



# Special Climate Change Fund (SCCF)

Financial Report

Prepared by the Trustee

*As of March 31, 2014*



## Table of Contents

### Table of Contents

Introduction .....	3
SCCF Trust Fund Financial Summary as of March 31, 2014 .....	4
1. SCCF Trust Fund Summary – Inception through March 31, 2014 .....	5
2. Pledges and Contributions .....	6
3. Asset Mix and Investment Income .....	7
4. Cumulative Funding Decisions, Trustee Commitments and Cash Transfers .....	8
5. Funds Available .....	9
Annex I - Pledges and Contributions Details by Program: Adaptation and Technology Transfer .....	10
Annex II - Cumulative Funding Decisions Details by Activity and Agency .....	11



## 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, 2014.

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 Trustee of it (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, 2014 and some of the recent developments from October 1, 2013 to March 31, 2014; (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, 2014

### ***Pledges and Contributions:***

As of March 31, 2014, 15 donors pledged and signed Contribution Agreements or Contribution Arrangements amounting to USDeq. 333.1 million, including USDeq. 273.9 million towards Program for Adaptation and USDeq. 59.3 million towards Program for Technology Transfer. The Trustee has received USDeq. 299.1 million in cash to date from these donors.

### ***Investment Income:***

As of March 31, 2014, the SCCF Trust Fund earned investment income of approximately USD 13.1 million on the undisbursed balance of the Trust Fund. The SCCF Trust Fund liquid portfolio has returned 0.11%<sup>1</sup> through the calendar year to date.

### ***Funding Approvals and Trustee Commitments:***

As of March 31, 2014, cumulative funding decisions by the Council and the CEO amounted to USD 303 million. Of the total amount approved, USD 272.2 million was for projects and project preparation activities, USD 26.4 million was for fees, and USD 4.4 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 181.4 million, of which USD 159.2 million relates to projects and project preparation activities, USD 17.8 million to fees, and USD 4.4 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 181.4 million, upon request from Agencies, the Trustee has transferred USD 131.3 million. As a result, USD 50.2 million remains payable to Agencies as of March 31, 2014.

### ***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, 2014 amounted to USDeq. 181.6 million.

**Funds available to support Council or CEO decision amounted to USD 10.2 million<sup>2</sup> as of March 31, 2014.** This represents a decrease of USD 9.3 million as compared to funds available as of September 30, 2013. The funding approvals by the Council and CEO between October 1, 2013 and March 31, 2014 exceeded receipt of new funds from donors during the same period.

<sup>1</sup> Represents non-annualized rate of return.

<sup>2</sup> Funds available for Council decision would be adjusted accordingly to reflect new payments received from donors and additional funding approvals between April 1, 2014 and the date of work program approval by the Council in May 2014.



## 1. SCCF Trust Fund Summary – Inception through March 31, 2014

In USD millions

	Total	% of Total
<b><u>Donor Pledges and Contributions</u></b>		
Contributions	333.11	100.0%
Pledges	-	0.0%
<b>Total Pledges and Contributions</b>	<b>333.11</b>	<b>100.0%</b>

<b><u>Cumulative Resources</u></b>		
<u>Resources received</u>		
Cash Receipts	299.11	86.4%
Investment Income earned	13.12	3.8%
<b>Total Resources Received</b>	<b>312.23</b>	<b>90.2%</b>
<u>Resources not yet received</u>		
Contributions not yet paid	34.00	9.8%
Pledges	-	0.0%
Total resources not yet received	34.00	9.8%
<b>Total Potential Resources (A)</b>	<b>346.23</b>	<b>100.0%</b>

<b><u>Cumulative Funding Decisions</u></b>		
Projects	272.15	89.8%
Fees	26.40	8.7%
Administrative Budgets	4.41	1.5%
<b>Total Funding Decisions Net of Cancellations (B)</b>	<b>302.96</b>	<b>100.0%</b>
<b>Total Potential Resources Net of Funding Decisions (A) - (B)</b>	<b>43.27</b>	

<b><u>Funds Available</u></b>		
Funds Held in Trust	181.64	
Approved Amounts Pending Cash Transfers	171.47	
<b>Total Funds Available to Support Council / CEO Decisions</b>	<b>10.17</b>	



