



Clean Technology Fund – Parallel Fund (CTF PF)

Financial Report

Prepared by the Trustee

As of December 31, 2024



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Introduction

The Climate Investment Funds (CIF) were established in 2008 and comprise of the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF). CTF provides resources to scale up low-carbon technologies with a significant potential for long-term greenhouse gas emissions savings. The World Bank, as Trustee, has established and administers the CIFs. Subsequently, the CTF Parallel Fund (CTF PF) was established in March 2022 to receive new loan contributions to CTF. Both the CTF Trust Fund and the CTF PF are for the achievement of the same CTF objectives and governed by the same CTF Trust Fund Committee (TFC).

This report exclusively concerns the CTF PF Trust Fund, while the trustee report for the CTF is issued separately.

This report provides the financial status update for the CTF PF. The CTF PF funds are disbursed through the Multilateral Development Banks (MDBs) to support effective and flexible implementation of country-led programs and investments. The MDBs are the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IADB), the International Bank for Reconstruction and Development (IBRD)/International Development Association (IDA) (the World Bank), and the International Finance Corporation (IFC).

This report is produced by the Trustee based on financial information as of December 31, 2024.

This report provides (i) a snapshot of the financial status of the CTF PF as of December 31, 2024; (ii) highlights of activities between April 1, 2024, and December 31, 2024; (iii) the status of pledges and contributions, and (iv) the details of financial activities of the CTF PF.



CTF PF Financial Summary as of December 31, 2024¹

Pledges and Contributions:

As of December 31, 2024, two contributors United States and Canada pledged USDeq. 2.58 billion to CTF PF, in the form of loan contributions. Of this amount, the Trustee has received USDeq. 1.07 billion. USDeq. 1.51 billion represents Pledges/Contributions receivable from donors.

Investment Income and Other Resources:

Since inception through December 31, 2024, CTF PF earned investment income of USD 78.83 million on the undisbursed cash balances of the CTF PF.

Trustee Commitments:

The Trustee makes commitments based on the funding approvals of the CTF Trust Fund Committee. Commitments for Programs/Projects in CTF PF are made in the form of non-grant financial instruments. As per contribution agreements, 6% of contribution receipts are set aside for MPIS fee and administrative expenses. Cumulative net commitments made by the Trustee for Projects/Programs, MPIS fee and administrative expenses amounted to USD 288.75 million. Of the total amount approved, USD 273.00 million was for Programs/Projects, USD 12.15 million was for administrative expenses and USD 3.60 for MPIS fee.

Cash Transfers:

Cash transfers are made to MDBs on a need basis to meet their projected disbursement requirements. Of the commitment totaling USD 288.75 million, the Trustee has transferred USD 21.31 million. As a result, USD. 267.44 million remains payable to MDBs as of December 31, 2024. Cash transfers related to interest payments to loan contributors amounted to USD 11.18 million and principal repayments have not yet begun.

Funds Held in Trust:

Funds Held in Trust (FHIT) reflect financial activities related to Loan contribution payments, accrued investment income, cash transfers, and repayment of loan contribution at the end of reporting period. Funds Held in Trust as of December 31, 2024, amounted to USDeq. 1.11 billion.

Funding Availability for Project Commitments:

The FHIT totaling USDeq. 1.11 billion includes the set-aside from loan contributions for MPIS fee and administrative expenses and the funding available for project/program commitments is net of this set-aside. For CTF PF, investment income earned on the undisbursed cash balances cannot be used for project, MDB fee or Administrative expenses and is a part of loan contributors resources. USD 263.60 million commitments for Projects/Programs are pending transfer to MDBs and considering the above factors the funds available for project/program commitment is USD 730.52 million.

Individual Loan Contributors' resources:

Individual Loan Contributor's Loan Resources means the portion of funds available in the CTF PF that may be used for making repayments to Loan Contributors in the form of interest and principal. Individual Contributor's Loan Resources include Individual Loan Contributor's Loan Reflows, Individual Loan Contributor's Return of Other Funds, Individual Loan Contributor's attributed Investment Income and Individual Loan Contributor's Unallocated Contribution. As of December 31, 2024 total Loan Contributors Loan Resources amounted to USD 798.17 million.

