

LDCF/SCCF Council Meeting
November 12, 2009
Washington, D.C.

**STATUS REPORT ON THE SPECIAL CLIMATE CHANGE FUND AND
THE LEAST DEVELOPED COUNTRIES FUND**

(PREPARED BY THE WORLD BANK AS TRUSTEE)

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STATUS REPORT ON THE SPECIAL CLIMATE CHANGE FUND AND
THE LEAST DEVELOPED COUNTRIES FUND

1. **The Special Climate Change Fund (SCCF)** was established in November 2004 to finance activities, programs and measures relating to climate change that are complementary to those funded by resources from the GEF Trust Fund and with bilateral and multilateral funding. **The Least Developed Countries Fund for Climate Change (LDCF)** was established in November 2002 to address the needs of least developed countries whose economic and geophysical characteristics make them especially vulnerable to the impact of global warming and climate change. The GEF administers both the SCCF and LDCF and the World Bank acts as trustee for both funds.

I. SPECIAL CLIMATE CHANGE FUND (SCCF)

A. Status of Pledges and Contributions

2. As of September 30, 2009, 13 contributing participants (Canada, Denmark, Finland, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom) have pledged contributions to the SCCF. The total amount pledged to date is USDeq. 123 million. Annex 1 shows details of the status of pledges, commitments¹ and payments made to the SCCF since its inception.

3. The following key financial events impacted the SCCF between May 7, 2009 (the date of the last Trustee Report) and September 30, 2009:

- a. Administration Agreements Signed: An additional administration agreement was signed with Finland for EUR 500,000.
- b. Payments Received against Signed Administration Agreements: The Trustee received payments from Finland (EUR 500,000) and Germany (EUR 2 million). As of the date of this report, USDeq. 5 million has not been received from Italy. Full details of the status of contributions by program under the SCCF can be found in Annex 2.

B. Summary of Funding Approvals, Trustee Commitments and Cash Transfers

4. As of September 30, 2009, cumulative net funding decisions taken by the Council and the CEO amounted to USD 102.9 million, of which USD 92.2 million was for projects and project preparation activities, USD 8.8 million was for fees, and USD 1.9 million was for administrative expenses and corporate activities of the SCCF.

5. Funding approved by the Council and CEO is committed by the Trustee and transferred following established procedures for all financial transactions as agreed between the Trustee and the Agencies. Out of total funding approvals of USD 102.9 million, the

¹ Represents the amounts for which contributing participants have signed trust fund administration agreements.

Trustee has committed USD 72.4 million, of which USD 64.6 million relates to projects and project preparation activities, USD 6 million to fees, and USD 1.8 million to cover corporate activities and administrative expenses. As a result, USD 30.5 million remains to be committed by the Trustee to Agencies.

6. The Trustee transfers funds to Agencies on an as-needed basis to meet the projected disbursement requirements of the Agencies. As of September 30, 2009, out of total cumulative commitments of USD 72.4 million, the Trustee has transferred USD 21 million. As a result, USD 51.4 million remains payable to Agencies. Details of funding approvals, commitments and cash transfers can be found in Annex 3.

C. Schedule of Funds Available

7. Current assets, comprising cash and investments held in trust, total USDeq. 93.7 million (for both the Adaptation program and Transfer of Technology program). Of this amount, USD 82.3 million is set aside to cover Council approved funding pending transfer to Agencies. Consequently, net funds available for approval by the Council or the CEO amount to USDeq. 11.4 million. Details on the funds available for Council or CEO approval as of September 30, 2009 can be found in Annex 4, which shows the funding status by program.

D. Investment Income

8. The SCCF had investment returns of approximately 0.76% from April through September 2009 (USD 689,000 on an average balance of USD 91.3 million).

II. LEAST DEVELOPED COUNTRIES FUND (LDCF)

A. Status of Pledges and Contributions

9. As of September 30, 2009, 19 contributing participants (Australia, Austria, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom) have pledged contributions to the LDCF. The total amount pledged to date is USDeq. 180.8 million. Annex 5 shows the details of the status of pledges, commitments and payments made to the LDCF since inception.

