

Amendment No. 1 to the Contribution Arrangement between the Government of Canada, represented by the Minister for International Development, acting through the Department of Foreign Affairs, Trade and Development and the International Bank for Reconstruction and Development concerning the trust fund for the Clean Technology Fund (MTO No. 069011)

1. Reference is made to the Contribution Arrangement between the Government of Canada, represented by the Minister for International Development, acting through the Department of Foreign Affairs, Trade and Development (the “Contributor”) and the International Bank for Reconstruction and Development (the “Bank”) as trustee (the “Trustee”) of the trust fund for the Clean Technology Fund (MTO No. 069011) (the “Trust Fund”) effective as of March 31, 2022 (“Contribution Arrangement”).

2. The Trustee and the Contributor mutually decide to amend the Contribution Arrangement as follows:

(a) Annex 1 will be deleted in its entirety and replaced with the new Annex 1 as set out in the Attachment to this Amendment.

3. All other terms of the Contribution Arrangement will remain the same.

4. The Trustee may disclose this Amendment and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Amendment, the Contributor consents to disclosure of this Amendment and related information on this Trust Fund.

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5. Each of the participants represents, by confirming its acceptance below, that it is authorized to enter into this Amendment and act in accordance with its provisions. The participants are each requested to sign and date this Amendment, and upon possession by the Trustee of this fully signed Amendment and respective amendments signed by all other contributors to the Trust Fund, this Amendment will come into effect as of the date of the last signature.

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
as Trustee of the trust fund for the Clean Technology Fund**

By: Maitreyi B Das
Name: Maitreyi B Das
Title: Director, Trust Funds & Partner Relations
Date: 06-Nov-2024

**GOVERNMENT OF CANADA, REPRESENTED BY THE MINISTER FOR INTERNATIONAL
DEVELOPMENT, ACTING THROUGH THE DEPARTMENT OF FOREIGN AFFAIRS,
TRADE AND DEVELOPMENT**

By: Andrew Hurst
Name: Andrew Hurst
Title: Executive Director, Climate Finance
Date: 06-Nov-2024

SCHEDULE 1
STANDARD PROVISIONS APPLICABLE TO THE CLEAN TECHNOLOGY FUND

The following provisions (the "**CTF Standard Provisions**") shall be applicable to and form an integral part of all Contribution Agreements entered into between the Trustee (acting not personally or in its individual capacity but solely in its capacity as trustee of the Trust Fund) and Contributors.

1. Definitions

1.1 Capitalized terms hereinafter appearing in the CTF Standard Provisions, but not otherwise defined, shall have the same meaning as that ascribed to them in the CTF Governance Framework, and the terms set forth below shall have the following meanings:

"**Administrative Costs**" means administrative and other costs incurred by any of the Trustee, the CIF Secretariat, the CCMM Issuer, the Treasury Manager and the MDBs, in connection with the performance of their administrative services and other activities in support of the CTF, but excluding any costs which are separately covered by any project/program fees provided by the CTF.

"**Applicable Loan Contribution**" means any Loan Contribution provided by an Applicable Loan Contributor.

"**Applicable Loan Contributor**" means any Loan Contributor which has agreed with the Trustee that payments made on the Loan relating to its Loan Contribution shall be made solely from the Liquidity Reserve Account.

"**Articles of Agreement**" means the Articles of Agreement for the IBRD, as in force from time to time.

"**Capital Contribution**" means a capital contribution provided to the Trust Fund by any Contributor.

"**CCMM Documentation**" means the documentation entered into by the CCMM Issuer from time to time in connection with the issue of CCMM Notes and identified or designated as such by the Treasury Manager pursuant to the CTF Funding Strategy.

"**CCMM Issuer**" means the special purpose entity established for the purpose of issuing CCMM Notes from time to time.

"**CCMM Note Proceeds**" means the proceeds of the issue of any CCMM Notes from time to time.

"**CCMM Noteholders**" means the holders of the CCMM Notes.

"**CCMM Notes**" means any debt securities issued by the CCMM Issuer, the issue of which has been approved in accordance with the CTF Funding Strategy.

"**CIF**" means the Climate Investment Funds established by the World Bank, in consultation with the MDBs, developed and developing countries, and other development partners, which include the SCF, the CTFPF and the CTF.

"**CIF Secretariat**" means the secretariat established to support the work of the CIF and to support the CTF Trust Fund Committee and other bodies of the CIF, in accordance with the terms of the CTF Governance Framework.

"**Commitment**" means any commitment of Trust Fund Resources made by the Trustee pursuant to Section 6.1.

"**Contribution**" means any Grant Contribution, Capital Contribution or Loan Contribution administered by the Trustee pursuant to the provisions of the relevant Contribution Agreement.

"**Contribution Agreement**" means any contribution agreement (including a Loan Agreement in case of the Loan) entered into between the Trustee and any Contributor in respect of the Contributor's Contribution to the Trust Fund.

