



SCF RISK REPORT

Friday, June 24, 2022

Agenda

- 1. Introduction & Key Risk Descriptions**
- 2. FIP Risk Review**
- 3. PPCR Risk Review**
- 4. SREP Risk Review**

Key Risks



Update on the Impacts of COVID-19

COVID-19 PANDEMIC



IMPACT ON COUNTRIES

Lockdowns and Travel Restrictions

Supply Chain Disruptions

Impacts on Recipient Countries' Economies and Healthcare Systems

Financial Uncertainty

ANTICIPATED IMPACT ON CTF

Implementation Risk

- Project Cycle Delays: Design and implementation
- Workers Unable to Reach Project Sites
- Supplies/Equipment Delivery Delays
- Project Restructurings, Curtailments & Cancellations

Financial Risk

- Public sector recipients re-calibrating budgetary priorities away from CIF projects to focus on the pandemic
- Financial uncertainty leading to private investors postponing involvement in CIF projects

COVID-19 Pandemic - Recipient Country Vaccination Rates

Region	Africa	Americas	Asia	Europe	SIDS
CIF Countries with at least 40% full vaccination rates	Lesotho Rwanda Tunisia	Argentina Brazil Bolivia Colombia Ecuador Honduras Mexico Nicaragua Paraguay Peru	Bangladesh Bhutan Cambodia India Indonesia Jordan Nepal Philippines Tajikistan Thailand	Kazakhstan Türkiye	Dominica Dominican Republic Kiribati Maldives Samoa Tonga
CIF Countries with full vaccination rates but less than 40%	CAR Cote d'Ivoire Ethiopia Kenya Liberia Madagascar Mozambique Sierra Leone Uganda Zambia Burkina Faso DRC Malawi Mali Niger Tanzania	Guatemala	Kyrgyz Republic Yemen	Armenia	Grenada Guinea Bissau Jamaica St Lucia St Vincent & the Gren Solomon Islands Vanuatu Haiti Papua New Guinea

SCF Implementation Risk

Flagging Criteria

CRITERIA 1

- The project has been **effective for 36 months**; and
- Project has disbursed **less than 20 percent** of approved funds.

CRITERIA 2

- The project is within **15 months** of the anticipated date of **final disbursement**; and
- Project has disbursed **less than 50 percent** of approved funds.

CRITERIA 3

- The anticipated date of **final disbursement** for the project **has been extended**; and
- **less than 50 percent** of approved funds have been disbursed.

FRAUD, FORCED LABOR, AND SEXUAL EXPLOITATION & ABUSE

- No allegations or incidents of fraud, forced labor or sexual exploitation and abuse associated with a SCF project were reported during the reporting period.
- The CIFAU's Gender Team, is developing more proactive approaches to get a better understanding of potential child and forced labor (CFL) and SEAH risks that could be linked to CIF's portfolio.
- The Team also plans to map MDB's current policies and approaches on those issues, and identify potential additional innovative measures that could be piloted.



FIP RISK REVIEW

FIP Implementation Risk summary

Program-level risk



FIP IMPLEMENTATION RISK: CRITERIA 1

Country	Program / Project Title	MDB	Funding Amount (\$M)	Cumulative Disb. as of Dec 31, 2021 (\$M)	Disbursement Ratio	Committee Approval Date	Effectiveness Date	Months Since Effectiveness Date	Anticipated Date of Final Disbursement	MDB Co-Financing (\$M)
Brazil	Environmental Regularization of Rural Lands in the Cerrado of Brazil	IBRD	24.5	3.8	15%	6/13/2014	3/16/2016	71	12/31/2019	0
Peru	Forest Investment Program Peru	IDB Group	36.3	2.7	8%	12/6/2017	9/19/2018	40	7/8/2024	0

FIP IMPLEMENTATION RISK: CRITERIA 2

Country	Program / Project Title	MDB	Funding Amount (\$M)	Cumulative Disb. as of Dec 31, 2021 (\$M)	Disbursement Ratio	Committee Approval Date	Effectiveness Date	Initial Anticipated Date of Final Disbursement	Months Before Anticipated Date of Final Disbursement	MDB Co-Financing (\$M)
Burkina Faso	Climate change mitigation and poverty reduction through the development of the cashew sector in Burkina Faso (Wouol project)	AFDB	4.0	1.7	43%	2/16/2017	8/23/2017	12/28/2022	12	1.4

