally-generated or vendor-supplied, that include the standard discounted cash flow method using market observable inputs such as yield curves, credit spreads, prepayment speeds, foreign exchange rates, and funding spreads.

Time deposits and money market securities

Unless quoted prices are available, time deposits and money market securities are reported at face value, which approximates fair value.

Securities purchased under resale agreements and securities sold under repurchase agreements

Securities purchased under resale agreements and securities sold under repurchase agreements are reported at face value, which approximates fair value.

Derivative contracts

Derivative contracts include currency forward contracts, currency swaps, interest rate swaps, and contracts to purchase or sell TBA securities. Derivatives are valued using model based valuation techniques which include the standard discounted cash flow method with market observable inputs such as yield curves, foreign exchange rates, basis spreads and funding spreads.

Fair Value Hierarchy

Financial instruments representing the pooled investments for all trust funds administered by the World Bank Group are recorded at fair value and are categorized based on inputs to the valuation techniques as follows (in order of priority placed on the inputs):

Level 1: Financial instruments whose values are based on unadjusted quoted prices for identical instruments in active markets.

Level 2: Financial instruments whose values are based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; or pricing models for which all significant inputs are observable, either directly or indirectly for substantially the full term of the instrument.

Level 3: Financial instruments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety. Thus, a Level 3 fair value measurement of the instrument may include inputs that are observable (Level 2) and unobservable (Level 3).

As of December 31, 2011 and December 31, 2010, the Pool does not have any financial instruments measured at fair value on a non-recurring basis.

The following tables present the Pool's fair value hierarchy for financial instruments measured at fair value on a recurring basis as of December 31, 2011 and December 31, 2010. Payables and receivables associated with the investment activities and cash are not included in the fair value hierarchy tables and their carrying amounts approximate their fair values. The Trust Fund's share of the Pool's financial instruments may comprise varying proportions among the three levels.

In millions of U.S. dollars

	Fair Value Measurement on a Recurring Basis as of December 31, 2011			
	Level 1	***Level 2***	***Level 3***	***Total***
Government and agency obligations	$5,268	$ 8,318	$-	**$13,586**
Time deposits and money market securities	849	7,374	-	**8,223**
Asset-backed securities	-	3,610	1	**3,611**
Securities purchased under resale agreements and securities sold under repurchase agreements, net	-	(4)	-	**(4)**
Derivatives, net	-	161	-	**161**
Total of financial instruments in the Pool at fair value	**$6,117**	**$19,459**	**$1**	**$25,577**

In millions of U.S. dollars

	Fair Value Measurement on a Recurring Basis as of December 31, 2010			
	Level 1	***Level 2***	***Level 3***	***Total***
Government and agency obligations	$4,271	$ 7,706	$-	**$11,977**
Time deposits and money market securities	525	9,245	-	**9,770**
Asset-backed securities	-	3,035	8	**3,043**
Securities purchased under resale agreements and securities sold under repurchase agreements, net	(115)	(52)	-	**(167)**
Derivatives, net	-	(128)	-	**(128)**
Total of financial instruments in the Pool at fair value	**$4,681**	**$19,806**	**$8**	**$24,495**

In the Pool, the carrying value of securities pledged as collateral under repurchase agreements as of December 31, 2011 and December 31, 2010 was $4 million and $317 million, respectively. Under resale agreements, IBRD, on behalf of the World Bank Group, has received securities as collateral with a fair value of nil and $150 million as of December 31, 2011 and December 31, 2010, respectively. During the fiscal years ended December 31, 2011 and December 31, 2010, neither transfers between levels nor changes in the fair value of Level 3 securities were significant. Therefore, no further disclosures on these items are included.

