



December 31, 2023 and 2022

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 and Loans Department
Finance and Accounting Vice Presidency

www.worldbank.org

**Clean Technology Fund
Administered by IBRD as Trustee**

Special Purpose Financial Statements

December 31, 2023 and 2022

Table of Contents

	Page
Independent Auditor's Report	2-4
Special Purpose Statements of Financial Position	5
Special Purpose Statements of Activities	6
Special Purpose Statements of Cash Flows	7
Notes to the Special Purpose Financial Statements	8-20

SPECIAL PURPOSE STATEMENTS OF FINANCIAL POSITION

As of December 31, 2023 and December 31, 2022

Expressed in U.S. dollars

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Assets			
Share of cash and investments in the Pool	3	\$ 2,452,800,364	\$ 2,595,999,422
Contributions receivable	4	587,379,000	636,362,000
Returns/reflows receivable from MDBs	6	50,518,988	61,595,044
Total assets		<u>\$ 3,090,698,352</u>	<u>\$ 3,293,956,466</u>
Liabilities and Net Trust Fund Resources			
Liabilities			
Project liabilities	7	\$ 1,431,489,812	\$ 1,863,640,511
Loans payable	10	686,376,310	781,266,450
Loan interest payable	10	443,285	504,568
MDB fees payable	9	5,532,274	4,384,290
Total liabilities		<u>\$ 2,123,841,681</u>	<u>\$ 2,649,795,819</u>
Net Trust Fund Resources	11	966,856,671	644,160,647
Total liabilities and Net Trust Fund Resources		<u>\$ 3,090,698,352</u>	<u>\$ 3,293,956,466</u>

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, 2023 and December 31, 2022

Expressed in U.S. dollars

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Revenues			
Contributions	4	\$ -	\$ 26,234,407
Net investment income/(loss)	5	151,052,948	(24,531,622)
Returns/reflows of CTF funds from MDBs	6	126,965,919	134,405,560
Interest income earned on MDBs grant funds		3,046,975	266,969
Total revenues		\$ 281,065,842	\$ 136,375,314
Expenses			
Project expense, net	7	\$ (49,518,387)	\$ (19,680,443)
Administrative budget expense	8	21,979,428	13,691,081
Interest expense	10	5,702,553	6,426,385
MDB fees expense	9	3,650,000	900,000
Total expenses		\$ (18,186,406)	\$ 1,337,023
Foreign currency exchange gain/(loss)		23,443,776	(62,575,004)
Change in Net Trust Fund Resources		322,696,024	72,463,287
Net Trust Fund Resources, beginning of the year		644,160,647	571,697,360
Net Trust Fund Resources, end of the year		\$ 966,856,671	\$ 644,160,647

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, 2023 and 2022

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

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in Net Trust Fund Resources	\$ 322,696,024	\$ 72,463,287
Adjustments to reconcile change in Net Trust Fund Resources to net cash provided by operating activities:		
Unrealized foreign exchange (gain)/loss	(23,746,262)	54,171,660
Decrease in contributions receivable	80,070,000	67,914,000
Decrease (Increase) in returns/reflows receivable from MDBs	11,076,056	(32,878,193)
Decrease in project liabilities	(435,084,740)	(222,819,945)
Increase (Decrease) in MDB fees payable	1,147,984	(4,901,410)
Decrease in loan interest payable	(61,283)	(71,866)
Net cash used in operating activities	<u>\$ (43,902,221)</u>	<u>\$ (66,122,467)</u>
Cash flows from investing activities:		
Decrease in share of cash and investments in the Pool	144,341,366	166,103,847
Net cash provided by investing activities	<u>\$ 144,341,366</u>	<u>\$ 166,103,847</u>
Cash flows from financing activities:		
Loan repayment	(100,439,145)	(99,981,380)
Net cash used in financing activities	<u>\$ (100,439,145)</u>	<u>\$ (99,981,380)</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>
Supplemental Disclosure:		
Unrealized Foreign Exchange (Gain)/Loss		
Changes in ending balances resulting from exchange rate fluctuation:		
Operating Activities		
Contributions receivable	(31,087,000)	66,803,500
Project liabilities	2,934,041	(5,818,602)
Investing Activities		
Share of cash and investments in the Pool	(1,142,308)	4,481,682
Financing activities		
Loans Payable	5,549,005	(11,294,920)
Total unrealized foreign exchange (gain)/loss	<u>\$ (23,746,262)</u>	<u>\$ 54,171,660</u>
Interest paid	<u>\$ 5,763,787</u>	<u>\$ 6,499,654</u>