FIP IMPLEMENTATION RISK: CRITERIA 3

Country	Program / Project Title	MDB	Funding Amount (\$M)	Cumulative Disb. as of Dec 31, 2021 (\$M)	Disbursement Ratio	Committee Approval Date	Effectiveness Date	Months Since Effectiveness Date	Initial Anticipated Date of Final Disbursement	Extended Anticipated Date of Final Disbursement
Brazil	Environmental Regularization of Rural Lands in the Cerrado of Brazil	IBRD	24.5	3.8	15%	6/13/2014	3/16/2016	71	12/31/2019	12/31/2022
Mexico	DGM for Indigenous Peoples and Local Communities	IBRD	6.0	2.9	48%	5/22/2017	12/21/2017	49	8/1/2022	8/1/2023

FIP CURRENCY RISK SUMMARY

RISK EXPOSURE

Amount
Received

£223 M

Amount
Unencashed

£37.7 M

Realized
Currency
Gain/(Loss)

(\$24.0 M)

Unrealized
Currency
Gain/(loss)

(\$10.1 M)

RISK ASSESSMENT

Likelihood

Possible

Severity

Moderate

Risk Score

Medium

FIP RESOURCE AVAILABILITY RISK SUMMARY

RISK EXPOSURE



RISK ASSESSMENT



CREDIT RISK

Committed Loan Portfolio Credit Risk Exposure (as of 3/31/2022)

Sector	Portfolio Risk Rating	Total Committed Loans (MM USD equivalent)	Estimated Probability of Default (PD)	Estimated Loss Given Default (LGD)	Expected Loss Rate	Expected Losses (MM USD equivalent)	Total Loan Originated Principal in Default (MM USD equivalent)	# of Loans Experiencing Payment Default	Loan Principal in Default vs. Total Loan Amount Originated
Public	BB-	156.7	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0%
Private	CCC	12.8	63.5%	61.6%	39.1%	5.0	0.0	0.0	0.0%
Portfolio		169.5	4.8%	61.6%	3.0%	5.0	0.0	0.0	0.0%

WHAT DO THE NUMBERS SAY?

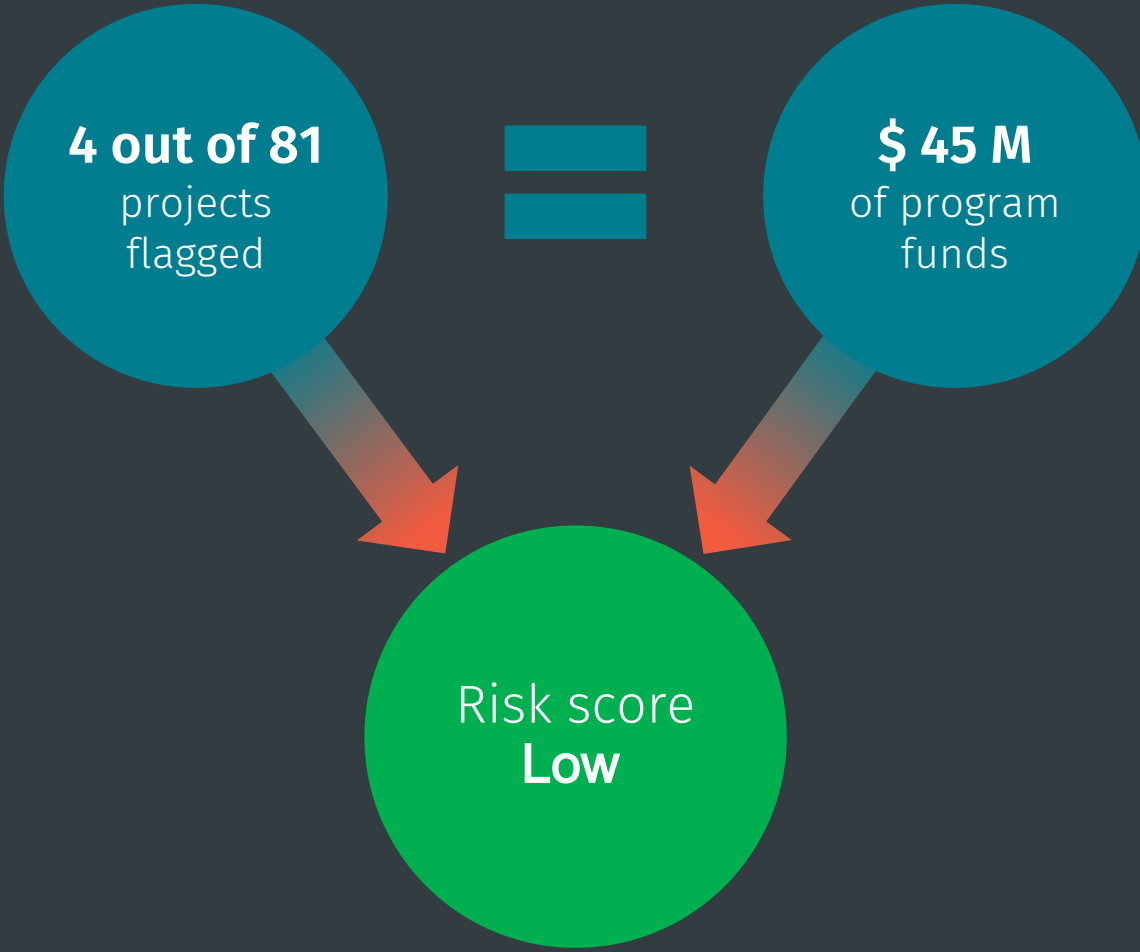
- Expected losses associated with FIP's private sector loan portfolios total USD 5 million.
- The credit risk associated with the program is therefore **Low**.



