

18th LDCF/SCCF Council Meeting
June 04, 2015
Washington, D.C.

**STATUS REPORT FOR THE SPECIAL CLIMATE CHANGE
FUND**

(Financial Report prepared by the Trustee)



Special Climate Change Fund (SCCF)

Financial Report

Prepared by the Trustee

As of March 31, 2015



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Introduction

The information contained in this report is prepared based on financial information of the Special Climate Change Fund (SCCF) Trust Fund as of March 31, 2015.

The SCCF was established following the decision of the Conference of the Parties to the United Nations Framework Convention on Climate Change (the “UNFCCC”) at its Seventh Session (“COP 7”) in November 2001 to invite the Global Environment Facility (“GEF”) to operate such a fund (Decision 7/CP.7 of the UNFCCC). At its May 15-17, 2002 biannual meeting, the GEF Council (the “Council”) approved the arrangements proposed for the establishment of such a fund and invited IBRD to act as its Trustee (GEF/C.19/6).

Under the SCCF Trust Fund are the Program for Adaptation and Program for Technology Transfer, both of which have been established under the SCCF following the endorsement by the Council of such Programs on the basis of document GEF/C.24/12, Programming to Implement the Guidance for the Special Climate Change Fund adopted by the Conference of the Parties to the United Nations Framework Convention on Climate Change at its Ninth Session.

The report is produced by the Trustee in accordance with the Trustee’s role as set forth in the paper entitled Arrangements for the Establishment of the New Climate Change Funds (GEF/C.19/6) which states:

“[...] the World Bank would be responsible for the financial management of each fund, including: [...] (iv) the preparation of financial reports regarding the investment and use of the funds’ resources; and (v) regular reporting to the Council on the status of the funds’ resources.”

This report provides (i) a snapshot of the financial situation of the SCCF Trust Fund since its inception to March 31, 2015 and some of the recent developments from October 1, 2014 to March 31, 2015; (ii) the status of pledges and contributions, and (iii) the details of financial activities of the SCCF Trust Fund.



SCCF Trust Fund Financial Summary as of March 31, 2015

Pledges and Contributions:

As of March 31, 2015, 15 donors pledged and signed Contribution Agreements or Contribution Arrangements amounting to USDeq. 348.99 million, including USDeq. 289.2 million towards Program for Adaptation and USDeq. 59.78 million towards Program for Technology Transfer. The Trustee has received USDeq. 340.75 million in cash to date from these donors.

Investment Income:

As of March 31, 2015, the SCCF Trust Fund earned investment income of approximately USD 13.74 million on the undisbursed balance of the Trust Fund. The SCCF Trust Fund liquid portfolio has returned 0.11%¹ through the calendar year to March 31, 2015.

Funding Approvals and Trustee Commitments:

As of March 31, 2015, cumulative funding decisions by the Council and the CEO amounted to USD 334.59 million. Of the total amount approved, USD 300.42 million was for projects and project preparation activities, USD 29.06 million was for fees, and USD 5.11 million was for administrative expenses and corporate activities of the SCCF.

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 amount of USD 243.98 million, of which USD 215.03 million relates to projects and project preparation activities, USD 23.84 million to fees, and USD 5.11 million to cover corporate activities and administrative expenses.

Cash Transfers:

Cash transfers were made to Agencies on an as-needed basis to meet their projected disbursement requirements. Out of the cumulative commitments of USD 243.98 million, upon request from Agencies, the Trustee has transferred USD 158.41 million. As a result, USD 85.57 million remains payable to Agencies as of March 31, 2015.

Funds Held in Trust and Funds Available for Council and CEO Funding Decisions

Funds Held in Trust reflect financial activities related to new donor payments (cash and promissory notes), encashment of promissory notes, investment income, cash transfers, and the revaluation of the balance of promissory notes at month-end. Funds Held in Trust as of March 31, 2015 amounted to USDeq. 196.8 million.

