



December 31, 2019 and 2018

Clean Technology Fund

Administered by the International Bank for Reconstruction and Development
as Trustee

World Bank Reference: TF069011

**Independent Auditors' Report and 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, 2019 and 2018

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SPECIAL PURPOSE STATEMENTS OF FINANCIAL POSITION

As of December 31, 2019 and 2018

Expressed in U.S. dollars

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets			
Share of cash and investments in the Pool	3	\$ 2,600,013,343	\$ 1,902,977,516
Contributions receivable	4	264,200,000	660,243,823
Returns/reflows receivable from MDBs	6	14,479,263	13,435,134
Total assets		<u>\$ 2,878,692,606</u>	<u>\$ 2,576,656,473</u>
Liabilities and Net Trust Fund Resources/(Deficit)			
Liabilities			
Project liabilities	7	\$ 1,926,128,801	\$ 1,772,061,577
Loans payable	10	1,042,304,662	1,046,851,862
Loan interest payable	10	673,155	676,092
MDB fees payable	9	5,503,000	4,183,000
Other Liabilities		-	4,805,940
Total liabilities		<u>\$ 2,974,609,618</u>	<u>\$ 2,828,578,471</u>
Net Trust Fund Deficit	11	(95,917,012)	(251,921,998)
Total liabilities and Net Trust Fund Resources		<u>\$ 2,878,692,606</u>	<u>\$ 2,576,656,473</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, 2019 and 2018

Expressed in U.S. dollars

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Revenues			
Contributions	4	\$ 263,540,000	\$ -
Net investment income	5	77,979,071	42,112,832
Returns/reflows of CTF funds from MDBs	6	50,310,793	39,695,591
Interest income earned on MDBs grant funds		7,283,416	4,444,488
Total revenues		\$ 399,113,280	\$ 86,252,911
Expenses			
Project expense, net	7	\$ 213,140,262	\$ (43,709,516)
Administrative budget expense	8	12,182,488	8,841,932
Interest expense	10	7,920,837	8,013,263
MDB fees expense, net	9	1,382,306	3,274,095
Total expenses		\$ 234,625,893	\$ (23,580,226)
Foreign currency exchange loss		(8,482,401)	(31,046,771)
Change in Net Trust Fund Resources		156,004,986	78,786,366
Net Trust Fund Deficit, beginning of the year		(251,921,998)	(330,708,364)
Net Trust Fund Deficit, end of the year		\$ (95,917,012)	\$ (251,921,998)

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, 2019 and 2018

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

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in Net Trust Fund Resources	\$ 156,004,986	\$ 78,786,366
Adjustments to reconcile change in Net Trust Fund Resources to net cash used in operating activities:		
Unrealized foreign exchange (gain)/loss	(3,621,701)	31,117,324
Decrease in contributions receivable	396,703,823	-
Increase in returns/reflows receivable from MDBs	(1,044,129)	(2,868,217)
Increase (Decrease) in project liabilities	154,055,740	(144,372,569)
(Decrease) Increase in other liabilities	(4,805,940)	4,805,940
Increase in MDB fees payable	1,320,000	933,000
Decrease in loan interest payable	(2,937)	(7,014)
(Increase) Decrease in share of cash and investments in the Pool	(698,609,842)	31,605,170
Net cash used in operating activities	<u>\$ -</u>	<u>\$ -</u>
Cash flows from financing activities:		
Increase in loans payable	-	-
Net cash provided by financing activities	<u>\$ -</u>	<u>\$ -</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	(660,000)	38,314,721
Share of cash and investments in the Pool	1,574,015	3,663,103
Project liabilities	11,484	-
Financing activities		
Loans Payable	(4,547,200)	(10,860,500)
Total unrealized foreign exchange (gain)/loss	<u>\$ (3,621,701)</u>	<u>\$ 31,117,324</u>
Interest paid	<u>\$ 7,908,177</u>	<u>\$ 7,971,278</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, 2019 and 2018

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 two trust funds: the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF). IBRD serves as Trustee (the 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 World Bank also serves as an Implementing Entity (IE) for the CTF.

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 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 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.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2019 and 2018

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

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, D.C. offices of the World Bank and comprises a team of World Bank 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 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 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 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 CTF trust fund under administration by the World Bank as IE, (ii) the SCF trust fund under administration by IBRD as Trustee, 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.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2019 and 2018

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; (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; 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, 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.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2019 and 2018

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

Upon effectiveness of a signed contribution agreement/arrangement between a contributor and the Trustee, grant and capital contributions are recorded as revenue in the special purpose statements of activities. Contributions receivable are reported at nominal 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	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 agreement between a contributor and the Trustee and receipt of the cash by the Trustee. 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 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 (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. 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 in accordance with the FPAs.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

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

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 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 expense is reported on a cash basis.