"**Contributor**" means any country (including any ministry and agency thereof), or, if agreed by the CTF Trust Fund Committee and the Trustee, such other entity, that provides a Contribution to the Trust Fund.

"**Contributor's Share**" or "**Share**" means the amount of beneficiary interests in the Trust Fund Resources owned by any Contributors providing Grant Contributions or Capital Contributions and calculated pursuant to paragraphs 13.1 and 13.2 below.

"**CTF**" means the Clean Technology Fund established in accordance with, and for the purposes set forth in, the CTF Governance Framework, under the framework of the CIF.

"**CTF Financial Products**" means concessional financing instruments, such as grants and concessional loans, and risk mitigation instruments, such as guarantees and equity.

"**CTF Financing**" means any CTF Project Financing and any other funding committed and made available to MDBs out of the Trust Fund Resources pursuant to the Financial Procedures Agreements.

"**CTF Funding Strategy**" means the funding strategy for the CTF adopted by the CTF Trust Fund Committee from time to time.

"**CTF Governance Framework**" means the Governance Framework for the CTF, adopted by the CTF Trust Fund Committee at the joint meeting of the Trust Fund Committees for the SCF and the CTF on November 18, 2008, as may be amended from time to time in accordance with its terms.

"**CTF Grant**" means any grant made available by a MDB to a CTF Project Recipient using the Trust Fund Resources.

"**CTF Guarantee**" means any CTF Project Financing which takes the form of a guarantee.

"**CTF Net Income**" means, at any point in time, an amount equal to:

- (a) the sum of:
 - (i) all Investment Income;
 - (ii) the amount of interest received on all CTF Project Financing other than Higher Risk Profile Financial Products in excess of the amount of interest that would be payable by the relevant CTF Project Recipient on such CTF Project Financing if the relevant interest rate was 0.75%; and

- (iii) the amount of any guarantee fees that would be payable by CTF Project Recipients in respect of any CTF Project Financing other than Higher Risk Profile Financial Products in excess of the guarantee fees that would be payable by the relevant CTF Project Recipients if such guarantees fees were charged at a rate of 0.75%; *minus*
- (b) the aggregate amount of Administrative Costs incurred by the CTF at that time.

"CTF Obligations" means:

- (a) all amounts payable under the Non-Applicable Loan Agreements;
- (b) all amounts payable by the CCMM Issuer to CCMM Noteholders;
- (c) any obligations of the CCMM Issuer in respect of any Treasury Transactions entered into by the CCMM Issuer, including any collateral or margining obligations in connection therewith; and
- (d) any documented losses, liabilities, costs, claims, damages, expenses (including, but not limited to, legal costs and expenses reasonably incurred) incurred by any MDB or the Trustee arising out of, in connection with or based on any legal proceedings initiated against such MDB or the Trustee by any CCMM Noteholder in connection with the CCMM Notes and/or any CTF Project.

"CTF Operations Manual" means the operations manual(s) for the CTF specified by the CIF Secretariat from time to time.

"CTFPF" means the CTF Parallel Fund established as a separate parallel fund within the framework of the CIF pursuant to the decision taken by the CTF Trust Fund Committee on March 22, 2022.

"CTF Project" means a project which is financed with CTF Project Financing.

"CTF Project Commitment" means any commitment made by the Trustee in respect of any CTF Project pursuant to the terms of the Financial Procedures Agreements.

"CTF Project Financing" means CTF Financial Products approved by the CTF Trust Fund Committee and made available by a MDB to a CTF Project Recipient using the Trust Fund Resources.

"CTF Project Financing Losses" means, in respect of any CTF Project Financing, at any point in time:

- (a) the amount by which the cumulative scheduled Reflows which are contractually payable by the relevant CTF Project Recipient at that point in time exceeds the actual Reflows received by the relevant MDB from that CTF Project Recipient at that point in time; and
- (b) without double-counting any amounts referred to in paragraph (a), any amounts paid out by the guarantor under any CTF Guarantee to discharge any obligation of the relevant CTF Project Recipient,

in each case, to the extent that such amounts have not subsequently been recovered from such CTF Project Recipient.

"CTF Project Recipient" means any entity which receives CTF funding from any MDB for any CTF Project under an agreement entered into with the MDB. This includes an entity whose obligations in connection with a CTF Project are guaranteed by a CTF Guarantee.

"CTF Rules and Procedures" means the Rules of Procedure for Meetings of the Trust Fund Committee of the Clean Technology Fund, adopted November 2008, as may be amended from time to time in accordance with its terms.

"CTF Trust Fund Committee" means the trust fund committee of the CTF, established in accordance with the terms of the CTF Governance Framework.

"Final Principal Repayment Date" means, in respect of a Loan, the last scheduled Principal Repayment Date as specified in the Repayment Schedule to the relevant Loan Agreement.

"Final Transfer Date" means the later of:

- (a) the date on which there are no CCMM Notes outstanding; and
- (b) the earlier of:
 - (i) the date falling six (6) months after the last date on which any Reflow is scheduled to be returned to the Trust Fund in accordance with the terms of the relevant CTF Project Financing and the Financial Procedures Agreements, as notified by MDBs; and
 - (ii) the date falling six (6) months after the date of notice provided by the Trustee under paragraph 12.2 below to terminate its role as trustee of the Trust Fund.