PPCR RISK REVIEW

PPCR Implementation Risk summary

Program-level risk



PPCR IMPLEMENTATION RISK: CRITERIA 1

- No projects were flagged under this Criteria.

PPCR IMPLEMENTATION RISK: CRITERIA 2

Country	Program / Project Title	MDB	Funding Amount (\$M)	Cumulative Disb. as of Dec 31, 2021 (\$M)	Disbursement Ratio	Committee Approval Date	Effectiveness Date	Months Before Anticipated Date of Final Disbursement	MDB Co-Financing
Pacific Region	Pacific Resilience Program (PREP)	IBRD	5.8	2.1	36%	5/11/2015	11/1/2015	-7	3.7
Papua New Guinea	Building Resilience to Climate Change in Papua New Guinea Project / Additional Financing to Building Resilience to Climate Change in Papua New Guinea	ADB	24.3	9.8	40%	7/10/2015	3/1/2016	4	0.0
Papua New Guinea	Climate Proofing Alotau Provincial Wharf, Additional Financing to Building Resilience to Climate Change in Papua New Guinea (BRCC)	ADB	5.0	0.1	2%	9/27/2017	12/18/2018	4	0.0

PPCR IMPLEMENTATION RISK: CRITERIA 3

Country	Project Title	MDB	Funding Amount (\$M)	Cumulative Disb. as of Dec 31, 2021 (\$M)	Disbursement Ratio	Committee Approval Date	Effectiveness Date	Months After Effectiveness Date	Initial Anticipated Date of Final Disbursement	Extended Anticipated Date of Final Disbursement	MDB Co-Financing (\$M)
Cambodia	Flood-resilient Infrastructure Development in Pursat and Kampong Chhnang Towns as part of the Integrated Urban Environmental Management in the Tonle Sap Basin Project	ADB	10.0	4.0	40%	10/23/2014	3/2/2016	71	12/31/2019	4/30/2023	37.0

CREDIT RISK

Committed Loan Portfolio Credit Risk Exposure (as of 3/31/2022)									
Sector	Portfolio Risk Rating	Total Committed Loans (MM USD equivalent)	Estimated Probability of Default (PD)	Estimated Loss Given Default (LGD)	Expected Loss Rate	Expected Losses (\$M equivalent)	Total Loan Originated Principal in Default (\$M equivalent)	# of Loans Experiencing Payment Default	Loan Principal in Default vs. Total Loan Amount Originated
Public	B-	295.2	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0%
Private	CCC	44.9	36.4%	45.4%	16.5%	7.4	0.0	0.0	0.0%
Portfolio		340.1	4.8%	45.4%	2.2%	7.4	0.0	0.0	0.0%

WHAT DO THE NUMBERS SAY?