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

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

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 three trust funds: the Clean Technology Fund (CTF), the Clean Technology Fund Parallel Fund (CTFPF) and the Strategic Climate Fund (SCF). IBRD serves as Trustee (the Trustee) and administrator for these trust funds. Each of the MDBs listed above implements projects related to the CTF, CTFPF and SCF and administers funds transferred to it by the Trustee. The World Bank also serves as an Implementing Entity (IE) for the CTF.

The CTF and CTFPF finance 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 and CTFPF are governed by the CTF Trust Fund Committee, which oversees the operations and activities of the CTF and CTFPF. 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 decision making 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 Secretariat on program criteria for approval by the CTF Trust Fund Committee, and serving as a forum to ensure effective operational coordination among the MDBs.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

The Secretariat supports the work of the CIF, including the CTF, and also supports the CTF Trust Fund Committee and other bodies of the CIF. The Secretariat is housed in the Washington, D.C. offices of the World Bank and comprises a team of World Bank professional and administrative staff. The Secretariat'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 and status of implementation, in addition to managing partnerships and external relations.

In its capacity as the Trustee of the CTF, IBRD established a trust fund (World Bank Reference TF069011) 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 addition, IBRD established a parallel fund (World Bank Reference TF069036) for the CTF under administration by IBRD as trustee (the "Parallel Fund") on April 4, 2022, to accept new loan contributions from 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 Parallel 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 other 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 transferred by the Trustee 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 CTFPF under administration by IBRD as trustee, (ii) the CTF trust fund under administration by the World Bank as IE, (iii) the SCF trust fund under administration by IBRD as Trustee, and (iv) 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.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

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 are not intended to be a presentation in conformity with U.S. generally accepted accounting principles (U.S. GAAP) or International Financial Reporting Standards (IFRS) and are 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 – As approved by the CTF Trust Fund Committee, the Trust Fund’s financial statements are prepared on the special purpose basis of accounting. The Trust Fund’s special purpose financial statements are prepared on the accrual basis, with the exception of (i) administrative budget expenses, which are accounted for on a cash basis (i.e. when cash is paid or received by the Trust Fund); (ii) interest income earned on MDBs grant funds, except the CTF funds held by World Bank, which is also accounted for on a cash basis (i.e. when received by the Trust Fund); and (iii) reflows and returns of CTF funds disbursed by MDBs, such as principal repayments, interest payments and other reflows that are recorded by the Trust Fund when the cash is received by the MDBs from the project recipients and reported to the Trustee by the MDB. The specific accounting policies are as described in more detail below:

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 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, but not grants, on terms no more concessional than the loan contributions. The term “capital contribution” defines the permitted use of funds, 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/(loss), if any, held by the Trust Fund will be returned to contributors on a

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

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.

Upon effectiveness, which is achieved upon signing of contribution agreement/arrangement by the contributor and the Trustee, grant and capital contributions are recorded as revenue in the special purpose statements of activities. Contributions receivable are reported at face value, net of an allowance for doubtful receivables, if any.

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 from due date to balance sheet date	Allowance percentage
24 months	50%
36 months	100%

Loans payable and related interest – Loan contributions are recorded as loans payable in the special purpose statements of financial position upon execution of a loan contribution agreement between a contributor and the Trustee and receipt of the cash by the Trustee. Loan Contributions are not recognized under contributions on the Special Purpose Statements of Activities. Loan contributors provide loans to the Trust Fund at a rate of 0.75% interest per annum, payable semi-annually, with a 20 year maturity and a 10 year grace period on principal repayment. Therefore, repayments on principal will begin from year 11 and last through year 20. Principal repayments of 5% of the loan amount will be made semi-annually. Contributors that have made loan contributions to the Trust Fund will receive repayments based on the agreed loan terms.