Funds available to support Council or CEO decision amounted to USD 20.66 million as of March 31, 2015. This represents an increase of USD 4.99 million as compared to funds available as of September 30, 2014.

¹ Represents non-annualized rate of return.



1. SCCF Trust Fund Summary^{2/} – Inception through March 31, 2015

In

USD

	Total	% of Total
<u>Donor Pledges and Contributions</u>		
Contributions	348.99	100.0%
Pledges	-	-
Total Pledges and Contributions	348.99	100.0%
<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	340.75	93.9%
Investment Income earned	13.74	3.8%
Total Resources Received	354.49	97.7%
<u>Resources not yet received</u>		
Contributions not yet paid	8.24	2.3%
Pledges	-	-
Total resources not yet received	8.24	2.3%
Total Potential Resources (A)	362.73	100.0%
<u>Cumulative Funding Decisions</u>		
Projects	300.42	89.8%
Fees	29.06	8.7%
Administrative Budgets	5.11	1.5%
	334.59	100.0%
Funding decisions pending Council/CEO approval	-	-
Total Funding Decisions Net of Cancellations and Pending council decision (B)	334.59	100.0%
Total Potential Resources Net of Funding Decisions (A) - (B)	28.14	
<u>Funds Available</u>		
Funds Held in Trust	196.80	
Approved Amounts Pending Cash Transfers	176.14	
Amounts pending Council/CEO approval	-	
Total Funds Available to Support Council / CEO Decisions	20.66	

² Totals may not add up due to rounding.

millions

2. Pledges and Contributions³

In USD millions

1	Total Pledges Outstanding and Contributions Finalized a/			Pledges Outstanding		Contribution Agreements Finalized				
	2	3 = 5 +	4 = 6 +	5	6	Paid (Receipts)			Unpaid	
		7	9+11			7 = 8 + 10	8	9	10	11
Contributing Participant	Currency	Amount	USDeq. b/	Amount	USDeq. c/	Total Contributions	Amount Paid in Currency	USDeq. d/	Amount Due in Currency	USDeq. c/
Belgium	EUR	31.00	41.21	-	-	31.00	31.00	41.21	-	-
Canada	CAD	13.50	12.89	-	-	13.50	13.50	12.89	-	-
Denmark	DKK	50.00	9.04	-	-	50.00	50.00	9.04	-	-
Finland	f/ EUR	12.97	16.99	-	-	12.97	12.97	16.99	-	-
	USD	0.37	0.37	-	-	0.37	0.37	0.37	-	-
Germany	EUR	90.02	120.36	-	-	90.02	87.00	117.12	3.02 e/	3.24
Ireland	USD	2.13	2.13	-	-	2.13	2.13	2.13	-	-
Italy	USD	10.00	10.00	-	-	10.00	5.00	5.00	5.00 g/	5.00
Netherlands	EUR	2.40	3.13	-	-	2.40	2.40	3.13	-	-
Norway	NOK	198.00	34.59	-	-	198.00	198.00	34.59	-	-
Portugal	EUR	1.07	1.30	-	-	1.07	1.07	1.30	-	-
Spain	EUR	9.00	12.35	-	-	9.00	9.00	12.35	-	-
Sweden	SEK	40.00	6.12	-	-	40.00	40.00	6.12	-	-
Switzerland	f/ CHF	9.85	9.50	-	-	9.85	9.85	9.50	-	-
	USD	0.40	0.40	-	-	0.40	0.40	0.40	-	-
United Kingdom	GBP	10.00	18.60	-	-	10.00	10.00	18.60	-	-
United States	USD	50.00	50.00	-	-	50.00	50.00	50.00	-	-
			348.99					340.75		8.24

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

b/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) March 31, 2015 value of outstanding pledges and unpaid amounts.

c/ Valued at the exchange rates available on March 31, 2015

d/ Represents the actual US dollar value of paid-in cash contributions.

e/ Final installment due in FY2015.

f/ Contributions made in more than one currency.

g/ Represents past due contribution.