10. The following key financial events impacted the LDCF between May 7, 2009 and September 30, 2009:

- a. Administration Agreements: An additional administration agreement was signed with Finland for EUR 800,000. Two new additional administration agreements are pending finalization: Spain (EUR 191,015) and New Zealand (NZD 1,400,000). As of the date of this report, there are no outstanding pledges to the LDCF.
- b. Payments Received against Signed Administration Agreements: The Trustee received payments from Finland (EUR 800,000), Germany (EUR 5 million), France (EUR 2.5 million) and United Kingdom (GBP 5 million).
- c. Additional Contribution: The Trustee received an additional contribution from Spain (EUR 191,015).

B. Summary of Funding Approvals, Trustee Commitments and Cash Transfers

11. As of September 30, 2009, cumulative net funding decisions taken by the Council and the CEO amounted to USD 122.1 million, of which USD 108.3 million was for projects and project preparation activities, USD 10.5 million was for fees, and USD 3.3 million was for administrative expenses and corporate activities of the LDCF.

12. Funding approved by the Council and the CEO is committed by the Trustee and transferred following established procedures for all financial transactions as agreed between the Trustee and the Agencies. The Trustee has committed a total approved amount of USD 47.3 million, of which USD 40.3 million relates to projects and project preparation activities, USD 4 million to fees, and USD 3 million² to cover corporate activities and administrative expenses.

13. Cash transfers are made to Agencies on an as-needed basis to meet their projected disbursement requirements. As of September 30, 2009, out of total cumulative commitments of USD 47.3 million, the Trustee has transferred USD 18.1 million. As a

² Includes \$700,000 for expenses used for the Multi-donor Trust Fund for the Secretariat for the Adaptation Fund Board which has been reimbursed to the LDCF.

result, USD 29.2 million remains payable to Agencies. Details of funding approvals, commitments and cash transfers can be found in Annex 6.

C. Schedule of Funds Available

14. Current assets held in trust total USDeq. 147 million, comprising cash and investments. Of this amount, USD 104.3 million is set aside to cover funding approved by Council and the CEO pending transfer to Agencies. Consequently, net funds available for approval by the Council or the CEO amounts to USDeq. 42.8 million. Details on the funds available for Council or CEO approval as of September 30, 2009, can be found in Annex 7.

D. Investment Income

15. The LDCF shares the same investment management as the SCCF. Its overall investment return of 0.86% for April through September 2009 comprised a 0.75% return for USD (USD 905,000 on an average balance of USD 120.7 million) and 0.11% in EUR (EUR 1,650 on an average balance of EUR 1.5 million).

E. Work in Progress

16. Financial Procedures Agreements (FPAs) between the Trustee and the Agencies: The FPAs for the SCCF and LDCF are expected to follow closely the FPAs for the GEF Trust Fund. The Trustee and Agencies are still negotiating the FPAs for the GEF Trust Fund. Once the FPAs for the GEF Trust Fund have been finalized, the Trustee anticipates that the SCCF and LDCF FPAs can be finalized promptly.

17. World Bank Client Connections Website: As part of the drive to make information readily available to donors, Agencies, the GEF Secretariat and Evaluation Office, the Trustee is in the final stages of building a platform on the World Bank's Client Connection network. This is a secure website that offers the Trustee's clients quicker access to information in real time. There are several windows for accessing data. The open platform provides access to information such as the status of replenishments, Instruments of Commitments, the daily Funding Status of the SCCF and the LDCF, a breakdown of Council approvals and the associated Trustee commitments. In addition, official documents are available, such as the Instrument for the Establishment of the Restructured Global Environment Facility.

18. Each Contributing Participant will have access to detailed information, including the donor's contribution payments, note encashment history, and projected encashment schedules where applicable. In addition, invoices for installment payments and note encashment requests are available online. The password-protected window for Agencies will provide detailed information on Trustee commitments and cash transfers to Agencies. Letters of Commitment and notifications of cash transfers will be posted online as well.