"Financial Procedures Agreements" means any financial procedures agreement entered into between the Trustee and any MDB.

"Grant Contribution" means a grant contribution provided to the Trust Fund by any Contributor.

"Higher Risk Profile Financial Products" means any CTF Project Financing which takes the form of:

- (a) equity;
- (b) subordinated debt with convertible features;
- (c) mezzanine instruments with convertible features;
- (d) convertible grants and contingent recovery grants;
- (e) contingent recovery loans;
- (f) first loss guarantees (both single project and portfolio); or
- (g) any other financial products proposed under programs or projects as agreed in writing by the Contributors and the Trustee.

"IBRD" means the International Bank for Reconstruction and Development.

"Investment Income" means the aggregate amount of:

- (a) any investment income earned from the investment of Trust Fund Resources pursuant to paragraph 5.4 below; and
- (b) any investment income earned on Trust Fund Resources transferred to MDBs, to the extent that such income has been returned to the Trustee by the MDBs pursuant to the relevant Financial Procedures Agreement.

"Liquidity Reserve Account" has the meaning given to it in Clause 5.3.

"Loan" means, in respect of a Loan Contribution, the loan documented pursuant to the terms of a Loan Agreement.

"Loan Agreement" means a loan agreement entered into between the Trustee and any Contributor and which incorporate these CTF Standard Provisions.

"Loan Contribution" means a loan contribution provided to the Trust Fund by any Contributor pursuant to a Loan Agreement.

"Loan Contributor" means any Contributor which provides a Loan Contribution to the Trust Fund.

"MDBs" means the multilateral development banks named in the CTF Governance Framework.

"Net Loss Amount" has the meaning given to it in paragraph 2.4 of the Principles Regarding Contributions to the CTF.

"Net Trust Fund Resources" means, on any date the Trust Fund Resources on that date which would remain after the Trustee has made all required payments in respect of all Commitments made but not yet disbursed on or prior to that date.

"Non-Applicable Loan Contribution" means any Loan Contribution from a Non-Applicable Loan Contributor.

"Non-Applicable Loan Contributor" means any Loan Contributor which is not an Applicable Loan Contributor.

"Principal Repayment Amount" means, for each Principal Repayment Date in respect of a Loan, the amount of principal of the Loan payable on such date.

"Principal Repayment Date" means, in respect of a Loan, each date on which all or any portion of the principal amount of that Loan is payable, as specified in the Repayment Schedule.

"Principles Regarding Contributions to the CTF" means the principles set out in Appendix A (*Principles regarding Contributions to the Clean Technology Fund*) to these CTF Standard Provisions.

"Recalculation Date" means the date falling two years and one month prior to the Final Principal Repayment Date.

"Reflow" means:

- (a) any payments of principal, interest, fees or any other reflow of funds payable by any CTF Project Recipient in respect of any CTF Project Financing; and
- (b) any reflow of funds which were originally transferred to any MDB for the purpose of covering any CTF Guarantee and which were not paid out by the MDB to discharge any obligations of the relevant CTF Project Recipient under such CTF Guarantee prior to the expiry or cancellation of such CTF Guarantee,

which in either case are due to be returned to the Trust Fund pursuant to the Financial Procedures Agreements. For the avoidance of doubt, Reflow does not include any return of funds from CTF Grants or Administrative Costs, including cancelled or unused funds, or any Investment Income earned on Trust Fund Resources that were transferred to any MDB.

"Repayment Schedule" has the meaning given to it in each Loan Agreement.

"Return of Other Funds" means any funds, other than Reflows, due to be returned by the MDBs to the Trust Fund pursuant to the Financial Procedures Agreements.

"SCF" means the Strategic Climate Fund established under the framework of CIF.

"Treasury Manager" means IBRD in its capacity as treasury manager in connection with the issue of any CCMM Notes from time to time.

"Treasury Transaction" means any derivative transaction entered into by the CCMM Issuer for the purpose of hedging the CCMM Issuer's exposure to fluctuations in interest rates or currency rates.

"Trust Fund" means the trust fund for the CTF established and maintained by the Trustee in accordance with these CTF Standard Provisions, the Contribution Agreements and the CTF Governance Framework.

"Trust Fund Resources" means, on any date, the amount of cash and other resources held by the Trustee in its capacity as trustee of the Trust Fund on that date, including Reflows, Return of Other Funds, Investment Income, Contributions and CCMM Note Proceeds. For the avoidance of doubt, subject to Clause 5.3, the Trust Fund Resources shall not include amounts held in the Liquidity Reserve Account.

"Trustee" means IBRD in its capacity as trustee for the CTF.

2. **Establishment of the Trust Fund**

2.1 The Trust Fund is established to support the purpose and objectives of the CTF. The governance and operational framework applied to the CTF is set out in the CTF Governance Framework and the CTF Rules and Procedures.