Project expense, net and project liabilities – The CTF Trust Fund Committee approves project funding to be transferred by the Trust Fund to the MDBs to fund CTF projects. Project expenses and project liabilities are recognized net of cancellations. Project expenses and project liabilities to the MDBs are recognized upon the CTF Trust Fund Committee’s approval and cancellation of projects, if any, are recognized upon respective MDB’s approval. Project liabilities are paid to the MDBs upon their request in accordance with the Financial Procedure Agreements (the FPAs) between the Trustee and the MDBs. Project liabilities may be denominated in either U.S. dollars or Euro.

MDB fees expense, net 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. MDB fees expense and MDB fees

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

payable are recognized net of cancellations. The Trust Fund recognizes MDB fee expenses and MDB fees payable upon approval by the CTF Trust Fund Committee and cancellation of fees, if any, are recognized upon respective MDB's approval. MDB fees are paid to the MDBs upon their request in accordance with the FPAs.

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 budget primarily covers the costs incurred by the Trustee, the Secretariat 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 Secretariat and the MDBs are paid upon their request. The administrative budget expense is reported on a cash basis.

Net investment income/(loss) – Investment income earned on CTF funds held by IBRD as Trustee and World Bank and IFC as IE in the Pool (Note 3) is credited directly in the Trust Fund on an accrual basis. Consequently, net investment income/(loss) comprises the investment income/(loss) earned by this Trust Fund, the investment income/(loss) earned by the CTF Trust Fund under administration by the World Bank as IE, and the investment income/(loss) earned by the CTF Trust Fund under administration by IFC as IE. Net investment income/(loss) includes realized and unrealized investment income/loss.

Interest income earned on MDB grant funds– In accordance with the FPAs, interest income earned on CTF funds administered and held by the other MDBs as IEs shall be returned to the Trust Fund upon the Trustee's request. Interest income from other MDBs is recorded on a cash basis.

Returns/reflows of CTF funds disbursed by MDBs – Upon transfer of funds to MDBs for 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, fees and other flows of funds 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 as receivables and income from MDBs in the Trust Fund when the cash is received by the MDBs from the recipients and reported to the Trustee by the MDBs.

Transaction and translation – 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 U.S. dollars are reported at the rates of exchange in effect on the date when the World Bank executes the currency transaction to convert to U.S. dollars. 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 reporting period. Any adjustment resulting from currency exchange rate changes is recognized as foreign currency exchange gain or loss.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

Use of estimates – The preparation of 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. Areas in which management makes estimates and assumptions in determining the amounts to be recorded include the fair value of financial instruments within the Pool (Note 3). Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. exit price.

Statements of cash flows – The adjustments to reconcile change in net trust fund resources to net cash used in operating activities are shown net of cancellations and other non-cash items as described in the abovementioned policies.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

Note 3 – Share of the 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 and liabilities separate and apart from the funds of the World Bank Group.

The Pool is a trading portfolio and is reported at fair value, with realized and unrealized gains/losses included in net investment income/(loss). The share in the pooled cash and investments represents the Trust Fund's share of the Pool's fair value at the end of each reporting period. The Trust Fund's share in the Pool is not traded in any market; however, the underlying assets and liabilities within the Pool are reported at fair value.

Generally, the Pool includes cash and liquid financial instruments such as government and agency obligations, time deposits, money market securities, and asset-backed securities. Additionally, the Pool includes equity securities, derivative contracts such as currency forward contracts, currency swaps, interest rate swaps, and 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 may also include securities pledged as collateral under repurchase agreements, receivables from resale agreements and collaterals received related to derivatives. IBRD takes into account Environmental, Social and Governance (ESG) factors, in addition to other factors when making investment decisions.

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. An individual sub-portfolio may hold all or a portion of the types of financial instruments held by the Pool. The Pool is rebalanced regularly to meet liquidity needs and optimize the Pool's investment return.

The Trust Fund's share of the cash and investments in the Pool, has a fair value of \$2,452,800,364 and \$2,595,999,422 as of December 31, 2023 and December 31, 2022, respectively.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

Fair value Measurements

IBRD, on behalf of the World Bank Group, has an established and documented process for determining fair values of the underlying financial instruments within the Pool. Where available, quoted market prices are used to determine the fair value of trading securities. For financial instruments for which market quotations are not available, fair values are determined using model-based valuation techniques, whether internally-generated or vendor supplied, such as, the discounted cash flow method using observable market inputs such as yield curves, credit spreads, conditional prepayment rates, foreign exchange rates, basis spreads and funding spreads, and may incorporate unobservable inputs. Selection of these inputs involves judgment.

