CLIMATE INVESTMENT FUNDS

Meeting of the CTF Trust Fund Committee

Washington D.C. (Hybrid)

Thursday, June 23, 2022

CTF RESULTS REPORT (SUMMARY)

WHERE DO WE STAND?

2022 CTF Results Report

Total CTF investments of

have mobilized co-financing of

resulting in

in cumulative GHG reductions, and

of renewable energy installed capacity

in annual energy savings

additional passengers per day using low-carbon public transit

51 projects resulted in 28.9 MtCO2 in GHG emissions reductions in the latest reporting year, and CTF's 123 projects are expected to achieve **1.6 billion tons CO2** equivalent over the lifetime of the portfolio. Equivalent to taking more than **318 million cars off the road for one year.**

Total CIF investments of $5 billion have mobilized a **cumulative total of $24.2 billion in co-financing,** almost equivalent to the GDP of El Salvador.

In RY2022, CTF projects successful leverage **$978 million in co-financing** from a variety of sources.

CTF-funded projects have installed renewable energy capacity almost **equivalent to the generation capacity of Bangladesh.**

1. Introduction

1. The Clean Technology Fund (CTF) of the Climate Investment Funds (CIF) provides scaled-up financing to contribute to the demonstration, deployment, and transfer of low-carbon technologies with a significant potential for long-term greenhouse gas emissions (GHG) reductions. It provides concessional financing, channeled through six partner multilateral development banks (MDBs), to large-scale, country-led projects and programs in renewable energy, energy efficiency, and sustainable transport. CTF supports countries and regions through strategic investment plans, including 15 country investment plans, one regional program in the Middle East and North Africa (MENA), and four phases of the Dedicated Private Sector Programs (DPSP), including the Global Energy Storage Program (GESP).

2. This CTF Results Report is based on 123 MDB-approved projects/programs[1] subject to reporting for the 2022 reporting year[2] (RY2022) and is divided into four main sections: a global overview of the results across the five core indicators, results progression, co-benefits reporting, and lessons learned from completed projects. The World Bank has the largest share of CTF funding at 42 percent of the total funding allocation,[3] followed by Asian Development Bank (ADB) at 19 percent, Inter-American Development Bank Group (IDB Group) at 12 percent, the African Development Bank (AfDB) at 11 percent, the European Bank for Reconstruction and Development (EBRD) at 10 percent, and the International Finance Corporation (IFC) at 6 percent.

3. *Global Energy Storage Program:* Following the approval in 2020 of the Global Energy Storage Program (GESP) as part of the DPSP IV in the CTF portfolio, the first set of projects were approved in 2021 (see Table 1).[4] These projects' indicators and financing are counted in the aggregate targets and results; however, given that this is the first year of reporting for the GESP portfolio, there are still no achieved results. Moving forward, there will be a separate, dedicated section that analyzses GESP results, including in-depth, GESP-specific results once more data become available.

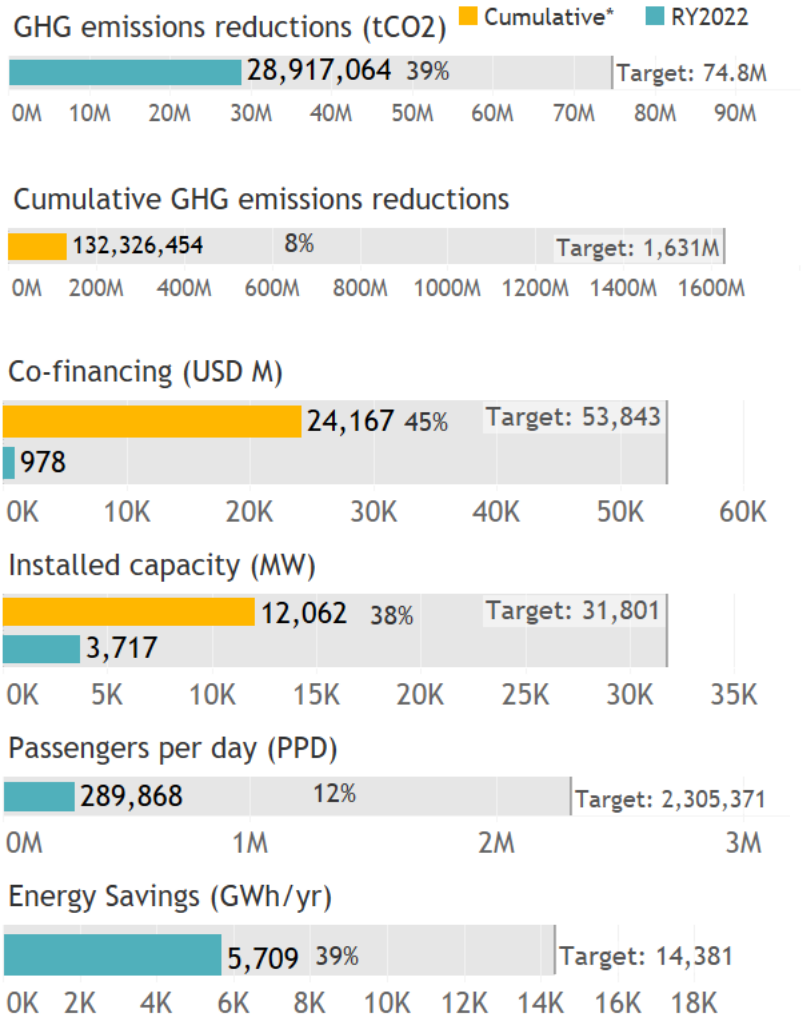
[1] Included in these 123 projects/programs are those that have reached completion and are no longer being actively monitored for results by the MDBs. For completed projects, results for GHG emissions reductions, passengers per day, and energy savings continue to accrue unless otherwise indicated.