2.2 The Trustee may accept:

- (a) Contributions from Contributors in accordance with these CTF Standard Provisions and the Contribution Agreement; and
- (b) the CCMM Note Proceeds in accordance with these CTF Standard Provisions and the CCMM Documentation.

3. Contributions

- 3.1 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, *provided that* the Trustee may not accept additional Applicable Loan Contributions from Contributors at any time when there are any CCMM Notes outstanding or, if no CCMM Notes are outstanding, unless the CTF Trust Fund Committee has determined that no further CCMM Notes will be issued. The Contributions shall be subject to the terms set out in these CTF Standard Provisions, including in the Principles Regarding Contributions to the CTF.
- 3.2 Grant Contributions or Capital Contributions to the Trust Fund may be made by means of payment in cash, or, with the agreement of the Trustee, by the delivery to the Trustee of promissory notes payable on demand or similar obligations in a form acceptable to the Trustee. Grant Contributions or Capital Contributions may be paid in one lump sum or in instalments on terms agreed with the Trustee.
- 3.3 The terms of payments agreed between the Trustee and the Contributor under paragraph 3.2 shall be specified in the relevant Contribution Agreement, *provided, however, that*, with the agreement of the Trustee, the Contributor may make, and the Trustee may accept, payments in cash or encashments of promissory notes or similar obligations, in a currency other than the currency of the Grant Contribution or Capital Contribution indicated in the Contribution Agreement.
- 3.4 If any Contributor provides a Loan Contribution to the Trust Fund, the Trustee shall administer the relevant Loan in accordance with the relevant Loan Agreement (including these CTF Standard Provisions). The relevant Loan Agreement shall include the principal terms of the Loan which have been agreed in writing by all Contributors. Where the relevant Contributor is a Non-Applicable Loan Contributor, principal, interest and any other payments to be made on the relevant Loan shall be made solely from the Trust Fund Resources. Where the relevant Contributor is an Applicable Loan Contributor, principal, interest and other payments to be made on the relevant Loan shall be made solely from the Liquidity Reserve Account. Neither the Trustee nor any of the other Contributors will have any personal liability with respect to the Loan.

4. Administration of the Trust Fund

- 4.1 The Trustee shall be responsible only for performing those functions specifically set forth in the Contribution Agreements and the CCMM Documentation and shall not be subject to any other duties or responsibilities to the Contributors including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in any Contribution Agreement or these CTF Standard Provisions shall be considered a waiver of any privileges or immunities of the IBRD under its Articles of Agreement or any applicable law, all of which are expressly reserved.

5. Commingling, Exchange and Investment of the Trust Fund Resources

- 5.1 The funds held in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the own funds of the IBRD. The Contributions and other Trust Fund Resources may be commingled with other trust fund assets maintained by the IBRD.
- 5.2 The funds held in the Trust Fund may be freely exchanged by the Trustee into other currencies as may facilitate their disbursement.

- 5.3 The Trustee shall establish and maintain a liquidity reserve account, as a sub-account within the Trust Fund (the "**Liquidity Reserve Account**") for the purposes of making payments to the Applicable Loan Contributors. The Trustee shall allocate amounts from the Trust Fund Resources to the Liquidity Reserve Account promptly upon effectiveness of these CTF Standard Provisions. Any amounts held within the Liquidity Reserve Account will remain on the Trust Fund's balance sheet but may only be used for the purposes of making payments to the Applicable Loan Contributors. The Trustee shall ensure that such amounts held in the Liquidity Reserve Account shall be at all times sufficient to make payments of all present and future amounts owing to the Applicable Loan Contributors. If at any time the balance of the Liquidity Reserve Account is in excess of amounts necessary to make such present and future payments to Applicable Loan Contributors, then the Trustee may transfer such excess amounts from the Liquidity Reserve Account to the account where the Trustee holds the Trust Fund Resources. For avoidance of doubt, amounts held in the Liquidity Reserve Account may be freely exchanged by the Trustee into other currencies as may facilitate the repayment of the Applicable Loan Contributions. To the extent any amounts remain in the Liquidity Reserve Account after all Applicable Loan Contributions have been repaid in accordance with the terms of the Loan Agreements, the Trustee shall transfer such amounts from the Liquidity Reserve Account to the account where the Trustee holds Trust Fund Resources for such amounts to once again form part of Trust Fund Resources.
- 5.4 The Trustee shall invest (a) the Trust Fund Resources (other than any Trust Fund Resources taking the form of promissory notes) pending their disbursement and (b) the amounts held in the Liquidity Reserve Account in accordance with the IBRD's policies and procedures for the investment of trust funds administered by the IBRD. The Trustee shall credit all income from such investment to the Trust Fund to be used for the purposes provided in these CTF Standard Provisions.
- 5.5 In respect of any Applicable Loan Contribution from an Applicable Loan Contributor, the Trustee shall make, from the Liquidity Reserve Account, principal, interest and any other payments on the relevant Loan in accordance with the terms of the relevant Loan Agreement (including these CTF Standard Provisions). For the avoidance of doubt, the Trustee shall not make any payments to an Applicable Loan Contributor from the Trust Fund Resources.
6. **Use of Trust Fund Resources**
- 6.1 Subject to paragraphs 6.3, 6.4, 6.5 and 6.6 below, the Trustee may commit, transfer and/or use the Trust Fund Resources for:
- (a) any purpose approved and in the amount allocated by the CTF Trust Fund Committee in accordance with the terms of the CTF Governance Framework and the Contribution Agreements;
 - (b) any amounts payable by the CCMM Issuer under the CCMM Documentation; and/or
 - (c) any documented losses, liabilities, costs, claims, damages, expenses (including, but not limited to, legal costs and expenses reasonably incurred) incurred by any MDB or the Trustee arising out of, in connection with or based on any legal proceedings initiated against such MDB or the Trustee by any CCMM Noteholder in connection with the CCMM Notes and/or any CTF Project,
- provided that* any such transfer and/or use of the Trust Fund Resources shall be subject to the availability of Trust Fund Resources, as determined by the Trustee.
- 6.2 In respect of any Non-Applicable Loan Contribution, subject to paragraphs 6.3, 6.4, 6.5 and 6.6 below, the Trustee shall make, from the Trust Fund Resources, principal, interest and any other payments on the relevant Loan in accordance with the terms of the relevant Loan Agreement.