19. The Trustee's platform for the LDCF and the SCCF will be developed during FY10, in consultation with the Agencies, the Secretariat, and the Evaluation Office. Access is expected to be established by December 2011.

Annex 1

Special Climate Change Fund Status of Pledges and Contributions As of September 30, 2009

1	Total Pledges Outstanding and Contributions Finalized a/			Pledges Outstanding		Contribution Agreements Finalized				
	2	3 = 5 + 7	4 = 6 + 9 + 11	5	6	Paid (Receipts)			Unpaid	
						7 = 8 + 10	8	9	10	11
<u>Contributing Participant</u>	<u>Currency</u>	<u>Total Contribution</u>	<u>USDeq.</u>	<u>Amount</u>	<u>USDeq. b/</u>	<u>Total Contribution</u>	<u>Amount Paid in Currency</u>	<u>USDeq.</u>	<u>Amount Due in Currency</u>	<u>USDeq. b/</u>
Canada	CAD	13,500,000	12,894,703	0	0	13,500,000	13,500,000	12,894,703	0	0
Denmark	DKK	50,000,000	9,041,885	0	0	50,000,000	50,000,000	9,041,885	0	0
Finland	USD	367,592	367,592	0	0	367,592	367,592	367,592	0	0
Finland	EUR	3,070,000	4,307,593	0	0	3,070,000	3,070,000	4,307,593	0	0
Germany	EUR	20,000,000	28,460,414	0	0	20,000,000	10,400,000	14,494,340	9,600,000 c/	13,966,074
Ireland	USD	2,125,000	2,125,000	0	0	2,125,000	2,125,000	2,125,000	0	0
Italy	USD	10,000,000	10,000,000	0	0	10,000,000	5,000,000	5,000,000	5,000,000 d/	5,000,000
Netherlands	EUR	2,400,000	3,128,880	0	0	2,400,000	2,400,000	3,128,880	0	0
Norway	NOK	91,000,000	16,439,893	0	0	91,000,000	91,000,000	16,439,893	0	0
Portugal	EUR	1,070,000	1,299,099	0	0	1,070,000	1,070,000	1,299,099	0	0
Spain	EUR	5,000,000	6,861,900	0	0	5,000,000	5,000,000	6,861,900	0	0
Sweden	SEK	40,000,000	6,120,153	0	0	40,000,000	40,000,000	6,120,153	0	0
Switzerland	CHF	3,700,000	3,039,873	0	0	3,700,000	3,700,000	3,039,873	0	0
Switzerland	USD	400,000	400,000	0	0	400,000	400,000	400,000	0	0
United Kingdom	GBP	10,000,000	<u>18,603,167</u>	0	<u>0</u>	10,000,000	10,000,000	<u>18,603,167</u>	0	<u>0</u>
			123,090,153		0			104,124,079		18,966,074

a/ Pledged contributions are made towards the Program for Adaptation and for the Transfer of Technology.

b/ Valued at exchange rates available on October 1, 2009.

c/ This amount is payable in installments: EUR 2m in 07/2010, EUR 3m in 07/2011 & 07/2012 and EUR 1.6m in 07/2013

d/ This amount was due in February 2008.

Special Climate Change Fund
Status of Contributions by Program
As of September 30, 2009