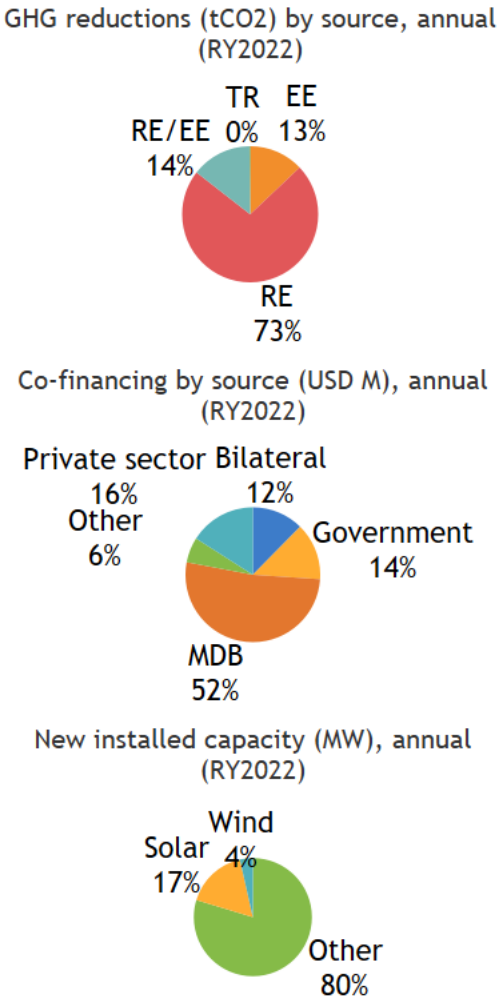
[2] Reporting year: Depending on the MDB, the reporting year "RY2022" covers the period from January 1, 2021 to December 31, 2021 (African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank Group, International Finance Corporation and the World Bank). Due to the adjustment in CIF's reporting schedule, IFC results for annual GHG emissions reductions and annual energy savings are based of those reported from RY2021 (results from 2020), as they are the latest results available and will be used as proxies, given that IFC's results are only released in July. Adjustments will be made ex-post once IFC actual results are reported.

[3] These percentages differ from those listed in the CTF Semi-Annual Operational Report (SAR) as the set of projects represented by the two reports differs: the CTF Results Report is based on MDB-approved projects subject to reporting results while the portfolio analysis in the SAR is based on Trust Fund Committee-approved projects.

[4] Seven GESP projects were approved in RY2022.

Figure 1: Summary of CTF results, RY2022





2. Key Results

2.1 GHG Emissions Reductions

4. In RY2022, 52 of the 122 projects reported achieved results on annual GHG emissions reductions, totaling 28.9 $MtCO_2$[5], equivalent to taking 5.5 million cars off the road[6]. Cumulatively, GHG emissions reductions total 132 $MtCO_2$. The majority of cumulative emissions reductions can be attributed to projects in ECA and Asia (36 percent each).

2.2 Co-Financing

5. In RY2022, 36 of the 111 projects[7] reported a total of USD 978 million in co-financing. This brings achieved cumulative co-financing to almost USD 24.2 billion, an amount almost equal to the GDP of El Salvador, with 36 percent provided by MDBs, 18 percent by governments and the private sector, 16 percent by other/mixed sources,[8] and 12 percent by bilateral institutions. It marks an increase of five percent from USD 23.1 billion achieved in RY2021.

2.3 Installed Capacity

6. In RY2022, 16 projects reported the largest year-on-year increase ever, achieving an annual installed capacity of 3,717 MW or a 44 percent increase, bringing the cumulative installed capacity up to 12.1 GW—more than the total installed capacity of Bangladesh.[9] Of the 71 CTF projects with an installed capacity target, 41 have reported achieved results for this indicator.