## 2. Pledges and Contributions

In USD millions

1	Total Pledges Outstanding and Contributions Finalized			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. b/	Total Contributions	Amount Paid in Currency	Amount Due in USDeq. a/	Amount Due in Currency	USDeq. b/
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	d, EUR	10.07	13.63	-	-	10.07	10.07	13.63	-	-
	USD	0.37	0.37	-	-	0.37	0.37	0.37	-	-
Germany	EUR	90.02	121.48	-	-	90.02	69.00	92.48	21.02	c/ 29.00
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	e/ 5.00
Netherlands	EUR	2.40	3.13	-	-	2.40	2.40	3.13	-	-
Norway	NOK	183.00	32.27	-	-	183.00	183.00	32.27	-	-
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	d, CHF	8.60	8.19	-	-	8.60	8.60	8.19	-	-
	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	40.00	40.00	-	-	40.00	40.00	40.00	-	-
			<b>333.11</b>					<b>299.11</b>		<b>34.00</b>

a/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) March 31, 2014 value of amount pending FX.

b/ Valued at the exchange rates available on March 31, 2014.

c/ This amount is payable in installments in the years 2014 and 2015.

d/ Contributions made in more than one currency.

e/ Represents past due contribution.

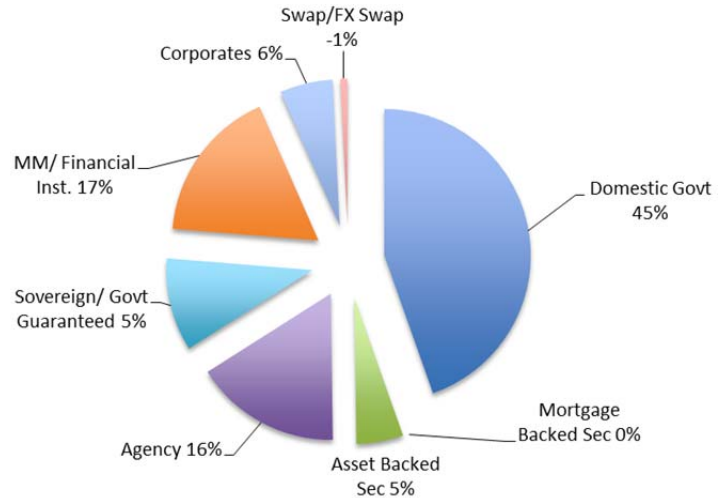
- The above table shows the total pledges and contributions to the SCCF. As of March 31, 2014, the Trustee had entered into Contribution Agreements with 15 donors for a total contribution of USDeq. 333.1 million and has received USDeq. 299.1 million in cash.



### 3. Asset Mix and Investment Income

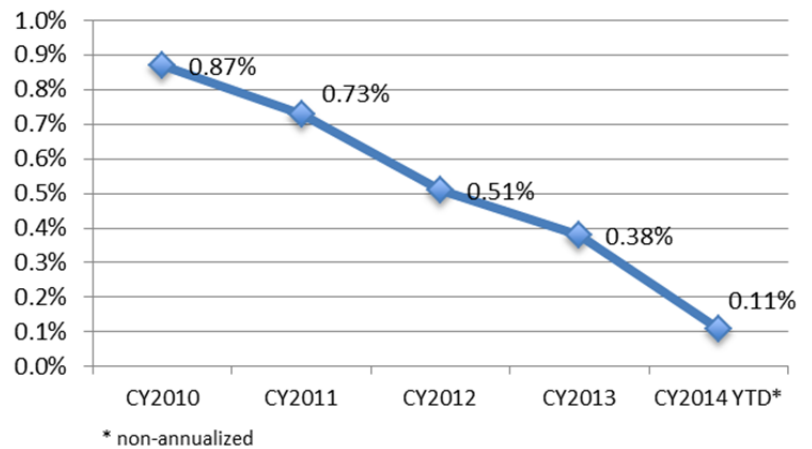
#### ASSET MIX

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, 2014.



#### 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 181.6 million at end-March 2014) earned approximately USD 13.1 million in investment income since inception.

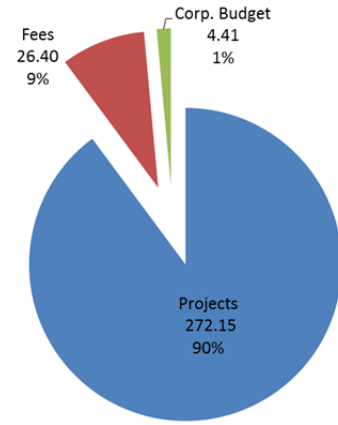




## 4. Cumulative Funding Decisions, Trustee Commitments and Cash Transfers

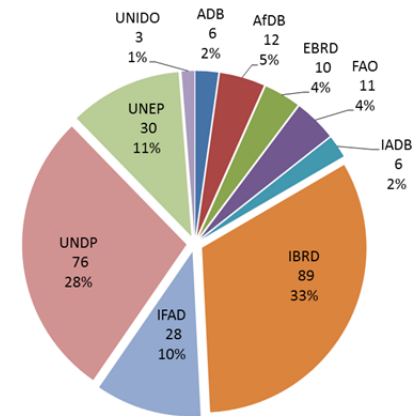
### FUNDING DECISIONS BY ACTIVITY

Since inception to March 31, 2014 funding approvals made by the LDCF/SCCF Council totaled USD 303 million. Projects represent about 90%, fees for Agencies 9%, and corporate budgets for the Secretariat, the Trustee, STAP and Evaluation 1%.