Contributing Participant	Currency	Total Contribution	Contribution Agreements Finalized			
			Amount Paid in Currency	USDeq. a/	Amount Due in Currency	USDeq. b/
<u>I. Program for Adaptation</u>						
Canada	CAD	11,000,000	11,000,000	10,342,172	0	0
Denmark	DKK	40,000,000	40,000,000	7,233,508	0	0
Finland	EUR	2,720,000	2,720,000	3,886,228	0	0
Finland	USD	367,592	367,592	367,592	0	0
Germany	EUR	20,000,000	10,400,000	14,494,340	9,600,000 c/	13,966,074
Ireland	USD	1,275,000	1,275,000	1,275,000	0	0
Italy	USD	5,000,000	0	0	5,000,000 d/	5,000,000
Netherlands	EUR	2,400,000	2,400,000	3,128,880	0	0
Norway	NOK	74,500,000	74,500,000	13,438,355	0	0
Portugal	EUR	1,070,000	1,070,000	1,299,099	0	0
Spain	EUR	4,000,000	4,000,000	5,562,900	0	0
Sweden	SEK	37,000,000	37,000,000	5,690,107	0	0
Switzerland	CHF	2,350,000	2,350,000	1,951,362	0	0
Switzerland	USD	400,000	400,000	400,000	0	0
United Kingdom	GBP	10,000,000	10,000,000	18,603,167	0	0
				87,672,710		18,966,074
<u>II. Program for Technology Transfer</u>						
Canada	CAD	2,500,000	2,500,000	2,552,531	0	0
Denmark	DKK	10,000,000	10,000,000	1,808,377	0	0
Finland	EUR	350,000	350,000	421,365	0	0
Ireland	USD	850,000	850,000	850,000	0	0
Italy	USD	5,000,000	5,000,000	5,000,000	0	0
Norway	NOK	16,500,000	16,500,000	3,001,539	0	0
Spain	EUR	1,000,000	1,000,000	1,299,000	0	0
Sweden	SEK	3,000,000	3,000,000	430,046	0	0
Switzerland	CHF	1,350,000	1,350,000	1,088,512	0	0
				16,451,369		0
Total for SCCF				104,124,079		18,966,074

a/ Represents (1) the actual US dollar value of paid-in cash contributions; and (2) the September 30, 2009 value of unencashed promissory notes.

b/ Valued at exchange rates available on September 30, 2009.

c/ This amount is payable in installments: EUR 2m in 07/2010, EUR 3m in 07/2011 & 07/2012 and EUR 1.6m in 07/2013

d/ This amount was due in February 2008.

Special Climate Change Fund
Summary of Allocations, Commitments and Disbursements
As of September 30, 2009
(in USD)

<u>Entity</u>	Cumulative Net Amounts				
	Approved		Commitments	Disbursements	Amount Due
	Allocations	Shares			
	(1)		(2)	(3)	(4) = (2) - (3)
<u>Projects</u>					
IBRD	36,998,454	40%	28,269,000	10,579,000	17,690,000
ADB	2,230,200	2%	50,000	0	50,000
IFAD	4,252,000	5%	125,000	125,000	0
UNDP	39,507,336	43%	26,948,863	3,819,503	23,129,360
UNEP	<u>9,206,818</u>	<u>10%</u>	<u>9,206,818</u>	<u>1,025,000</u>	<u>8,181,818</u>
<i>Sub-total</i>	92,194,808	100%	64,599,681	15,548,503	49,051,178
<u>Fees</u>					
IBRD	3,529,045	40%	2,568,800	1,537,200	1,031,600
ADB	223,020	3%	5,000		5,000
IFAD	425,200	5%	12,500	12,500	0
UNDP	3,674,463	42%	2,540,056	2,093,420	446,636
UNEP	<u>918,182</u>	<u>10%</u>	<u>918,182</u>	<u>100,000</u>	<u>818,182</u>
<i>Sub-total</i>	8,769,910	100%	6,044,538	3,743,120	2,301,418
<u>Corporate Budget</u> a/					
Secretariat	1,170,998	59%	949,537	949,537	0
Trustee	<u>804,000</u>	<u>41%</u>	<u>804,000</u>	<u>774,000</u>	<u>30,000</u>
<i>Sub-total</i>	1,974,998	100%	1,753,537	1,723,537	30,000
Total for SCCF	102,939,716		72,397,756	21,015,160	51,382,596

a/ Includes amounts allocated to cover administrative expenses to manage the SCCF and Corporate activities, including annual audit.