- The above table shows the total pledges and contributions to the SCCF. As of March 31, 2015, the Trustee had entered into Contribution Agreements with 15 donors for a total contribution of USDeq. 348.99 million and has received USDeq. 340.75 million in cash.

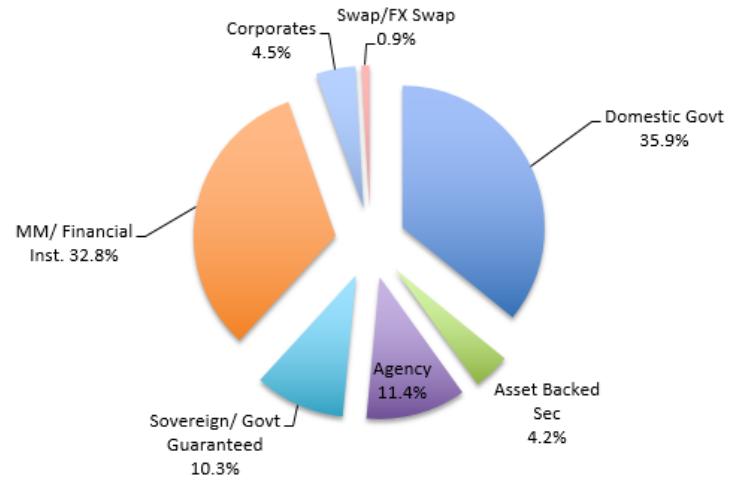
³ Totals may not add due to rounding.



3. Asset Mix and Investment Income

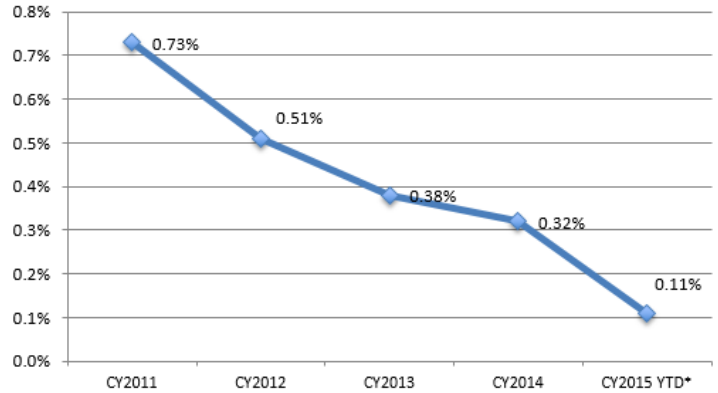
ASSET MIX

Funds held in trust by the World Bank (as the Trustee) are maintained in a commingled investment portfolio (the "Pool") for all trust funds administered by the World Bank. The assets in the Pool are managed in accordance with the investment strategy established for all trust funds administered by the World Bank. The chart reflects the asset mix of the portfolio in which SCCF funds are invested as of March 31, 2015.



INVESTMENT RETURNS

The SCCF funds are invested in accordance with the investment strategy established for all of the trust funds administered by the World Bank. Funds are invested so that the probability of incurring negative returns is no more than approximately 1% over the applicable investment horizon. The SCCF Trust Fund liquid portfolio (which totaled approximately USD 196.80 million at end-March 2015) earned approximately USD 13.74 million in investment income since inception.



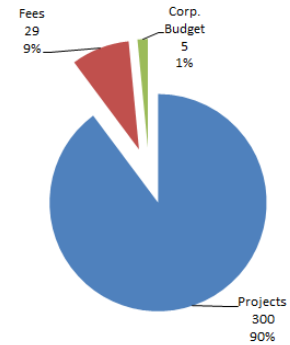
* non-annualized



4. Cumulative Funding Decisions, Trustee Commitments and Cash Transfers

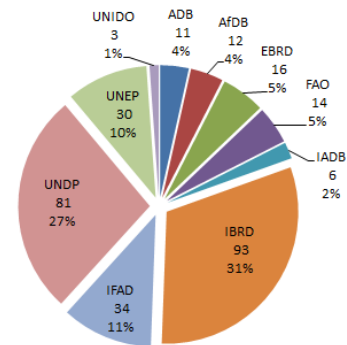
FUNDING DECISIONS BY ACTIVITY

Since inception to March 31, 2015 funding approvals made by the LDCF/SCCF Council totaled USD 334.59 million. Projects represent about 90%, fees for Agencies 9%, and corporate budgets for the Secretariat, the Trustee, STAP and Evaluation 1%.