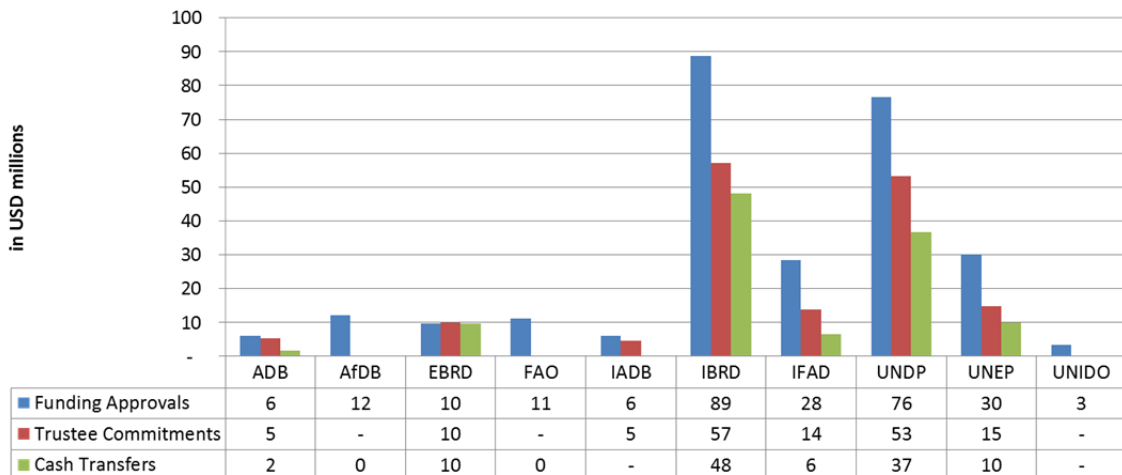


### PROJECT FUNDING DECISIONS BY AGENCY

The pie chart shows the project funding decisions by Agency. Of the total USD 272.2 million of approved projects to date, 33% has been allocated to IBRD, 28% to UNDP, and 10% 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 Available

In USD millions

I. Program for Adaptation	As of March 31, 2014	As of September 30, 2013	Change
	(a)	(b)	(c) = (a) - (b)
<b>1. Funds held in Trust</b>	<b>135.08</b>	<b>130.48</b>	<b>4.59</b>
a. Cash and investments	135.08	130.48	4.59
b. Unencashed promissory notes	-	-	-
<b>2. Approved Amounts Pending Cash Transfers to Agencies</b>	<b>127.05</b>	<b>111.64</b>	<b>15.41</b>
a. Trustee committed	44.47	55.11	(10.65)
b. Approved by Council/CEO pending Endorsement	82.58	56.53	26.05
<b>3. Funds Available to Support Council or CEO Decisions ( 3 = 1 - 2 )</b>	<b>8.03</b>	<b>18.84</b>	<b>(10.81)</b>
<b>II. Program for Technology Transfer</b>			
	As of March 31, 2014	As of September 30, 2013	Change
	(a)	(b)	(c) = (a) - (b)
<b>4. Funds held in Trust</b>	<b>46.56</b>	<b>32.35</b>	<b>14.21</b>
a. Cash and investments	46.56	32.35	14.21
b. Unencashed promissory notes	-	-	-
<b>5. Approved Amounts Pending Cash Transfers to Agencies</b>	<b>44.43</b>	<b>31.73</b>	<b>12.70</b>
a. Trustee committed	5.68	7.05	(1.37)
b. Approved by Council/CEO pending Endorsement	38.74	24.68	14.07
<b>6. Funds Available to Support Council or CEO Decisions ( 6 = 4 - 5 )</b>	<b>2.14</b>	<b>0.62</b>	<b>1.52</b>
<b>III. Total SCCF Funds Available for Council/CEO approval and/or CEO endorsement ( 3 + 6 )</b>	<b>10.17</b>	<b>19.47</b>	<b>(9.29)</b>