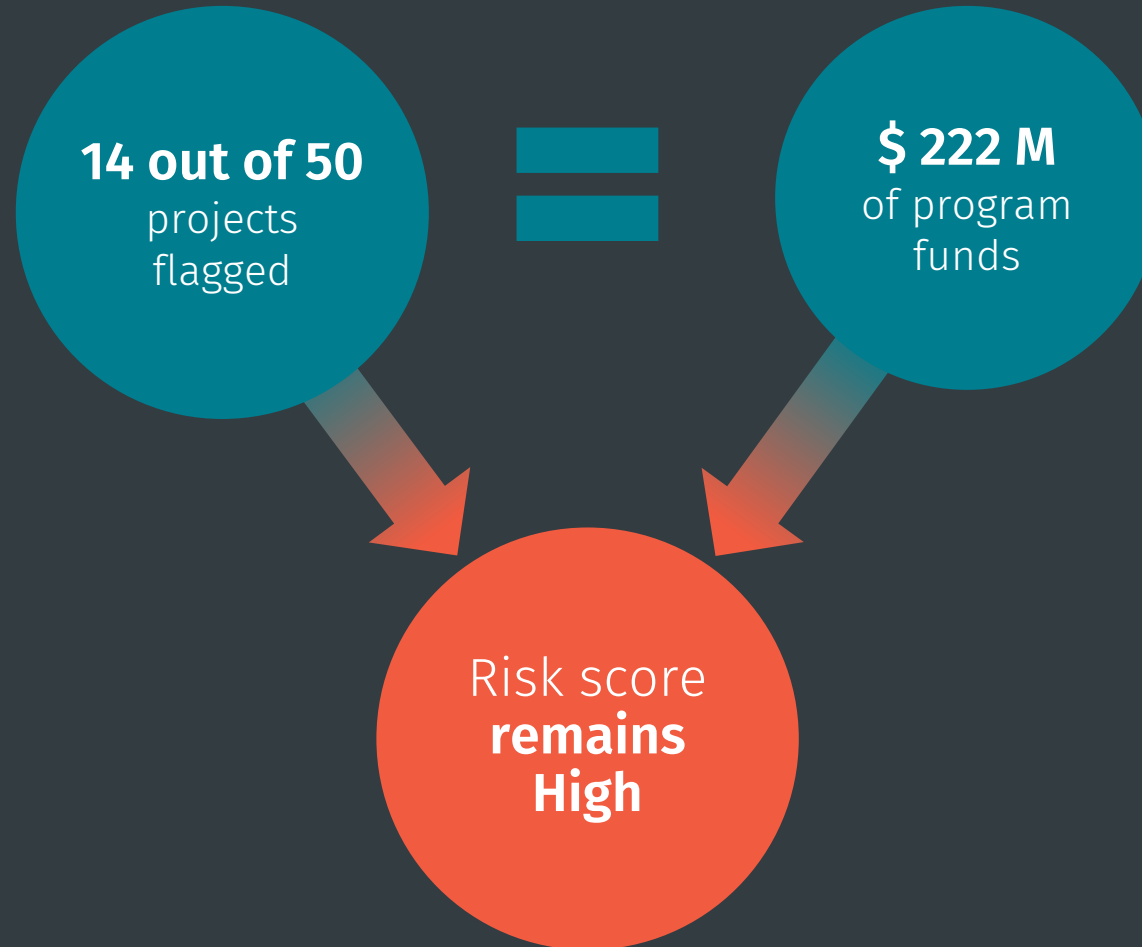
- Expected losses associated with PPCR's private sector loan portfolios total USD 7.4 million.
- The credit risk associated with the program is **Low**.



SREP RISK REVIEW

SREP Implementation Risk summary

Program-level risk



SREP IMPLEMENTATION RISK: CRITERIA 1

Country	Project Title	MDB	Funding Amount (\$M)	Cumulative Disb. as of Dec 31, 2021 (\$M)	Disbursement Ratio	Committee Approval Date	Effectiveness Date	Months Since Effectiveness Date	MDB Co-Financing (\$M)
Kenya	Electricity Modernization Project	IBRD	7.5	0.7	9%	1/30/2015	9/17/2015	77	0.0
Nicaragua	Nicaragua Geothermal Exploration and Transmission Improvement Program under the PINIC	IDB Group	7.5	0.8	11%	8/2/2016	12/15/2016	61	51.4
Solomon Islands	Electricity Access and Renewable Expansion Project - 2	IBRD	7.1	0.3	4%	3/14/2018	10/23/2018	39	10.3
Vanuatu	Rural Electrification Project	IBRD	6.8	0.6	9%	2/24/2017	8/21/2017	53	0.0
Haiti	Renewable Energy and Access for All	IBRD	13.6	1.2	8%	6/5/2017	7/23/2018	42	20.0
Mongolia	Upscaling Rural Renewable Energy - Solar PV	IBRD	12.4	2.0	16%	2/14/2017	12/15/2017	49	12.0