Financial risks related to the Pool

All amounts expressed in U.S. dollars unless otherwise noted

The Trust Fund is exposed to credit risk on its share in the cash and investments in the Pool. IBRD, on behalf of the World Bank Group, limits investments to those financial instruments with minimum credit ratings in the U.S. markets or equivalent as follows:

- Government and agency obligations - issued or unconditionally guaranteed by government agencies rated at least AA- if denominated in a currency other than the home currency of the issuer, otherwise no rating is required. Obligations issued by an agency or instrumentality of a government, a multilateral organization or any other official entity require a minimum credit rating of AA-;
- Time deposits and money market securities - issued or guaranteed by financial institutions whose senior debt securities are rated at least A-;
- Asset-backed securities - minimum rating must be AAA; and
- Derivatives - counterparties must have a minimum rating of A+.

Trust Fund's share of the cash and investments in the Pool

The Trust Fund's share of the cash and investments in the Pool, which was allocated to a sub-portfolio based on specific investment horizons, risk tolerances and other eligibility requirements, has a fair value of $2,215,853,132 and $1,821,049,035 as of December 31, 2011 and December 31, 2010, respectively.

The following table presents investment holdings in the sub-portfolio in terms of the counterparty credit risk exposure and investment categories as of December 31, 2011 and December 31, 2010.

Counterparty credit ratings	**2011**	**2010**
AA or greater	63%	67%
A- or greater	100%	100%
Types of financial instruments		
Government and agency obligations	47%	48%
Time deposits and money market securities	37%	39%
Asset-backed securities	15%	14%
Securities purchased under resale agreements and securities sold under repurchase agreements, net	-	-1%
Derivatives, net	1%	-
Total	**100%**	**100%**

Note 6 – Returns/Reflows of CTF Funds

All amounts expressed in U.S. dollars unless otherwise noted

The returns/reflows of CTF funds which have been received by the MDBs are receivable by the Trust Fund from the MDBs as of and for the fiscal years ended December 31, 2011 and December 31, 2010 are as follows:

2011

	Returns/reflows of CTF Funds Received by the MDBs				Remitted to	Receivable by
	Principal	Interest	Fees	Total	Trust Fund	Trust Fund
EBRD	$ -	$ 506,945	$ -	$ 506,945	$ -	$ 730,278
IADB	1,035,000	806,891	-	1,841,891	-	3,579,557
IBRD/IDA as IE	-	390,276	-	390,276	471,562	-
IFC	1,010,000	345,531	412,093	1,767,624	-	1,807,693
Total	**$2,045,000**	**$2,049,643**	**$412,093**	**$4,506,736**	**$471,562**	**$6,117,528**

2010

	Returns/reflows of CTF Funds Received by the MDBs				Remitted to	Receivable by
	Principal	Interest	Fees	Total	Trust Fund	Trust Fund
EBRD	$ -	$ 223,333	$ -	$ 223,333	$ -	$ 223,333
IADB	801,000	320,833	615,833	1,737,666	-	1,737,666
IBRD/IDA as IE	-	81,286	-	81,286	-	81,286
IFC	-	27,431	12,639	40,069	-	40,069
Total	**$801,000**	**$652,883**	**$628,472**	**$2,082,354**	**$ -**	**$2,082,354**

Note 7 – Project Expense and Project Liabilities

Project expense and liabilities are as follows:

Project expense

Implementing Entity	For the fiscal year ended December 31, 2011	For the fiscal year ended December 31, 2010
ADB	$ 2,000,000	$ -
AfDB	325,995,500	50,075,000
EBRD	71,914,000	77,353,000
IADB	114,260,000	5,930,000
IBRD/IDA as IE	350,000,000	325,000,000
IFC	9,550,000	178,045,000
Total	**$873,719,500**	**$636,403,000**

All amounts expressed in U.S. dollars unless otherwise noted

Project liabilities

Implementing Entity	As of December 31, 2011	As of December 31, 2010
AfDB	$ 374,075,000	$ 50,075,000
EBRD	58,200,000	33,767,000
IADB	141,435,500	27,275,500
IBRD/IDA as IE	821,500,000	516,000,000
IFC	169,075,000	178,445,000
Total	**$1,564,285,500**	**$805,562,500**