Special Climate Change Fund		USDeq.
Schedule of Funds Available		
Updated as of September 30, 2009		
(in USDeq.)		
		<u>USDeq.</u>
<u>Program for Adaptation</u>		
<u>1. Funds held in Trust</u>		75,579,781
Cash and investments	75,579,781	
Promissory notes	0.0	
<u>2. Restricted Funds</u>		0
Reserve to cover foreign exchange rate fluctuations	0.0	
3. Funds held in Trust with no restrictions (3 = 1 - 2)		75,579,781
<u>4. Approved Amounts pending disbursement</u>		72,504,055
Amounts Trustee Committed	42,298,556	
Amount Council Allocated not yet CEO Endorsed	30,205,499	
Amount pending confirmation and/or Intersessional Work Programm		
5. Funds Available for Council Allocation or CEO Approval (5 = 3 - 4)		3,075,726

<u>Program for Transfer of Technology</u>		
<u>6. Funds held in Trust</u>		18,091,942
Cash and investments	18,091,942	
Promissory notes	0.0	
<u>7. Restricted Funds</u>		0.0
Reserve to cover foreign exchange rate fluctuations	0.0	
8. Funds held in Trust with no restrictions (8 = 6 - 7)		18,091,942
<u>9. Approved Amounts pending disbursement</u>		9,799,040
Amounts Trustee Committed	9,084,040.0	
Amount Council Allocated not yet CEO Endorsed	715,000.0	
Intersessional projects not yet approved.	0.0	
10. Funds Available for Council Allocation or CEO Approval (10 = 8 - 9)		8,292,902
<hr/>		
Total SCCF Funds Available for Council Allocation of CEO Approval (5 + 10)		11,368,628

Annex 5

Least Developed Countries Fund
Status of Pledges and Contributions
As of September 30, 2009

Total Pledges Outstanding and Contributions Finalized				Pledges Outstanding		Contribution Agreements Finalized				
1	2	3 = 5 + 7	4 = 6 + 9 + 11	5	6	7 = 8 + 10	Paid (Receipts)		Unpaid	
1	2	3 = 5 + 7	4 = 6 + 9 + 11	5	6	7 = 8 + 10	8	9	10	11
<u>Contributing Participant</u>	<u>Currency</u>	<u>Amount</u>	<u>USDeq. a/</u>	<u>Amount</u>	<u>USDeq. b/</u>	<u>Total Contributions</u>	<u>Amount Paid in Currency</u>	<u>USDeq. c/</u>	<u>Amount Due in Currency</u>	<u>USDeq. b/</u>
Australia	AUD	7,500,000	6,600,750	0	0	7,500,000	7,500,000	6,600,750	0	0
Austria	EUR	400,000	580,400	0	0	400,000	400,000	580,400	0	0
Canada	CAD	10,000,000	6,518,366	0	0	10,000,000	10,000,000	6,518,366	0	0
Denmark	DKK	90,400,000	15,967,606	0	0	90,400,000	90,400,000	15,967,606	0	0
Finland	EUR	6,100,000	8,322,270	0	0	6,100,000	6,100,000	8,322,270	0	0
France	EUR	10,850,000	15,270,128	0	0	10,850,000	8,350,000	11,633,130	2,500,000 d/	3,636,998
Germany	EUR	40,000,000	56,490,641	0	0	40,000,000	25,000,000	34,668,650	15,000,000 e/	21,821,991
Ireland	EUR	1,384,869	1,749,794	0	0	1,384,869	1,384,869	1,749,794	0	0
Ireland	USD	8,000,000	8,000,000	0	0	8,000,000	8,000,000	8,000,000	0	0
Italy	USD	1,000,000	1,000,000	0	0	1,000,000	1,000,000	1,000,000	0	0
Japan	USD	250,000	250,000	0	0	250,000	250,000	250,000	0	0
Luxembourg	USD	4,120,000	4,120,000	0	0	4,120,000	4,120,000	4,120,000	0	0
Luxembourg	EUR	1,000,000	1,582,900	0	0	1,000,000	1,000,000	1,582,900	0	0
Netherlands	EUR	10,200,000	14,242,602	0	0	10,200,000	10,200,000	14,242,602	0	0
Netherlands	USD	2,100,000	2,100,000	0	0	2,100,000	2,100,000	2,100,000	0	0
New Zealand	NZD	5,400,000	3,868,560	0	0	5,400,000	5,400,000	3,868,560	0	0
Norway	USD	2,000,000	2,001,658	0	0	2,000,000	2,000,000	2,001,658	0	0
Norway	NOK	28,000,000	4,673,748	0	0	28,000,000	28,000,000	4,673,748	0	0
Portugal	EUR	50,000	64,065	0	0	50,000	50,000	64,065	0	0
Spain	EUR	971,170	1,232,521	0	0	971,170	971,170	1,232,521	0	0
Sweden	SEK	7,000,000	886,747	0	0	7,000,000	7,000,000	886,747	0	0
Switzerland	CHF	3,800,000	3,272,821	0	0	3,800,000	3,800,000	3,272,821	0	0
United Kingdom	GBP	12,000,000	22,020,974	0	0	12,000,000	12,000,000	22,020,974 f/	0	0
			180,816,550		0			155,357,560		25,458,989