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

- (i) Government and agency obligations, asset-backed securities and equity securities: Where available, quoted market prices are used to determine the fair value of most government and agency obligations, asset-backed securities and exchange-traded equity 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, such as discounted cash flow method using observable market inputs such as yield curves, foreign exchange rates, credit spreads and conditional prepayment rates.
- (ii) Time deposits and money market instruments: Unless quoted prices are available, time deposits and money market instruments are reported at face value, which approximates fair value, as they are short term in nature.
- (iii) Securities purchased under resale agreements and securities sold under repurchase agreements: These securities are reported at face value, which approximates fair value, as they are short term in nature.

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, such as the discounted cash flow method with observable market inputs such as yield curves, foreign exchange rates, basis spreads and funding spreads.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

Note 4 – Contributions and Contributions Receivable

The contribution amounts agreed to by the contributors and received by the Trust Fund in the respective currencies for the period from Inception to December 31, 2023, are as follows:

Contributor	Type	Currency	Contributions	Paid in Cash	Contributions Receivable
Australia	Grant	Australian dollars	100,000,000	100,000,000	-
Japan	Grant	Japanese Yen	92,655,000,000	92,655,000,000	-
Sweden	Grant	Swedish kronor	600,000,000	600,000,000	-
United States	Grant	U.S. dollars	1,492,006,671	1,492,006,671	-
Spain	Capital	Euro	80,000,000	80,000,000	-
United Kingdom	Capital	Pounds sterling	1,529,921,760	1,129,921,760	400,000,000
Canada	Loan	U.S. dollars	199,376,262	199,376,262	-
Canada	Grant	Canadian dollars	15,000,000	15,000,000	-
France	Loan	Euro	203,000,000	203,000,000	-
Germany	Loan	U.S. dollars	615,000,000	615,000,000	-
Germany	Grant	Euro	340,000,000	270,000,000	70,000,000
Denmark	Grant	Danish Krone	100,000,000	100,000,000	-

The contribution for the period from inception to December 31, 2023, of £1,529,921,760 made by the United Kingdom to the Trust Fund was in the form of a transfer of the receivable from the SCF to the CTF pursuant to the contribution arrangement between IBRD as Trustee of the SCF and the CTF and the United Kingdom of Great Britain and Northern Ireland, which authorized the transfer to the CTF.

The contribution for the period from inception to December 31, 2023 of ¥92,655,000,000 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 IBRD as Trustee of the SCF and the CTF and the Government of Japan, which authorized the transfer to the CTF.

No Grant contributions were received during the fiscal year ended December 31, 2023 and Grant contribution of \$26,234,407 (CAD 15,000,000 and DKK 100,000,000) was received in the fiscal year ended December 31, 2022. The contributions receivable was \$587,379,000 (£400,000,000 and €70,000,000) and \$636,362,000 (£400,000,000 and €145,000,000) as of December 31, 2023 and December 31, 2022, respectively.

Contribution receivables are expected to be received based on installment schedules in the respective contribution agreements/arrangements. Allowances for doubtful receivables are made in accordance with the policy specified in Note 2. As of December 31, 2023, and December 31, 2022, no allowance has been established as none of the contribution receivables were more than 24 months past due. Outstanding contributions are expected to be received in accordance with the terms established in the respective contribution agreement/arrangement.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

Note 5 – Net Investment Income/(Loss)

Net investment income/(loss) consists of the World Bank and IFC as IEs and 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 and liabilities held by the Pool at fair value.

Note 6 – Returns/Reflows of CTF Funds

The returns/reflows of CTF funds which have been received by the MDBs and recognized as revenue in the Trust Fund are as follows:

Returns/reflows of CTF Funds Received by the MDBs

	For the fiscal year ended December 31, 2023			
	Principal	Interest	Fees	Total
ADB	\$ 14,196,230	\$ 4,456,714	\$ 169,747	\$ 18,822,691
AfDB	6,658,623	3,666,453	-	10,325,076
EBRD	22,252,927	1,923,068	56,069	24,232,064
IADB	14,228,672	3,343,482	455,789	18,027,943
IBRD/IDA as IE	34,126,669	3,935,309	12,534	38,074,512
IFC	15,296,833	2,157,861*	28,939	17,483,633
Total	\$ 106,759,954	\$ 19,482,887	\$ 723,078	\$ 126,965,919

* Includes equity dividend income received from IFC.