Note 8 – MDB Fees Expense and MDB Fees Payable

MDB fees expense and payable are as follows:

MDB fees expense

Implementing Entity	For the fiscal year ended December 31, 2011	For the fiscal year ended December 31, 2010
ADB	$ 100,000	$ -
AfDB	49,775	975,000
EBRD	858,000	1,202,800
IADB	749,000	180,000
IBRD/IDA as IE	150,000	-
IFC	450,000	3,345,000
Total	**$ 2,356,775**	**$ 5,702,800**

MDB fees payable

Implementing Entity	As of December 31, 2011	As of December 31, 2010
AfDB	$ -	$ 975,000
EBRD	522,000	352,800
IADB	-	1,517,000
IBRD/IDA as IE	50,000	-
IFC	-	720,000
Total	**$ 572,000**	**$ 3,564,800**

All amounts expressed in U.S. dollars unless otherwise noted

Note 9 – Administrative Budget Expense

Administrative budget expenses are as follows:

	For the fiscal year ended December 31, 2011	For the fiscal year ended December 31, 2010
Administrative budget expense		
ADB	$ 179,193	$ 627,066
AfDB	477,500	-
EBRD	401,611	1,161,545
IADB	623,523	829,067
IBRD/IDA as IE	676,602	457,831
IFC	136,380	1,848,522
IBRD as Trustee	1,122,885	996,676
IBRD/IDA as Administrative Unit	3,233,100	2,289,542
Total	**$6,850,794**	**$8,210,249**

Note 10 – Loans Payable, Interest Expense and Interest Payable

CTF did not receive contributions in the form of loans during the fiscal year ended December 31, 2011. During the fiscal year ended December 31, 2010, CTF received contributions in the form of loans as summarized below. The change in the U.S. dollar loan contribution amount from December 31, 2010 to December 31, 2011 is due to foreign currency exchange rate revaluation.

Donor	Date received	Currency	Amount	U.S. dollar equivalent 12/31/2011	U.S. dollar equivalent 12/31/2010
Germany	6/1/2010	U.S. dollar	615,000,000	$615,000,000	$615,000,000
France	12/1/2010	Euro	203,000,000	262,631,250	271,685,050
Total				**$877,631,250**	**$886,685,050**

The interest rate on the loans is three-fourths of one percent (3/4%) per annum and is payable semi-annually. Principal repayment of 5% of the loan amount will be made semi-annually for ten years after a ten year grace period from the date the loan was received.

All amounts expressed in U.S. dollars unless otherwise noted

The interest expense and interest payable for the fiscal years ended December 31, 2011 and December 31, 2010 is as summarized below.

2011

Donor	Date received	Currency	Amount	Interest rate	Days in 2011	2011 Interest expense	U.S. dollar equivalent	Interest paid	Interest payable	U. S. dollar Equivalent
Germany	6/1/2010	U.S. dollar	615,000,000	0.75%	365	$ 4,676,563	$ 4,676,563	$ 4,279,376	$ 397,187	$ 397,187
France	12/1/2010	Euro	203,000,000	0.75%	365	€ 1,543,646	2,165,469	€ 1,412,542	€ 131,104	169,616
Total							**$ 6,842,032**			**$ 566,803**

2010

Donor	Date received	Currency	Amount	Interest Rate	Days in 2010	2010 interest expense	U.S. dollar equivalent	Interest paid	Interest payable	U. S. dollar Equivalent
Germany	6/1/2010	U.S. dollar	615,000,000	0.75%	214	$ 2,741,875	$ 2,741,875	$ 2,344,688	$ 397,187	$ 397,187
France	12/1/2010	Euro	203,000,000	0.75%	31	€ 131,104	175,463	€ -	€ 131,104	175,463
Total							**$ 2,917,338**			**$ 572,650**

Note 11 – Subsequent Events

Management has evaluated subsequent events through June 7, 2012, the date the special purpose financial statements were available to be issued. There were no subsequent events that required adjustment or disclosure.