a/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) the October 1, 2009 value of unencashed promissory notes and amounts due.

b/ Valued at exchange rates available on September 30, 2009.

c/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) the October 1, 2009 value of unencashed promissory notes, if any.

d/ This amount is payable in June 2010.

e/ This amount is payable in three equal installments of EUR 5 million each in July 2010, July 2011 and July 2012.

f/ This contribution has been paid by way of a promissory note which will be encashed in 2009.

Least Developed Countries Fund
Summary of Allocations, Commitments and Disbursements
As of September 30, 2009
(in USD)

<u>Entity</u>	Cumulative Net Amounts				Amount Due
	Approved Allocations	Shares	Commitments	Disbursements	
	(1)		(2)	(3)	(4) = (2) - (3)
<u>Projects</u>					
AfDB	274,475	0%	274,475.00	274,475.00	0
IBRD	11,159,772	10%	832,500	400,000	432,500
FAO	2,106,818	2%	0	0	0
IFAD	6,344,800	6%	200,000	200,000	0
UNDP	77,161,164	71%	35,830,605	8,520,664	27,309,941
UNEP	11,244,555	10%	3,159,555	3,159,555	0
<i>Sub-total</i>	108,291,584	100%	40,297,135	12,554,694	27,742,441
<u>Fees</u>					
IBRD	1,104,977	11%	72,250	44,000	28,250
IFAD	634,480	6%	20,000	20,000	0
FAO	210,682	2%	0	0	0
UNDP	7,483,029	71%	3,578,484	2,196,995	1,381,489
UNEP	1,064,701	10%	341,701	341,701	0
<i>Sub-total</i>	10,497,869	100%	4,012,435	2,602,696	1,409,739
<u>Corporate Budget and Workshop a/</u>					
Secretariat	2,531,532	77%	2,217,925	2,217,925	0
Trustee	773,000	23%	773,000	773,000	0
<i>Sub-total</i>	3,304,532	100%	2,990,925	2,990,925	0
Total for LDCF	122,093,985		47,300,495	18,148,315	29,152,180

a/ Includes amounts allocated to cover administrative expenses to manage the LDCF and Corporate Activities.

Least Developed Countries Fund for Climate Change
Schedule of Funds Available
Updated as of September 30, 2009
(in USDeq.)

		<u>USDeq.</u>
<u>1. Funds held in Trust</u>		147,048,297
Cash and investments	127,872,842	
Promissory notes	19,175,455	
<u>2. Restricted Funds</u>		0
Reserve to cover foreign exchange rate fluctuations	0	
3. Funds held in Trust with no restrictions (3 = 1 - 2)		147,048,297
<u>4. Approved Amounts pending disbursement</u>		104,256,954
Amounts Trustee Committed	25,512,180	
Amount Council Allocated not yet CEO Endorsed	73,214,779	
Monthly approvals for processing	5,529,995	
5. Funds Available for Council Allocation or CEO Approval (5 = 3 - 4)		42,791,343