¹ Figures may not add up due to rounding.



CTF PARALLEL FUND- RESOURCES AVAILABLE for COMMITMENTS	
<i>Inception through December 31, 2024 (USDeq. millions)</i>	<i>As of December 31, 2024</i>
	Total
Cumulative Funding Received	
Loan Contributions	a/ 1,067.57
Cumulative Funding Received	1,067.57
Set Aside for ADMIN AND MPIS FEE	
6% of contribution - CTFPF Admin and MPIS fee set aside	b/ (64.05)
Funds Available for Project Commitment (A)	1,003.52
Cumulative Project/Program Commitments	
Projects/Programs	273.00
Cancellations	
Projects/Programs	-
Net Cumulative Project / Program Commitments (B)	273.00
Unrestricted Funding Available for Projects/Programs commitments (A-B)	730.52
Potential Future Resources	
Contribution Receivable and Pledges	a/ 1,509.31
Total Potential Future Resources	1,509.31
Anticipated Commitments for Projects/Programs and Fees - From CIF AU	
Pipeline Project Commitments	633.00
Potential Available Resources for Projects/Programs	1,516.27
Funds Available for Admin/ MPIS fee Commitments	
CTFPF Admin and MPIS set aside (C)	b/ 64.05
Cumulative Admin budget/ MPIS fee Commitments	
Admin budget	12.65
MPIS fee	3.60
Cancellations	
Admin budget	(0.50)
MPIS fee	-
Net Cumulative Admn budget/MPIS fee Commitments (D)	15.75
Unrestricted Funding Available for Admin budget/MPIS fee (C-D)	48.30
Potential Funding Available for Admin budget/MPIS (6% of Contribution Receivable)	90.56
Pipeline Admin budget/MPIS commitments - From CIF AU	4.90
Potential Available Resources Admin budget/MPIS	133.96

a/ Refer CTF,CTFPF pledge file for details on Contributions and pledges

b/ As per the contribution agreement for CTFPF, 6% of contribution receipts are set aside for administrative and MPIS cost of the program. Available resources for Project/Program is calculated after setting aside 6% of Potential contributions towards MPIS and Admin commitments

Loan contributor Resources	
<i>Inception through December 31, 2024 (USDeq. millions)</i>	<i>As of December 31, 2024</i>
Unrestricted Funding Available for Projects/Programs commitments	730.52
Investment income	78.83
Reflows	-
Cumulative Contributor Resources	809.34
Principal Repayments	-
Interest Payments	11.18
Total Debt Service Payments to Loan Contributors	11.18
Loan contributors loan resources	798.17



1. Pledges and Contributions -Summary – As of December 31,2024

In USD millions

CLEAN TECHNOLOGY FUND - PARALLEL FUND								
Table 1: Pledges and Contributions								
As of December 31, 2024								
(in millions)								
			in Contribution Currency			in USD eq. a/		
Contributor	Contribution Type	Currency	Contribution Receivable	Cash Receipts	Total Contributions	Contribution Receivable	Cash Receipts	Total Contributions
Canada	Loan	CAD	-	1,000	1,000	-	753	753
United States	Loan	USD	1,509	314	1,823	1,509	314	1,823
						-		
						1,509	1,068	2,577

a/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of December 31, 2024

Note: Totals may not add up due to rounding

- The above table shows the summary of pledges outstanding, contributions finalized and Receipts.
- As of December 31, 2024, all pledges were converted into Contribution and Loan Agreements/Arrangements.