Net investment income – Investment income earned on CTF funds held by the 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 comprises the investment income earned by this Trust Fund, the investment income earned by the CTF Trust Fund under administration by the World Bank as IE, and the investment income earned by the CTF Trust Fund under administration by IFC as IE. Net investment income 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.

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 U.S. dollars 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 reporting period. Any adjustment resulting from currency exchange rate changes is recognized as foreign currency exchange gain or loss.

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).

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2019 and 2018

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 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. 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 within the Pool are reported at fair value. All investment decisions are made and performance is monitored at the Pool level.

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 derivatives for which it has accepted collateral.

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 Trust Fund's share of the cash and investments in the Pool, has a fair value of \$2,600,013,343 and \$1,902,977,516 as of December 31, 2019 and 2018, respectively.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2019 and 2018

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, 2019, are as follows:

<u>Contributor</u>	<u>Type</u>	<u>Currency</u>	<u>Contributions</u>	<u>Paid in Cash</u>	<u>Contributions Receivable</u>
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	1,329,921,760	1,129,921,760	200,000,000
Canada	Loan	U.S. dollars	199,376,262	199,376,262	-
France	Loan	Euro	203,000,000	203,000,000	-
Germany	Loan	U.S. dollars	615,000,000	615,000,000	-

The contribution for the period from inception to December 31, 2019 of £1,329,921,760 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, 2019 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.

Capital contributions of \$263,540,000 (£200,000,000) and Nil were received during the fiscal year ended December 31, 2019 and 2018 respectively. The contributions receivable was \$264,200,000 (£200,000,000) and \$660,243,823 (£517,067,760) as of December 31, 2019 and 2018, respectively. A summary of loan contributions is presented in Note 10.

Contributions receivable 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, 2019 and 2018, no allowance has been established as none of the contributions receivable 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, 2019 and 2018

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

Note 5 – Net Investment Income

Net investment income 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 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, 2019			
	Principal	Interest	Fees	Total
ADB	\$ 10,823,605	\$ 4,987,334	\$ 12	\$ 15,810,951
AfDB	873,043	1,233,016	-	2,106,059
EBRD	8,497,687	2,646,718	356,026	11,500,431
IADB	589,152	1,882,298	426,315	2,897,765
IBRD/IDA as IE	5,000,000	3,755,333	37,534	8,792,867
IFC	7,153,189	1,749,898	299,633	9,202,720
Total	\$ 32,936,676	\$ 16,254,597	\$ 1,119,520	\$ 50,310,793

Returns/reflows of CTF Funds Received by the MDBs

	For the fiscal year ended December 31, 2018			
	Principal	Interest	Fees	Total
ADB	\$ 7,751,872	\$ 5,197,723	\$ -	\$ 12,949,595
EBRD	7,697,328	2,143,083	66,346	9,906,757
IADB	257,179	1,796,600	417,976	2,471,755
IBRD/IDA as IE	-	3,360,817	25,015	3,385,832
IFC	7,882,633	2,413,997	685,022	10,981,652
Total	\$ 23,589,012	\$ 14,912,220	\$ 1,194,359	\$ 39,695,591

Returns/reflows of CTF Funds Receivable

Implementing Entity	As of	As of
	December 31, 2019	December 31, 2018
ADB	\$ 3,148,698	\$ 3,011,028
AfDB	178,458	-
EBRD	5,124,420	3,921,547
IADB	1,195,649	1,145,727
IBRD/IDA as IE	1,263,090	1,009,065
IFC	3,568,948	4,347,767
Total	\$ 14,479,263	\$ 13,435,134

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2019 and 2018

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, 2019	For the fiscal year ended December 31, 2018
ADB	\$ 15,360,264	\$ (7,802,000)
AfDB	20,000,000	(996,999)
EBRD	24,433,591	16,563,480
IADB	(68,868,364)	(38,621,699)
IBRD/IDA as IE	198,750,000	25,752,473
IFC	23,464,771	(38,575,681)
	213,140,262	(43,680,426)
Independent Evaluation of the CTF	-	(29,090)
Total¹	\$ 213,140,262	\$ (43,709,516)

Project Liabilities

	As of and for the year ended December 31, 2019	As of and for the year ended December 31, 2018
Project Liabilities - Beginning of the year	\$ 1,772,061,577	\$ 1,916,434,146
Project expense, net ¹	213,140,262	(43,709,516)
Foreign currency adjustment	11,484	(79,800)
Funds transferred to MDBs	(59,084,522)	(100,583,253)
Project Liabilities - end of the year	\$ 1,926,128,801	\$ 1,772,061,577

¹ During the fiscal year ended December 31, 2019, Project approvals and cancellations are \$492,776,100 and \$279,635,838 respectively. During the fiscal year ended December 31, 2018, Project cancellations of \$470,064,198 exceeded Project approvals of \$426,354,679 resulting in negative project expense for the year.