- 6.3 Commitments, transfers and use of the Trust Fund Resources under paragraphs 6.1 and 6.2 above shall be subject to the terms set out in the Principles Regarding Contributions to the CTF.
- 6.4 Should there be insufficient Trust Fund Resources available at any given time to make transfers in respect of any Commitments (including payments under the Non-Applicable Loan Contributions) pursuant to paragraphs 6.1, 6.2 and 6.3 above, the Trustee shall allocate the Trust Fund Resources in the following order of priority:
- (a) *first*, to pay, *pari passu* and *pro rata* the Administrative Costs due and payable at that time;
 - (b) *secondly*, to satisfy, *pari passu* and *pro rata* any other CTF Obligations due and payable at that time; and
 - (c) *thirdly*, to transfer, *pari passu* and *pro rata* the amounts due to be transferred to the MDBs in respect of any Commitments.
- 6.5 For so long as there are insufficient Trust Fund Resources to satisfy all amounts specified in subparagraphs (a), (b) and (c) of paragraph 6.4, no amount shall be applied to satisfy any amount specified therein until all amounts ranking above such amounts have been satisfied in full, together with any default interest thereon (where applicable).
- 6.6 The Trustee shall have no liability to any party for any failure to make any payment or transfer of funds pursuant to any Commitment or any CTF Obligations or Administrative Costs as a result of the operation of paragraphs 6.4 and 6.5.
- 7. Administrative Costs**
- 7.1 Trust Fund Resources may be used to cover the Administrative Costs incurred by each of the Trustee, the CIF Secretariat, the Treasury Manager, the CCMM Issuer and the MDBs. Upon approval of any proposal by the CTF Trust Fund Committee for compensation for the Administrative Costs pursuant to the terms of the CTF Governance Framework, the Trustee may transfer to each party the respective amount of compensation approved for that party, *provided that* such amount of compensation transferred shall be subject to an end of year adjustment based on actual costs incurred.
- 7.2 In the event that the CTF Trust Fund Committee shall have decided to cease making allocations of funding prior to the Final Transfer Date and approved proposals for compensation for the Administrative Costs until the Final Transfer Date pursuant to the terms of the CTF Governance Framework, the Trustee may, upon approval of the proposal by the CTF Trust Fund Committee, transfer to each of the MDBs, the CIF Secretariat, the Treasury Manager, the CCMM Issuer and the Trustee the respective amount of compensation approved for that party, *provided that* if any funds transferred are unused by any such party after the completion of its services in support of the CTF, such party shall return the unused funds to the Trust Fund.
- 8. Procedures to Govern Transfer of Resources to the MDBs**
- 8.1 The Trustee shall, subject to paragraphs 6.1 and 6.2 above, and to the availability of Trust Fund Resources as determined by the Trustee, commit and transfer Trust Fund Resources to the MDBs in accordance with the Financial Procedures Agreements.
- 8.2 The Financial Procedures Agreements shall provide that each MDB shall be responsible for:
- (a) the use of the Trust Fund Resources transferred to it and activities carried out therewith in accordance with:

- (i) its policies and procedures (including in respect of procurement of goods and services) and reporting arrangements; and
 - (ii) the applicable decisions of the CTF Trust Fund Committee, including the purpose for which the allocations of the funds have been approved; and
 - (b) reporting to the CTF Trust Fund Committee on its activities in accordance with the terms of the CTF Governance Framework.
- 8.3 In addition, recognizing the obligations of MDB member countries under various United Nations Security Council Resolutions to take measures to prevent financing of terrorists, the Trustee will include in each Financial Procedures Agreement that the MDB will use reasonable efforts, in accordance with the MDB's policies and procedures, to ensure that the funds provided to the MDB by the Trustee are used for their intended purposes and are not diverted to terrorists or their agents.
- 8.4 In accordance with the provisions of the Financial Procedures Agreements:
- (a) the Trustee shall require, and accept from, the MDBs that have received transfers of Trust Fund Resources, periodic unaudited financial reports and other financial information, as agreed between the Trustee and the CTF Trust Fund Committee, and shall provide the same to the CTF Trust Fund Committee and each Contributor; and
 - (b) the CIF Secretariat shall require, and accept from, the MDBs that have received transfers of Trust Fund Resources, an audited financial report and other financial information, as agreed between the CIF Secretariat and the CTF Trust Fund Committee, and shall provide the same to the Trustee, the CTF Trust Fund Committee and each Contributor.
- 8.5 The Trustee shall have no responsibility for the use of Trust Fund Resources transferred to the MDBs or the activities carried out therewith, including collection of Reflows or Return of Other Funds due to any MDB from CTF Project Recipients or any other entities. Each MDB will be responsible for reporting to the CTF Trust Fund Committee on its activities carried out with Trust Fund Resources previously transferred to it pursuant to the CTF Governance Framework and the Financial Procedures Agreements.
- 9. Reflow and Return of Funds by the MDBs**
- 9.1 The Trustee shall receive, by way of transfers of funds from the MDBs pursuant to the Financial Procedures Agreements, any Reflows or Return of Other Funds, which are received or held by the MDBs and due to be returned to the Trust Fund under the terms of any CTF Project Financing. Any Reflow or Return of Other Funds received by the Trustee shall be credited to the Trust Fund and dealt with in accordance with Sections 5 (*Comingling, Exchange and Investment of the Trust Fund Resources*) and 6 (*Use of Trust Fund Resources*) of these CTF Standard Provisions.
- 10. Employment of Consultants and Procurement of Goods**
- 10.1 Procurement of goods and services by the Trustee, the Treasury Manager or the CIF Secretariat for activities financed by Trust Fund Resources shall be made in accordance with the policies and procedures of the IBRD. Procurement of goods and services for activities financed by Trust Fund Resources which have been transferred to the MDBs shall be made in accordance with the policies and procedures of the respective MDB as set out in paragraph 8.2.

11. **Accounting and Financial Reporting**

- 11.1 The Trustee shall maintain separate records and ledger accounts in respect of the Liquidity Reserve Account and the Trust Fund Resources held in the Trust Fund, and disbursements made therefrom.
- 11.2 The Trustee shall report to the CTF Trust Fund Committee annually, unless otherwise agreed between the Trustee and the CTF Trust Fund Committee, on the status of allocation of funding recorded by the Trustee, Commitments, transfers and use of Trust Fund Resources and receipts of Contributions, CCMM Note Proceeds and other amounts into the Trust Fund. Upon request by a Contributor, the Trustee shall furnish such financial information to the Contributor on a quarterly basis.
- 11.3 The Trustee shall cause a financial statement prepared by the Trustee with respect to the Trust Fund to be audited by the IBRD's external auditors annually unless otherwise agreed between the Trustee and the CTF Trust Fund Committee. The cost of any such audit, including the internal costs of the Trustee with respect such audit, shall be included in the Trustee's Administrative Costs. The Trustee shall furnish the CTF Trust Fund Committee and each Contributor with copies of such audited financial statement and auditor's report as soon as practicable.

12. **Termination**

- 12.1 In the event that the CTF Trust Fund Committee shall cease making allocations from the outstanding balance of the Trust Fund Resources pursuant to the terms of the CTF Governance Framework, the Trustee shall continue to administer the Trust Fund after the date of cessation of allocation by the CTF Trust Fund Committee until the Final Transfer Date in accordance with these CTF Standard Provisions and the provisions of the Contribution Agreements.
- 12.2 Subject to paragraph 12.3, the Trustee may terminate its role as trustee of the Trust Fund at any time after giving the CTF Trust Fund Committee six (6) months' notice in writing. Following termination, the Trustee shall carry on no business for the Trust Fund except for the purpose of winding up its affairs. The Trustee shall, in consultation with the CTF Trust Fund Committee to the extent possible, take all necessary action for winding up its affairs in an expeditious manner, and for meeting the commitments already made by the Trustee, including any outstanding liability under any Loan, and the transfer or return of the Contributors' Shares in any remaining funds, assets and receipts in the Trust Fund pursuant to paragraphs 13.5, 13.6 and 13.7 below.
- 12.3 At any time when there are any CCMM Notes outstanding or, if no CCMM Notes are outstanding, the CTF Trust Fund Committee has not determined that no further CCMM Notes will be issued, the Trustee may only terminate its role as trustee of the Trust Fund if a replacement trustee approved by each of the Contributors, the CTF Trust Fund Committee and the CCMM Issuer has been appointed on terms substantially the same as these CTF Standard Provisions and has assumed the Trustee's role in respect of each Contribution Agreement, each Financial Procedures Agreement and the CCMM Documentation.