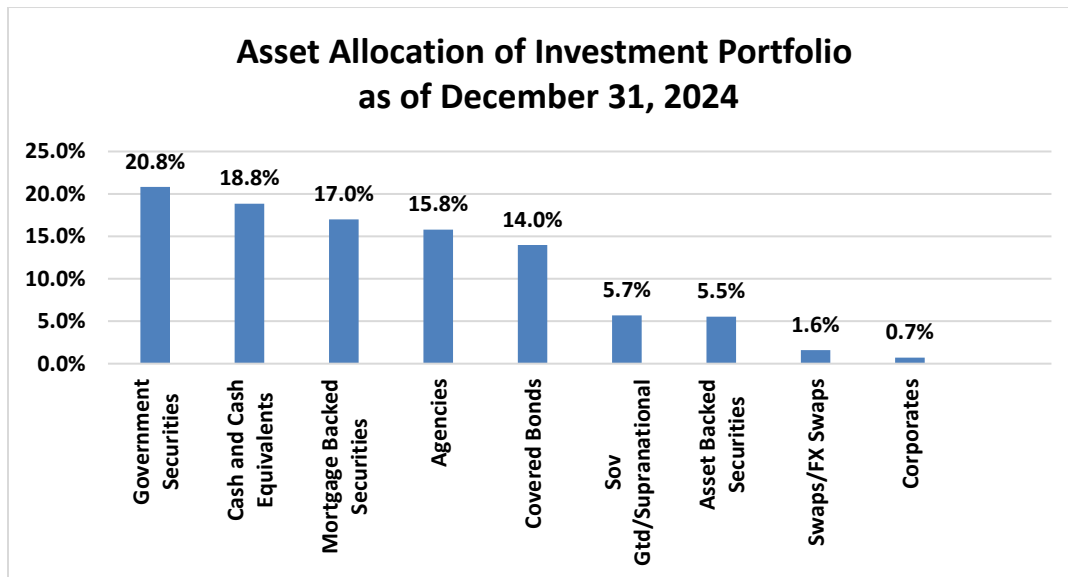
2. Asset Mix and Investment Income and ESG Summary Report

The undisbursed cash balance of the CTF PF is maintained in a commingled investment portfolio (“Pool”) for all trust funds managed by IBRD. The Pool is managed actively and conservatively with capital preservation as the over-arching objective.

ASSET MIX

CTF PF Trust Fund assets are invested across three of the World Bank Trust Fund’s investment model portfolios, that are predominantly fixed income: “Model Portfolio 0” for short-term working capital needs, “Model Portfolio 1” with an investment horizon of one year, and “Model Portfolio 2” with a broader investment universe and an investment horizon of three years. The investment objectives for the CTF PF Trust Fund are to optimize investment returns subject to preserving capital and maintaining adequate liquidity to meet foreseeable cash flow needs, within a conservative risk management framework². Although actual future returns will depend on market conditions, the Trust Fund Investment Pool is actively monitored and adjusted to preserve development partner funds over the investment horizons. Over shorter periods, however, market volatility may result in negative actual or ‘mark-to-market’³ returns. Overall, the CTF PF Trust Fund cumulative returns have been driven by its investment in longer-term model portfolios, which may be exposed to higher volatility in returns over shorter periods but are expected to have higher returns over longer periods.