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

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

Note 8 – Administrative Budget Expense

Administrative budget expense is as follows:

Administrative budget expense

Implementing Entity	For the fiscal year ended December 31, 2019	For the fiscal year ended December 31, 2018
ADB	\$ 231,782	\$ 291,804
AfDB	127,153	204,462
EBRD	258,458	716,621
IADB	391,844	288,468
IBRD/IDA as IE	493,689	610,844
IFC	545,709	620,180
IBRD as Trustee	1,772,780	1,482,885
IBRD/IDA as Administrative Unit	8,361,073	4,626,668
Total	\$ 12,182,488	\$ 8,841,932

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, 2019	For the fiscal year ended December 31, 2018
ADB	\$ (1,900,000)	\$ 2,100,000
EBRD	3,040,000	550,000
IADB	47,000	1,100,000
IBRD/IDA as IE	252,500	291,000
IFC	(57,194)	(766,905)
Total	\$ 1,382,306	\$ 3,274,095

MDB fees payable

Implementing Entity	As of December 31, 2019	As of December 31, 2018
ADB	\$ 2,080,000	\$ 4,100,000
AfDB	(75,000)	(75,000)
EBRD	3,198,000	158,000
IBRD/IDA as IE	300,000	-
Total	\$ 5,503,000	\$ 4,183,000

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

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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, 2019, CTF had balances in the form of loans as summarized below.

Donor	Date received	Currency	Amount	U.S. dollar equivalent December 31, 2019	U.S. dollar equivalent December 31, 2018
Germany	6/1/2010	U.S. dollar	615,000,000	\$ 615,000,000	\$ 615,000,000
France	12/1/2010	Euro	203,000,000	227,928,400	232,475,600
Canada	4/13/2012	U.S. dollar	100,150,225	100,150,225	100,150,225
Canada	7/27/2012	U.S. dollar	99,226,037	99,226,037	99,226,037
Total				\$1,042,304,662	\$1,046,851,862

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.

The interest expense and interest payable for the fiscal years ended December 31, 2019 and 2018 is as summarized below.

As of and for the fiscal year ended December 31, 2019:

Donor	Date received	Currency	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	\$ 4,676,563	\$ 4,676,563	\$ 4,279,375	\$ 397,188	\$ 397,188
France	12/1/2010	Euro	203,000,000	€ 1,543,646	1,728,184	€ 1,412,542	€ 131,104	147,204
Canada	4/13/2012	U.S. dollar	100,150,225	\$ 755,968	755,968	\$ 691,288	\$ 64,680	64,680
Canada	7/27/2012	U.S. dollar	99,226,037	\$ 760,122	760,122	\$ 696,039	\$ 64,083	64,083
Total					\$ 7,920,837			\$ 673,155

As of and for the fiscal year ended December 31, 2018:

Donor	Date received	Currency	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	\$ 4,676,563	\$ 4,676,563	\$ 4,279,375	\$ 397,188	\$ 397,188
France	12/1/2010	Euro	203,000,000	€ 1,543,646	1,820,610	€ 1,412,542	€ 131,104	150,141
Canada	4/13/2012	U.S. dollar	100,150,225	\$ 755,968	755,968	\$ 691,288	\$ 64,680	64,680
Canada	7/27/2012	U.S. dollar	99,226,037	\$ 760,122	760,122	\$ 696,039	\$ 64,083	64,083
Total					\$ 8,013,263			\$ 676,092

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

December 31, 2019 and 2018

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

Note 11 – Net Trust Fund Resources

The Trust Fund has an accumulated deficit of \$95,917,012 and \$251,921,998 as of December 31, 2019 and 2018 respectively. This deficit is the result of the cumulative excess of expenses over revenues due to timing differences between when project expenses and contributions are recognized under the special purpose basis of accounting, and because certain contributions are received in the form of loans from contributors. A positive net trust fund resources will be presented in future periods as return/reflows are paid into the Trust Fund by the MDBs. 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

Subsequent to December 31, 2019, the outbreak of the novel strain of Coronavirus (COVID-19), has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused significant disruption to businesses globally, resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

In light of the COVID-19 pandemic, the Trust Fund faces additional credit, market and operational risks. The duration of the COVID-19 pandemic is difficult to predict at this time, as are the extent and efficacy of economic interventions by governments and central banks. IBRD, as Trustee, continues to monitor the developments and to manage the risks associated with the operation of the Trust Fund consistent with consistent with the terms of the contribution agreements/arrangements. The full extent to which COVID-19 may impact the Trust Fund's financial position or results of operations cannot be determined at this time.

Management has evaluated subsequent events through May 29, 2020, the date the Special Purpose Financial Statements were issued. There were no other subsequent events that required adjustment.