13. **Contributor's Share**

- 13.1 Contributors providing the Grant Contributions and Capital Contributions shall have beneficiary interests in the Trust Fund Resources in the amount equal to their Contributor's Share. The Contributors Share for each Grant Contributor and Capital Contributor shall consist of:
- (a) the pro-rata share of the Net Trust Fund Resources as of the date of calculation; and

- (b) the pro-rata share of any Reflow and/or Return of Other Funds received in the Trust Fund after the date of calculation, to the extent that such funds are received from the financing allocated prior to the date of calculation;

provided, however, to the extent Contributors provide funds to the Trust Fund that are used to fund grants rather than loans or other CTF Financial Products, such Contributors will not share in Reflows, Return of Other Funds, CTF Project Financing Losses, CTF Net Income or any unused balance of funding to the extent of such grant funding.

13.2 For the purpose of paragraph 13.1 above, the pro-rata share shall be calculated based on the aggregate amount of the Contributor's Grant Contribution and/or Capital Contribution paid to the Trust Fund, relative to the aggregate amount of all Grant Contributions and Capital Contributions received in the Trust Fund (but excluding the amount of such Contributions previously withdrawn pursuant to paragraph 13.3 below), as of the date of calculation.

13.3 Subject to paragraph 13.4 below, upon three (3) months' prior written notice, any Contributor providing a Grant Contribution or Capital Contribution may withdraw, prior to the Final Transfer Date, all or part of their Contributor's Share in the Trust Fund. Following the withdrawal by the Contributor, the Trustee shall return to the Contributor the amount of the Contributor's Share withdrawn, but only as and when such Trust Fund Resources are available for that purpose.

13.4 Notwithstanding paragraph 13.3 above, a Contributor providing a Grant Contribution or Capital Contribution may not withdraw any part of its Contributor's Share unless at that time:

- (a) there are no CCMM Notes outstanding and the CTF Trust Fund Committee has determined that no further CCMM Notes will be issued; and
- (b) the Trustee has determined that at the time of such withdrawal there will remain sufficient assets available to repay all outstanding obligations under all Non-Applicable Loan Contributions.

13.5 Following the Final Transfer Date, the Trustee shall transfer or return to each Contributor providing a Grant Contribution and Capital Contribution their Contributor's Shares as and when Trust Fund Resources are available for that purpose. In respect of the Contributors providing Grant Contributions, the Trustee, on behalf of each such Contributor, will endeavour to transfer the Contributor's Share to another trust fund, which has a similar objective as the Trust Fund, as determined by the CTF Trust Fund Committee, unless a different arrangement is decided between that Contributor and the Trustee. In respect of the Contributors providing the Capital Contributions, the Trustee shall return to each Contributor its Share.

13.6 If the CTF Trust Fund Committee is unable to determine another trust fund under paragraph 13.5 within six (6) months of the Final Transfer Date, or if a transfer of funds to another trust fund determined by the CTF Trust Fund Committee is not reasonably practicable, the Trustee shall return the relevant Grant Contributors their Shares.

13.7 If the Trustee receives any Reflows or Return of Other Funds from any MDB after the Final Transfer Date, the Trustee shall transfer such funds to another trust fund referred to in paragraph 13.5 above or return to the Contributors their Shares in such funds, as applicable.

14. **Disclosure**

14.1 Each Contributor agrees that the Trustee may disclose its Contribution Agreement, the annual reports of the CTF and any other information on the Trust Fund in accordance with the IBRD's policy on disclosure of information.

15. **Capital Review**

- 15.1 The CTF Trust Fund Committee will be responsible for carrying out a review every five years of the effectiveness, efficiency, complementarity, additionality and capital adequacy of the CTF in the context of the global climate finance architecture, taking into account the performance and outcomes of CTF activities up to that point, and, if considered desirable to do so, taking any appropriate steps to support and/or enhance the operations of the CTF, which may inform decisions by individual Contributors on Contributions to the CTF.