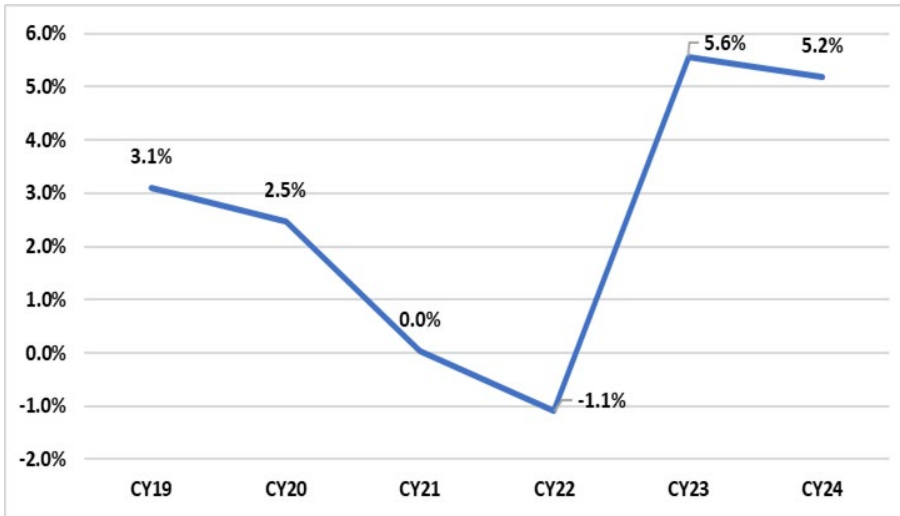
As of December 31, 2024, the portfolio allocation by asset class has largest allocations to Government securities, money market instruments, mortgage-backed securities (MBS), agencies and covered bonds.



INVESTMENT RETURNS

² World Bank defines the market risk measures and tolerances for Model Portfolios of 1-year or less investment horizon as 99% CVaR be no worse than -0.25%; and for Model Portfolios of longer than 1-year but less or equal to 5-year investment horizon as 99% CVaR be no worse than -1%.

³ Mark-to-market gains or losses represent unrealized gains or losses resulting from changes in the value of securities in the portfolio which have not yet been sold.



Investment portfolio has generated USDeq 44.66 million returns for CY2024 until December 31, 2024. This performance was bolstered by a rally in short-duration U.S. Treasuries and a tightening of credit spreads. In 2024, financial markets experienced significant volatility as expectations surrounding growth, inflation, and election outcomes influenced market behavior. From a macro perspective, U.S. economic growth remained above its long-term trend, with consumer spending and labor markets

proving to be more resilient than anticipated. Signs of declining inflation in the U.S. led the Federal Reserve to begin normalizing monetary policy through a series of interest rate cuts. As a result, the Fed Funds rate was lowered from an upper bound of 5.5% to 4.5%. Expectations for lower rates contributed to the yield on 2-year Treasuries dropping from a high of 5.04% to a low of 3.54%. The combination of lower interest rates, strong corporate earnings, and optimism surrounding artificial intelligence also contributed to an improvement in credit spreads and equity markets. In the last quarter of the year, a decisive electoral victory for President Trump and the Republican Party energized risk markets, fueled by expectations of a business-friendly environment and deregulation. Concurrently, inflation expectations rose, resulting in a bear-steepening of the U.S. Treasury yield curve.

ESG SUMMARY REPORT – CLEAN TECHNOLOGY FUND INVESTMENT PORTFOLIO

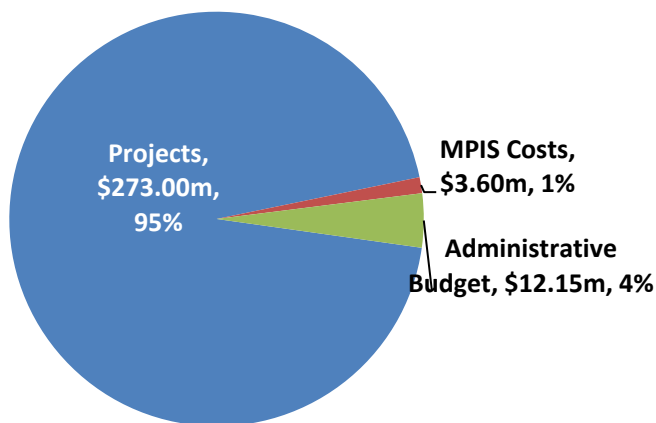
Starting from July 2019, the Trustee has applied ESG Integration as the default SRI approach for all portfolios managed by the World Bank, including for the Clean Technology Fund assets. Considering and incorporating ESG factors into investment processes should, all things being equal, lead to portfolios that have stronger ESG profiles compared to portfolios that do not explicitly consider these ESG issues. ESG Integration has become part of the existing investment processes and is intended to help fulfil the existing investment objectives. The CTF PF investment portfolio is primarily comprised of short-to-medium term high - grade fixed - income securities (sovereign, supranational and agency securities, and bank deposits), and as of December 2024, the portfolio has an ESG Quality Score^[1] of 6.59 and an ESG Rating⁵ of A. Based on its ESG positioning in the MSCI ESG Fund Ratings Universe (upper right of Figure 1), which is deemed to be the more consistent reference indicator, CTF PF's investment portfolio falls in the second quartile of the ratings universe. This reflects average capability of CTF PF portfolio's holdings in terms of managing its exposures to material ESG risks and opportunities arising from Environmental, Social and Governance factors, as well as its strong resilience to long-term financially relevant ESG risks