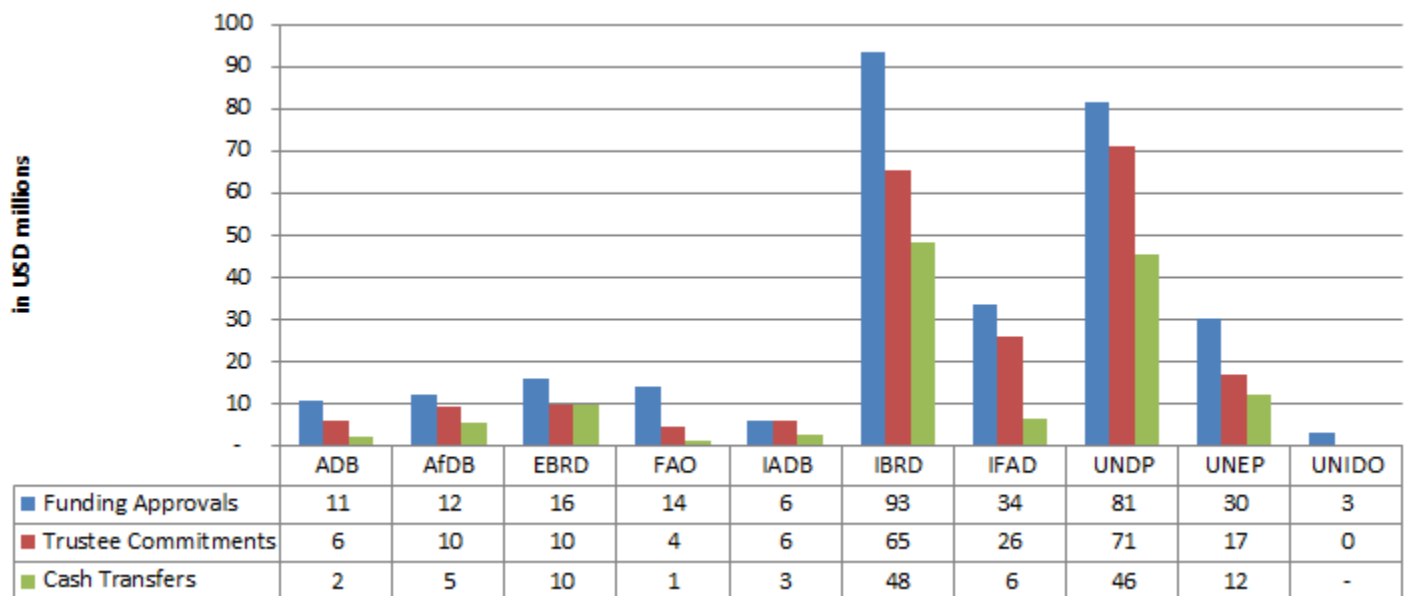


PROJECT FUNDING DECISIONS BY AGENCY

The pie chart shows the project funding decisions by Agency. Of the total USD 300.42 million of approved projects to date, 31% has been allocated to IBRD, 27% to UNDP, and 11% to IFAD.



The bar chart below shows Agency-wise breakdown of project funding decisions, commitments and transfers by Trustee. Details of funding approvals, commitments and cash transfers can be found in Annex II.