SREP IMPLEMENTATION RISK: CRITERIA 2

Country	Project Title	MDB	Funding Amount (\$M)	Cumulative Disb. as of Dec 31, 2021 (\$M)	Disbursement Ratio	Committee Approval Date	Effectiveness Date	Anticipated Date of Final Disbursement	Months Before Anticipated Date of Final Disbursement	MDB Co-financing
Ethiopia	Geothermal Sector Development Project (GSDP)	IBRD	24.5	6.1	25%	4/16/14	8/5/2014	10/1/2020	-15	179.0
Bangladesh	Off-Grid Solar PV-Solar Irrigation	ADB	22.4	1.4	6%	7/25/17	2/18/2019	6/30/2021	-6	20.0
Nicaragua	Nicaragua Geothermal Exploration and Transmission Improvement Program under the PINIC	IDB Group	7.5	0.8	11%	8/2/16	12/15/2016	3/15/2022	2	51.4
Nepal	South Asia Sub-regional Economic Cooperation Power System Expansion Project: Rural Electrification Through Renewable Energy	ADB	31.2	7.9	25%	5/12/14	1/15/2015	6/30/2022	6	5
Tanzania	Renewable Energy for Rural Electrification	IBRD	9.0	2.3	25%	4/14/16	3/17/2017	11/1/2022	10	35
Vanuatu	Rural Electrification Project	IBRD	6.8	0.6	9%	2/24/17	8/21/2017	10/1/2022	9	0
Mongolia	Upscaling Rural Renewable Energy - Solar PV	IBRD	12.4	2.0	16%	2/14/17	12/15/2017	1/1/2023	12	12.0
Bangladesh	Scaling Up Renewable Energy	IBRD	29.3	0.5	2%	8/25/17	12/8/2019	1/1/2023	12	156.0

SREP IMPLEMENTATION RISK: CRITERIA 3

Country	Project Title	MDB	Funding Amount (\$M)	Cumulative Disb. as of Dec 31, 2021 (\$M)	Disbursement Ratio	Committee Approval Date	Effectiveness Date	Initial Anticipated Date of Final Disbursement	Extended Anticipated Date of Final Disbursement	MDB Co-financing (\$M)
Kenya	Electricity Modernization Project	IBRD	7.5	0.7	9%	1/30/2015	9/17/2015	10/1/2020	12/31/2022	0.0
Maldives	Accelerating Sustainable Private Investments in Renewable Energy (ASPIRE) Program	IBRD	11.7	2.8	24%	4/10/2014	8/31/2014	4/1/2020	1/15/2023	16.0
Liberia	Renewable Energy for Electrification in North and Center Liberia Project-Mini Grids	IBRD	25.0	11.2	45%	12/07/2015	5/18/2016	10/1/2021	6/30/2024	2.0
Bangladesh	Off-Grid Solar PV-Solar Irrigation	ADB	22.4	1.4	6%	7/25/17	2/18/2019	6/30/2021	6/30/2023	20.0
Mongolia	Upscaling Renewable Energy Sector	ADB	14.6	0.9	6%	4/13/2018	2/12/2019	12/31/2022	2/29/2024	40.0
Cambodia	National Solar Parks Program	ADB	14.0	1.4	10%	4/13/2018	9/18/2019	6/30/2022	6/30/2023	7.6

SREP CURRENCY RISK SUMMARY

RISK EXPOSURE



RISK ASSESSMENT



Likely



Moderate



High

SREP RESOURCE AVAILABILITY RISK SUMMARY

SEALED PIPELINE ONLY

RISK EXPOSURE



RISK ASSESSMENT



SREP RESOURCE AVAILABILITY RISK SUMMARY

SEALED & RESERVED PIPELINE

RISK EXPOSURE



RISK ASSESSMENT

Likelihood

Unlikely

Severity

Minimal

Risk Score

Low

CREDIT RISK

Committed Loan Portfolio Credit Risk Exposure (as of 3/31/2022)									
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Public	B+	85.3	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0%
Private	CCC	43.4	58.9%	58.7%	34.6%	15.0	0.0	0.0	0.0%
Portfolio	CCC	128.7	19.9%	58.7%	11.7%	15.0	0.0	0.0	0.0%

WHAT DO THE NUMBERS SAY?

- Expected losses associated with SREP's private sector loan portfolios total USD 15 million.
- The credit risk associated with the program is therefore **Medium**.

Questions?

CIF



CLIMATE INVESTMENT FUNDS

Investing in the future