### Highlights for the period October 1, 2013 through March 31, 2014:

- **Funds Held in Trust** represent cumulative cash receipts and investment income less cumulative cash transfers, and amount to USD 181.6 million as of March 31, 2014 (including USD 135.1 million for Program for Adaptation and USD 46.6 million for Program for Technology Transfer). Funds Held in Trust increased by USD 18.8 million primarily due to:
  - Contributions received during the period of October 1, 2013 to March 31, 2014 amounting to USD 39.5 million.
  - Cash transfers to Agencies amounting to USD 20.7 million.
- **Funding Decisions Pending Cash Transfer** arising from the LDCF/SCCF Council approvals amount to USD 171.5 million for both Programs.
- **Funding Availability** for Council decision amounts to USD 10.2 million representing a decrease of USD 9.3 million over the prior reporting period as a result of new funding decisions made by the LDCF/SCCF Council and the CEO from October 1, 2013 to March 31, 2014, exceeding donor payments received during the same period.

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

In USD millions

1	Total Pledges Outstanding and Contributions Finalized				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. b/	Total Contributions	Amount Paid in Currency	USDeq. a/	Amount Due in Currency	USDeq. b/		
<b>I. Program for Adaptation</b>												
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	d/ USD	0.37	0.37	-	-	0.37	0.37	0.37	-	-		
	EUR	9.72	13.21	-	-	9.72	9.72	13.21	-	-		
Germany	EUR	90.02	121.48	-	-	90.02	69.00	92.48	21.02 c/	29.00		
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 e/	5.00		
Netherlands	EUR	2.40	3.13	-	-	2.40	2.40	3.13	-	-		
Norway	NOK	166.50	29.27	-	-	166.50	166.50	29.27	-	-		
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	d/ CHF	5.75	5.50	-	-	5.75	5.75	5.50	-	-		
	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	40.00	40.00	-	-	40.00	40.00	40.00	-	-		
			<b>273.85</b>					<b>239.85</b>		<b>34.00</b>		
<b>II. Program for Technology Transfer</b>												
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	2.69	-	-	2.85	2.85	2.69	-	-		
			<b>59.26</b>					<b>59.26</b>		<b>-</b>		
<b>TOTAL</b>			<b>333.11</b>		<b>-</b>			<b>299.11</b>		<b>34.00</b>		

a/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) March 31, 2014 value of amount pending FX.

b/ Valued at the exchange rates available on March 31, 2014.

c/ This amount is payable in installments in the years 2014 and 2015.

d/ Contributions made in more than one currency.

e/ Represents past due payment.



## Annex II - Cumulative Funding Decisions Details by Activity and Agency

Entity	Cumulative Net Amounts			
	Approved Allocations	Commitments	Transfers	Amount Due
	(1)	(2)	(3)	(4) = (2) - (3)
<u>Projects</u>				
ADB	6,075,280	5,394,364	1,783,000	3,611,364
AfDB	12,084,778	-	225,000	(225,000)
EBRD	9,745,249	9,970,249	9,745,249	225,000
FAO	11,261,818	-	164,735	(164,735)
IADB	6,032,250	4,530,485	-	4,530,485
IBRD	88,723,634	57,119,378	48,168,084	8,951,294
IFAD	28,320,851	13,883,851	6,469,924	7,413,927
UNDP	76,475,945	53,330,945	36,669,503	16,661,442
UNEP	30,034,818	14,881,818	10,031,818	4,850,000
UNIDO	3,400,000	90,000	-	90,000
Sub-total	272,154,623	159,201,090	113,257,313	45,943,777
<u>Fees</u>				
ADB	584,920	543,636	361,818	181,818
AfDB	1,134,137	173,091	-	173,091
EBRD	974,525	974,525	974,525	-
FAO	1,090,157	293,098	71,368	221,730
IADB	603,225	421,575	-	421,575
IBRD	8,459,863	6,007,073	4,543,015	1,464,058
IFAD	2,810,523	1,646,753	658,750	988,003
UNDP	7,496,849	5,625,249	5,349,749	275,500
UNEP	2,923,092	1,987,057	1,673,557	313,500
UNIDO	323,000	134,330	-	134,330
Sub-total	26,400,291	17,806,387	13,632,782	4,173,605
<u>Corporate Budget <sup>a/</sup></u>				
Secretariat	2,448,993	2,448,993	2,448,993	-
Evaluation	248,426	248,426	218,426	30,000
STAP	149,882	149,882	149,882	-
Trustee	1,558,756	1,558,756	1,558,756	-
Sub-total	4,406,057	4,406,057	4,376,057	30,000
<b>Total for SCCF</b>	<b>302,960,971</b>	<b>181,413,534</b>	<b>131,266,151</b>	<b>50,147,382</b>

<sup>a/</sup> Includes amounts allocated to cover administrative expenses to manage the SCCF and Corporate activities.