5. Funds Available⁴

In USD millions

I. Program for Adaptation	As of March 31, 2015		As of September 30, 2014		Change
	(a)		(b)		(c) = (a) - (b)
1. Funds held in Trust		159.55		168.33	(8.78)
a. Cash and investments	159.55		168.33		(8.78)
b. Unencashed promissory notes	-		-		-
2. Approved Amounts Pending Cash Transfers to Agencies		145.42		126.72	18.69
a. Trustee committed	77.26		63.24		14.02
b. Approved by Council/CEO pending Endorsement	68.15		63.48		4.67
3. Funding decisions pending for Council/CEO approval		-		31.88	(31.88)
4. Funds Available to Support Council or CEO Decisions (4 = 1 - 2 - 3)		14.13		9.72	4.41
II. Program for Technology Transfer	As of March 31, 2015		As of September 30, 2014		Change
	(a)		(a)		(c) = (a) - (b)
5. Funds held in Trust		37.26		42.18	(4.92)
a. Cash and investments	37.26		42.18		(4.92)
b. Unencashed promissory notes	-		-		-
6. Approved Amounts Pending Cash Transfers to Agencies		30.73		36.23	(5.50)
a. Trustee committed	13.01		13.22		(0.21)
b. Approved by Council/CEO pending Endorsement	17.72		23.01		(5.29)
7. Funds Available to Support Council or CEO Decisions (7 = 5 - 6)		6.53		5.95	0.58
III. Total SCCF Funds Available for Council/CEO approval and/or CEO endorsement (3 + 6)		20.66		15.67	4.99

Highlights for the period October 1, 2014 through March 31, 2015:

- **Funds Held in Trust** represent cumulative cash receipts and investment income less cumulative cash transfers, and amount to USD 196.8 million as of March 31, 2015 (including USD 159.55 million for Program for Adaptation and USD 37.26 million for Program for Technology Transfer). Funds Held in Trust decreased by USD 13.7 million primarily due to:
 - Cash transfers to Agencies amounting to USD 18.66 million.
 - Offset by contributions received during the period of October 1, 2014 to March 31, 2015 amounting to USD 4.67 million.
 - Offset by investment income received during the period of October 1, 2014 to March 31, 2015 amounting to USD 0.26 million.
- **Funding Decisions Pending Cash Transfer** arising from the LDCF/SCCF Council approvals amount to USD 176.15 million for both Programs.
- **Funding Availability** for Council decision amounts to USD 20.66 million representing an increase of USD 4.99 million over the prior reporting period as a result of donor payments received from October 1, 2014 to March 31, 2015 exceeding new funding decisions made by the LDCF/SCCF Council and the CEO during the same period.

⁴ Totals may not add up due to rounding.

Annex I - Pledges and Contributions Details by Program: Adaptation and Technology Transfer⁵