2.4 Energy Savings

7. Of the 34 projects that have a target for energy savings, 17 have reported achieved results for this indicator.[10] Annual energy savings for CTF-financed projects in RY2022 totaled 5,709 GWh, almost the amount

[5] Throughout this report, $MtCO_2$ refers to million tons of CO_2.
[6] Source: US EPA Greenhouse Gas Equivalencies Calculator https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator
[7] 111 MDB-approved CTF projects have a target on co-financing
[8] Other sources include, for example, the European Investment Bank and the EU Neighborhood Investment Facility.
[9] https://www.cia.gov/the-world-factbook/field/electricity-installed-generating-capacity/country-comparison
[10] One project is from IFC which reported results in RY2021, in which their numbers are used as a proxy for RY2022 due to the adjustment in reporting cycle from November to June.

of the annual electricity produced in Moldova.[11] These reported energy savings were primarily in ECA (73 percent), where the majority of energy efficiency projects are located.

2.5 Passengers per Day

8. Besides the three transport projects that were completed in RY2020, no other transport projects reported additional results in RY2021. The other transport projects in Vietnam and Philippines have extended their closing date by a couple years due to delays ranging from operational issues to the ongoing COVID-19 pandemic.

3. Summary of completed projects

9. Amongst the subset of 19 completed CTF projects, GHG emissions reductions results exceeded its annual target level by 103 percent. For co-financing, completed projects have successfully leveraged 9.1 times the CTF funding, achieving USD 10.4 billion of a target USD 13.1 billion (80 percent of the target). Installed capacity exceeded its target by 101 percent. Annual energy savings are at 82 percent of target levels, and passengers per day is 45 percent of target levels.

4. Co-benefits and development impacts

10. In 2019, CIF launched a dedicated learning workstream to understand and quantify the social and economic development impacts of climate investments (SEDICI). This workstream is aimed at increasing the knowledge base on development impacts of climate finance, strengthening the investment case for climate programs, and giving decision makers improved ways of analyzing climate investments for both climate and other development outcomes.

11. CIF's flagship research program SEDICI included the use of economic modelling to quantify jobs and onward economic effects of the portfolio. This research used the Joint Impact Model (JIM), to model each CIF programs impacts as relate to employment (indirect, induced, and additional-RE generation enabled jobs) and economic value-added (direct, indirect, induced, and additional RE enabled). Based on the successes of this engagement, CIF is now a member of the Development Committee of the Joint Impact Model, alongside FMO, Stewart Redqueen, FinDev Canada, Proparco, AfDB, CDC, BIO, KfW, JP Morgen, OeEB, PIDG. Within this role, CIF acts to inform the development of the model and the multiple workstreams being implemented to refine and increase the accuracy of the model's outputs.

12. Re-running of the JIM model for the CTF portfolio as of December 2021 (excluding technical assistance grants), yields that CTF projects contribute to a total of 5,196,520 [1] person-years of employment. This includes 1,344,704 person-years of direct employment, a new metric produced by the model. It also includes 1,451,898 person-years of induced employment (of

[11] https://www.cia.gov/library/publications/the-world-factbook/rankorder/2232rank.html

[1] One person-year (or job-year) of employment is a unit that stands for one person employed full-time for one year, or two people for half a year, etc. It is often used in manufacturing, installation, and construction employment that may be temporary in nature, though it may also be used for permanent employment.

which, 26% is formal, and 74% is informal); and 1,796,478 person-years of supply chain jobs (of which, 33% is formal, and 67% is informal). Additional economic activity generated by the power produced by CTF projects will contribute to an additional 603,439 person years of employment. The portfolio is also expected to generate economic value added of USD 46.9 billion, including USD 22.0 billion in direct value added, USD 20.4 million in supply chain value added, and USD 4.5 billion of value-added via the additional energy generated.

13. Model fine-tuning: As part of its role on the Development Committee of the JIM, CIF has just developed and is currently leading a workstream to enhance the model's treatment of differentiated and distributive impacts. The workstream will assess and execute model improvements or additions relating to: enhanced granularity of economic activity tagging for energy investments, for estimating direct, indirect and induced employment and EVA effects; an enhanced evidence base for the estimation of forward effect effects of energy generation (or energy enabling impacts); and enhanced distributive impact calculations, including disaggregation by nature of the jobs created (formal/informal or skilled/unskilled), disaggregation of employment effects and (as relevant) EVA by its distribution among demographics and economic strata. The workstream has concluded reviews within partner organisations, and is preparing for launch of the research program in the summer of 2022.

14. CTF projects contribute to a variety of the UN Sustainable Development goals ranging from deployment of clean energy to development of local industry. The figure below highlights the key SDGs that CTF projects directly contribute to.

The Climate Investment Funds

The Climate Investment Funds (CIF) were established in 2008 to mobilize resources and trigger investments for low carbon, climate resilient development in select middle and low income countries. To date, 14 contributor countries have pledged funds to CIF that have been channeled for mitigation and adaptation interventions at an unprecedented scale in 72 recipient countries. The CIF is the largest active climate finance mechanism in the world.

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