Principles regarding Contributions to the Clean Technology Fund

1. General Principles

- 1.1 Contributors can provide funding to the Trust Fund as grants, capital contributions and concessional loans with IDA-like terms.
- 1.2 There will be no cross subsidies among the Contributors.
- 1.3 Outgoing financing from the CTF can be no more concessional than incoming Contributions.
 - (a) Grant Contributions may be used to finance grants, concessional loans and other financial products, such as guarantees.
 - (b) Capital Contributions may be used to finance concessional loans and other financial products, such as guarantees.
 - (c) Loan Contributions may be used to finance loans and other financial products, such as guarantees, on terms no more concessional than the terms of the Contributions; *provided that*, for programs and CTF Project Financing which the CTF Trust Fund Committee approved allocation of Trust Fund Resources after November 1, 2013, Loan Contributions may not be used to finance Higher Risk Profile Financial Products.
- 1.4 The CTF Trust Fund Committee is responsible for determining the terms of outgoing financing (bearing in mind principle 1.3 above and other financial management issues as determined by the Trustee), including financing and terms for the CTF Projects being undertaken in the private sector.
- 1.5 All sources of funds will be co-mingled for administrative and investment purposes.
- 1.6 Loan Contributors will provide loans to the CTF at 0.75% interest, 20 years maturity and 10 years grace on principal repayments. The CTF will make interest and principal payments to Loan Contributors in accordance with the terms of the relevant Loan Agreement. Such Loan Agreements will provide for a reduction in the principal payments in case of CTF Project Financing Losses as described in section 2 below.
- 1.7 CTF Project Financing Losses will be shared by all Contributors on the same basis, in proportion to their overall Contributions to the CTF (excluding the portion, if any, used for outgoing grants and Higher Risk Profile Financial Products) and covered from the CTF Net Income as described in section 2 below.
- 1.8 At any time when there are any CCMM Notes outstanding or, if there are no CCMM Notes outstanding, the CTF Trust Fund Committee has not determined that no further CCMM Notes will be issued, the Trustee may not accept any additional Applicable Loan Contributions from Contributors.
- 1.9 Following repayment of the Loans, the remaining Contributors will then bear the risk of future CTF Project Financing Losses in accordance with their Contributor's Share.

2. **Agreement on the CTF Net Income and CTF Project Financing Losses on Outgoing CTF Financial Products**

- 2.1 CTF Project Financing Losses will be shared by all Contributors on a pro-rata basis proportional to their overall Contributions to the CTF (excluding the portion, if any, used for grants and Higher Risk Profile Financial Products). Such losses will be covered, to the extent available, by CTF Net Income.
- 2.2 The CTF will make interest and principal payments to Loan Contributors in accordance with the terms of the Loan Agreements.
- 2.3 On the Recalculation Date, the Trustee will calculate:
- (a) each Loan Contributor's pro rata share of the cumulative amount of CTF Project Financing Losses, excluding CTF Project Financing Losses relating to Higher Risk Profile Financial Products, up to such Recalculation Date; and
 - (b) each Loan Contributor's pro rata share of cumulative CTF Net Income up to such Recalculation Date.

For the purpose of this paragraph, the pro-rata share for each Loan Contributor shall be calculated based on the amount of the Loan drawdown under the relevant Loan Agreement, relative to the aggregate amount of the Contributions by all Contributors received in the Trust Fund as a whole (but excluding any amount of Grant Contribution to the extent that such amount is used to finance grants and any amounts of Grant Contributions and Capital Contributions to the extent that such amounts are used to finance Higher Risk Profile Financial Products), as of the Recalculation Date, not taking into account any amounts withdrawn prior to the Recalculation Date pursuant to paragraph 13.3 of the CTF Standard Provisions.

- 2.4 In the event the amount referred to in paragraph 2.3(a) exceeds the amount referred to in 2.3(b), the Trustee will adjust either the Principal Repayment Amounts for the last year or the last two years on each Loan by deducting the difference between 2.3(a) and 2.3(b) from such repayments (such difference being that Loan Contributor's "**Net Loss Amount**"). Such Net Loss Amount will be applied first to the final repayment and will only be applied to the second last, third last and fourth last repayment in order of priority to the extent that the Net Loss Amount exceeds the amount of the final, second last and third last repayment (as applicable).
- 2.5 To ensure that the last two years of principal repayments to each Loan Contributor will fully cover that Loan Contributor's Net Loss Amount, the Trustee will periodically review accumulated CTF Project Financing Losses and CTF Net Income. If the Trustee determines at any time that a Loan Contributor is likely to have a Net Loss Amount at the point that is two years prior to the final maturity date of the Loans, it shall convene a meeting of the CTF Trust Fund Committee to review the situation and to agree on steps to be taken. The Trustee will propose to the CTF Trust Fund Committee all possible actions that may be taken to minimise the likelihood that such Net Loss Amount will arise.
- 2.6 In addition to the reduced Principal Repayment Amounts of the last two years calculated under this paragraph, each Loan Contributor shall be entitled to receive from the Trustee such Loan Contributor's pro rata share of any principal and interest (including default interest) payments and any other amounts received by the Trustee in respect of amounts included in the CTF Project Financing Losses (excluding CTF Project Financing Losses relating to Higher Risk Profile Financial Products) from the Recalculation Date until the date falling ten years after the Final Principal Repayment Date and the Trustee shall promptly pay such amounts to such Loan Contributor.

- 2.7 For the avoidance of doubt, in the event that a Loan Contributor's pro rata share of cumulative CTF Net Income as of the calculation date exceeds their pro rata share of the cumulative CTF Project Financing Losses (excluding CTF Project Financing Losses relating to Higher Risk Profile Financial Products) as of such date, Loan Contributors will not receive the excess amount of CTF Net Income. Instead, Loan Contributors will have received 100% of the scheduled interest and principal payments on their Loans to the CTF.