Returns/reflows of CTF Funds Received by the MDBs

	For the fiscal year ended December 31, 2022			
	Principal	Interest	Fees	Total
ADB	\$ 17,407,810	\$ 4,337,812	\$ 80,500	\$ 21,826,122
AfDB	1,592,814	295,363	-	1,888,177
EBRD	16,929,387	1,968,589	33,477	18,931,453
IADB	32,747,503	3,770,738	1,382,017	37,900,258
IBRD/IDA as IE	33,106,313	3,987,498	25,000	37,118,811
IFC	15,571,943	1,127,467	41,329	16,740,739
Total	\$ 117,355,770	\$ 15,487,467	\$ 1,562,323	\$ 134,405,560

Returns/reflows receivable from MDBs

Implementing Entity	As of	As of
	December 31, 2023	December 31, 2022
ADB	\$ 2,834,835	\$ 3,492,229
AfDB	9,226,885	-
EBRD	10,521,903	8,055,270
IADB	4,221,636	31,902,494
IBRD/IDA as IE	9,526,409	10,490,821
IFC	14,187,320	7,654,230
Total	\$ 50,518,988	\$ 61,595,044

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

Note 7 – Project Expense, net and Project Liabilities

Project expense, net and project liabilities are as follows:

Project expense, net		
Implementing Entity	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2022
ADB	\$ (96,204,101)	\$ 110,533
AfDB	57,000,000	(20,000,000)
EBRD	(8,421,750)	29,100,000
IADB	25,935,796	(3,356,821)
IBRD/IDA as IE	(22,245,650)	(25,534,155)
IFC	(5,582,682)	-
Total¹	\$ (49,518,387)	\$ (19,680,443)

Project Liabilities		
	As of and for the year ended December 31, 2023	As of and for the year ended December 31, 2022
Project Liabilities - Beginning of the year	\$ 1,863,640,511	\$ 2,092,279,058
Project expense, net ¹	(49,518,387)	(19,680,443)
Foreign currency adjustment	2,934,041	(5,818,602)
Funds transferred to MDBs	(385,566,353)	(203,139,502)
Project Liabilities - end of the year	\$ 1,431,489,812	\$ 1,863,640,511

¹ During the fiscal year ended December 31, 2023, Project approvals and cancellations are \$210,374,350 and \$259,892,737 respectively. During the fiscal year ended December 31, 2022, Project approvals and cancellations are \$69,557,000 and \$89,237,443 respectively.

Project liabilities by Implementing Entity

Implementing Entity	As of December 31, 2023	As of December 31, 2022
ADB	\$ 227,100,289	\$ 326,216,151
AfDB	79,650,000	116,662,000
EBRD	124,254,687	175,443,807
IADB	213,229,427	232,243,630
IBRD/IDA as IE	590,912,723	813,222,723
IFC	196,342,686	199,852,200
Total	\$ 1,431,489,812	\$ 1,863,640,511

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

Note 8 – Administrative Budget Expense

Administrative budget expense is as follows:

Implementing Entity	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2022
ADB	\$ 797,495	\$ 473,682
AfDB	727,927	390,796
EBRD	386,055	132,000
IADB	611,226	282,889
IBRD/IDA as IE	1,104,634	1,074,867
IFC	1,144,525	133,346
IBRD as Trustee	7,772,160	2,517,425
IBRD/IDA as Administrative Unit	9,435,406	8,686,076
Total	\$ 21,979,428	\$ 13,691,081

Note 9 – MDB Fees Expense, net and MDB Fees Payable

MDB fees expense, net of returns of unused funds and payable are as follows:

MDB fees expense, net

Implementing Entity	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2022
ADB	\$ 250,000	\$ -
AfDB	1,900,000	-
EBRD	-	900,000
IADB	1,000,000	-
IBRD/IDA as IE	300,000	-
IFC	200,000	-
Total	\$ 3,650,000	\$ 900,000

MDB fees payable

Implementing Entity	As of December 31, 2023	As of December 31, 2022
ADB	\$ 3,171,774	\$ 3,523,790
AfDB	925,000	(75,000)
EBRD	1,058,000	1,058,000
IBRD/IDA as IE	1,177,500	877,500
IFC	(800,000)	(1,000,000)
Total	\$ 5,532,274	\$ 4,384,290

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

Note 10 – Loans Payable, Interest Expense and Interest Payable

For the period from inception to December 31, 2023, CTF had balances in the form of loans as summarized below.