In USD millions

1	Total Pledges Outstanding and Contributions Finalized				Pledges Outstanding		Contribution Agreements Finalized				
	2	3 = 5+7	4 = 6+9+		5	6	Paid (Receipts)			Unpaid	
			11	11			7 = 8+10	8	9	10	11
Contributing Participant	Currency	Amount	USDeq. a/	Amount	USDeq. b/	Total Contributions	Amount Paid in Currency	USDeq. c/	Amount Due in Currency	USDeq. b/	
I. Program for Adaptation											
Canada	CAD	11.00	10.34	-	-	11.00	11.00	10.34	-	-	
Denmark	DKK	40.00	7.23	-	-	40.00	40.00	7.23	-	-	
Finland	e/ USD	12.62	0.37	-	-	12.62	12.62	0.37	-	-	
	EUR	0.37	16.57	-	-	0.37	0.37	16.57	-	-	
Germany	EUR	90.02	120.36	-	-	90.02	87.00	117.12	3.02 d/	3.24	
Ireland	USD	1.28	1.28	-	-	1.28	1.28	1.28	-	-	
Italy	USD	5.00	5.00	-	-	5.00	0.00	0.00	5.00 f/	5.00	
Netherlands	EUR	2.40	3.13	-	-	2.40	2.40	3.13	-	-	
Norway	NOK	181.50	31.59	-	-	181.50	181.50	31.59	-	-	
Portugal	EUR	1.07	1.30	-	-	1.07	1.07	1.30	-	-	
Spain	EUR	8.00	11.05	-	-	8.00	8.00	11.05	-	-	
Sweden	SEK	37.00	5.69	-	-	37.00	37.00	5.69	-	-	
Switzerland	e/ CHF	6.50	6.30	-	-	6.50	6.50	6.30	-	-	
	USD	0.40	0.40	-	-	0.40	0.40	0.40	-	-	
United Kingdom	GBP	10.00	18.60	-	-	10.00	10.00	18.60	-	-	
United States	USD	50.00	50.00	-	-	50.00	50.00	50.00	-	-	
			289.20					280.96		8.24	
II. Program for Technology Transfer											
Belgium	EUR	31.00	41.21	-	-	31.00	31.00	41.21	-	-	
Canada	CAD	2.50	2.55	-	-	2.50	2.50	2.55	-	-	
Denmark	DKK	10.00	1.81	-	-	10.00	10.00	1.81	-	-	
Finland	EUR	0.35	0.42	-	-	0.35	0.35	0.42	-	-	
Ireland	USD	0.85	0.85	-	-	0.85	0.85	0.85	-	-	
Italy	USD	5.00	5.00	-	-	5.00	5.00	5.00	-	-	
Norway	NOK	16.50	3.00	-	-	16.50	16.50	3.00	-	-	
Spain	EUR	1.00	1.30	-	-	1.00	1.00	1.30	-	-	
Sweden	SEK	3.00	0.43	-	-	3.00	3.00	0.43	-	-	
Switzerland	CHF	2.85	3.21	-	-	2.85	3.35	3.21	-	-	
			59.78					59.78			
TOTAL			348.99					340.75		8.24	

a/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) March 31, 2015 value of amount pending FX.

b/ Valued at the exchange rates available on March 31, 2015.

c/ Represents the actual US dollar value of paid-in cash contributions.

d/ Final installment due in FY2015.

e/ Contributions made in more than one currency.

f/ Represents past due payment.

⁵ Totals may not add up due to rounding.



Annex II - Cumulative Funding Decisions Details by Activity and Agency⁶

in USD millions

Entity	Cumulative Net Amounts			
	Approved Allocations	Commitments	Transfers	Amount Due
	(1)	(2)	(3)	(4) = (2) - (3)
Projects				
ADB	10.56	5.99	2.37	3.62
AfDB	12.08	9.51	5.48	4.03
EBRD	16.14	9.95	9.75	0.20
FAO	13.86	4.44	1.31	3.13
IADB	6.03	6.03	2.82	3.22
IBRD	93.29	65.32	48.17	17.15
IFAD	33.57	25.76	6.47	19.29
UNDP	81.46	71.16	45.67	25.49
UNEP	30.03	16.78	12.03	4.75
UNIDO	3.40	0.09	0.00	0.09
Sub-total	300.42	215.03	134.06	80.96
Fees				
ADB	1.01	0.77	0.54	0.23
AfDB	1.13	0.93	0.00	0.93
EBRD	1.58	1.23	1.21	0.02
FAO	1.34	0.80	0.39	0.41
IADB	0.60	0.60	0.60	0.00
IBRD	8.89	6.99	6.99	0.00
IFAD	3.30	2.85	0.66	2.19
UNDP	7.95	7.37	6.91	0.46
UNEP	2.92	2.17	1.99	0.18
UNIDO	0.32	0.13	0.00	0.13
Sub-total	29.06	23.84	19.30	4.55
Corporate Budget ^{a/}				
Secretariat	2.90	2.90	2.90	0.00
Evaluation	0.28	0.28	0.22	0.06
STAP	0.27	0.27	0.27	0.00
Trustee	1.66	1.66	1.66	0.00
Sub-total	5.11	5.11	5.05	0.06
Total for SCCF	334.59	243.98	158.41	85.57

^{a/} Includes amounts allocated to cover administrative expenses to manage the SCCF and Corporate activities.

⁶ Totals may not add up due to rounding.