Figure 1: MSCI ESG Portfolio Summary – CTF PF as of December 31, 2024. (Published Quarterly)



3. Cumulative Net Commitments by Activity



Since inception to December 31, 2024, the net commitments made by the Trustee based on the funding approvals of TFC totaled USD 288.75 million of which projects was USD 273.00 million (95%), USD 3.60 million (1%) towards MPIS costs and USD 12.15 million (4%) towards administrative budgets for the CIF Administrative Unit, Trustee and the MDBs.



4. Funds Held in Trust with No Restrictions and Commitments Pending Cash Transfer

In USDeq. millions

CLEAN TECHNOLOGY FUND - Parallel Fund				
Table 5: Schedule of Receipts and Cash Transfers				
Updated as of December 31, 2024 a/				
	As of December 31, 2024		As of March 31, 2024	Change
	(a)		(b)	(c) = (a) - (b)
1. Cumulative Receipts	1,146.40		847.58	298.82
a. Cash receipts	1,067.57		804.70	262.87
b. Investment income earned on undisbursed balance	78.83		42.88	35.95
2. Cumulative Cash Transfers	21.31		7.28	14.03
a. Projects	9.40		-	9.40
b. MPIS Costs	-		-	-
c. Administrative Budget	11.91		7.28	4.63
3. Debt service payments to Loan Contributors	11.18		5.38	5.80
4. Funds held in Trust (4 = 1 - 2 - 3)	1,113.91		834.92	278.99
5. Set Aside - 6% of Contribution for Admin Expense and MPIS	64.05		48.28	
6. Trustee Commitments pending cash transfer	267.44		100.47	166.97
a. Projects	263.60		100.00	163.60
b. MPIS Costs	3.60		-	3.60
c. Administrative Budget	0.24		0.47	(0.23)
7. Funds available to support Trustee Commitments	778.82		696.95	81.87
a. Admin Expense and MPIS (7a = 5 - 2b&c - 6b&c)	48.30		40.53	7.77
b. Funds available to support Project/Program (7b = 1a - 2a - 5 - 6a)	730.52		656.42	74.10
a/ Valued on the basis of exchange rates of December 31, 2024				
b/ As per CTFPF Loan contribution agreements 6% of contribution is set aside for MPIS and Administrative Budget costs				
<u>Note:</u> Totals may not add up due to rounding				

Highlights for the period April 1, 2024, through December 31, 2024⁴:

- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers and amounted to USDeq. 1.11 billion as of December 31, 2024. Funds Held in Trust increased by USDeq. 278.99 million since April 1, 2024, primarily due to:
 - Cash receipts from Canada for CAD 200 million and United States for USD 124 million
 - and increase in investment income by USD 35.95 million
- **Trustee Commitments Pending Cash Transfer** amounted to USDeq. 267.44 million as of December 31, 2024. Trustee Commitments pending Cash Transfer increased by USD 166.97 million since April 1, 2024 due to increase in new commitments of USD 181.19 million partially offset by an increase of USD 14.03 million in cash transfers.
- **Funds available to support Trustee commitments** amounted to USDeq 778.82 million, representing an increase of USDeq. 81.87 million.

⁴ Figures may not add up due to rounding.