Donor	Date received	Currency	Loans payable as of December 31, 2023		Loan Repayment during the fiscal year ended December 31, 2023		Loans payable as of December 31, 2022	
			Amount	U.S. dollar equivalent	Amount	U.S. dollar equivalent	Amount	U.S. dollar equivalent
Germany	6/1/2010	U.S. dollar	\$ 380,714,285	\$ 380,714,285	\$ 58,571,429	\$ 58,571,429	\$ 439,285,714	\$ 439,285,714
France	12/1/2010	Euro	€ 131,950,000	146,161,015	€ 20,300,000	21,930,090	€ 152,250,000	162,542,100
Canada	4/13/2012	U.S. dollar	\$ 80,120,179	80,120,179	\$ 10,015,023	10,015,023	\$ 90,135,202	90,135,202
Canada	7/27/2012	U.S. dollar	\$ 79,380,831	79,380,831	\$ 9,922,603	9,922,603	\$ 89,303,434	89,303,434
Total				\$ 686,376,310		\$ 100,439,145		\$ 781,266,450

As explained in Note 2, the interest rate on the loans is three-fourths of one percent (0.75%) per annum and is payable semi-annually. Principal repayments 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. During the year principal loan repayment amounted to \$100,439,145.

The interest expense and interest payable for the fiscal years ended December 31, 2023 and December 31, 2022 is as summarized below.

As of and for the fiscal year ended December 31, 2023:

Donor	Date received	Currency	Loan Amount	Interest expense	U.S. dollar equivalent	Interest paid	Interest payable	U. S. dollar equivalent
Germany	6/1/2010	U.S. dollar	615,000,000	\$ 3,190,923	\$ 3,190,923	\$ 3,228,750	\$ 245,878	\$ 245,878
France	12/1/2010	Euro	203,000,000	€ 1,105,927	1,198,032	€ 1,119,038	€ 85,218	94,396
Canada	4/13/2012	U.S. dollar	100,150,225	\$ 659,844	659,843	\$ 666,312	\$ 51,744	51,744
Canada	7/27/2012	U.S. dollar	99,226,037	\$ 653,755	653,755	\$ 660,163	\$ 51,267	51,267
Total					\$ 5,702,553			\$ 443,285

As of and for the fiscal year ended December 31, 2022:

Donor	Date received	Currency	Loan Amount	Interest expense	U.S. dollar equivalent	Interest paid	Interest payable	U. S. dollar equivalent
Germany	6/1/2010	U.S. dollar	615,000,000	\$ 3,636,310	\$ 3,636,310	\$ 3,352,604	\$ 283,705	\$ 283,705
France	12/1/2010	Euro	203,000,000	€ 1,260,292	1,324,867	€ 1,161,964	€ 98,328	104,975
Canada	4/13/2012	U.S. dollar	100,150,225	\$ 736,000	736,000	\$ 677,788	\$ 58,212	58,213
Canada	7/27/2012	U.S. dollar	99,226,037	\$ 729,208	729,208	\$ 671,533	\$ 57,675	57,675
Total					\$ 6,426,385			\$ 504,568

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2023 and December 31, 2022

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

Note 11 – Net Trust Fund Resources

The Trust Fund has an accumulated surplus of \$966,856,671 as of December 31, 2023 and \$644,160,647 as of December 31, 2022. The contributors' loan agreements provide that the Trustee may defer any portion of the debt service to the loan contributors should there be insufficient resources designated in the Trust Fund to service such payments. Losses on defaults on outgoing loans from the Trust Fund not covered by net income will be shared by all Contributors on the same basis, in proportion to their overall contributions to the Trust Fund (excluding the portion, if any, used for outgoing grants) pursuant to the terms of the Standard Provisions of the Contribution Agreements.

Note 12 – Subsequent Events

Management has evaluated subsequent events through March 15, 2024, the date the Special Purpose Financial Statements were issued. There were no other subsequent events that required adjustment or disclosure.