



Special Climate Change Fund (SCCF)

Financial Report

Prepared by the Trustee

As of September 30, 2012



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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 September 30, 2012.

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”) to invite the Global Environment Facility (“GEF”) to operate such a fund (Decision 7/CP.7 of the UNFCCC). At its meeting in May 2002, 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 Program 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 September 30, 2012 and some of the recent developments from April 1, 2012 to September 30, 2012; (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 September 30, 2012

Pledges and Contributions:

As of September 30, 2012, 15 donors pledged and signed Contribution Agreements or Contribution Arrangements amounting to USDeq. 241.1 million, including USDeq. 210.7 for Program for Adaptation and USDeq. 30.4 million for Program for Technology Transfer. The Trustee has received USD 222.4 million in cash to date from these donors.

Investment Income:

As of September 30, 2012, the SCCF Trust Fund earned investment income of approximately USD 12.3 million on the undisbursed balance of the Trust Fund. The SCCF Trust Fund liquid portfolio has returned 0.34%¹ through the calendar year to date.

Funding Approvals and Trustee Commitments:

As of September 30, 2012, cumulative funding decisions by the Council and the CEO amounted to USD 199.9 million. This represents an increase of USD 30.5 million since April 1, 2012. Of the total amount approved, USD 178.7 million was for projects and project preparation activities, USD 16.9 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 136.2 million, of which USD 120.6 million relates to projects and project preparation activities, USD 11.7 million to fees, and USD 3.9 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 136.2 million, upon request from Agencies, the Trustee has transferred USD 96.6 million. As a result, USD 39.6 million remains payable to Agencies as of September 30, 2012.

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

Funds Held in Trust² 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 September 30, 2012 amounted to USDeq. 138.7 million.

Funds available to support Council or CEO decision amounted to USD 34.7 million³ as of September 30, 2012. This represents a decrease of USD 4.1 million as compared to status as of March 31, 2012. The funding approvals by the Council and CEO between April 1, 2012 and September 30, 2012 was larger than receipt of new funds from donors during the same period.

¹ Represents non-annualized rate of return.

² Funds Held in Trust represents balance of cash, investments and unencashed promissory notes, if any, as of the reporting date.

³ Funds available for Council decision would be adjusted accordingly to reflect new payments received from donors and by additional funding approvals between October 1, 2012 and the date of work program approval by the Council in November 2012.

1. SCCF Trust Fund Summary – Inception through September 30, 2012

In USD millions

	Total	% of Total
<u>Donor Pledges and Contributions</u>		
Contributions	241.07	100.0%
Pledges	-	0.0%
Total Pledges and Contributions	241.07	100.0%
<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	222.35	87.8%
Investment Income earned	12.28	4.8%
Total Resources Received	234.63	92.6%
<u>Resources not yet received</u>		
Contributions not yet paid	18.72	7.4%
Pledges	-	0.0%
Total resources not yet received	18.72	7.4%
Total Potential Resources (A)	253.35	100.0%
<u>Cumulative Funding Decisions</u>		
Projects	178.70	89.4%
Fees	16.88	8.4%
Administrative Budgets	4.40	2.2%
Total Funding Decisions Net of Cancellations (B)	199.98	100.0%
Total Potential Resources Net of Funding Decisions (A) - (B)	53.38	
<u>Funds Available</u>		
Funds Held in Trust	138.74	
Approved Amounts Pending Cash Transfers	104.08	
Total Funds Available to Support Council / CEO Decisions	34.67	



2. Pledges and Contributions

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. b/	Total Contributions	Amount Paid in Currency	Amount Due in USDeq. c/	Amount Due in Currency	Amount Due in USDeq. b/
Belgium	EUR	10.00	12.90	-	-	10.00	10.00	12.90	-	-
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	e/ EUR	6.17	8.43	-	-	6.17	6.17	8.43	-	-
	USD	0.37	0.37	-	-	0.37	0.37	0.37	-	-
Germany	EUR	60.02	79.79	-	-	60.02	49.40	66.07	10.62	d/ 13.72
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	f/ 5.00
Netherlands	EUR	2.40	3.13	-	-	2.40	2.40	3.13	-	-
Norway	NOK	151.00	26.77	-	-	151.00	151.00	26.77	-	-
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	-	-
	e/ CHF	7.35	6.85	-	-	7.35	7.35	6.85	-	-
Switzerland	USD	0.40	0.40	-	-	0.40	0.40	0.40	-	-
	GBP	10.00	18.60	-	-	10.00	10.00	18.60	-	-
United Kingdom	USD	30.00	30.00	-	-	30.00	30.00	30.00	-	-
United States										
			241.07					222.35		18.72

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

b/ Valued at the exchange rates available on September 30, 2012.

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

d/ This amount is payable in installments in the years 2013, 2014 and 2015.

e/ Contributions made in more than one currency.

f/ Represents amounts past due.

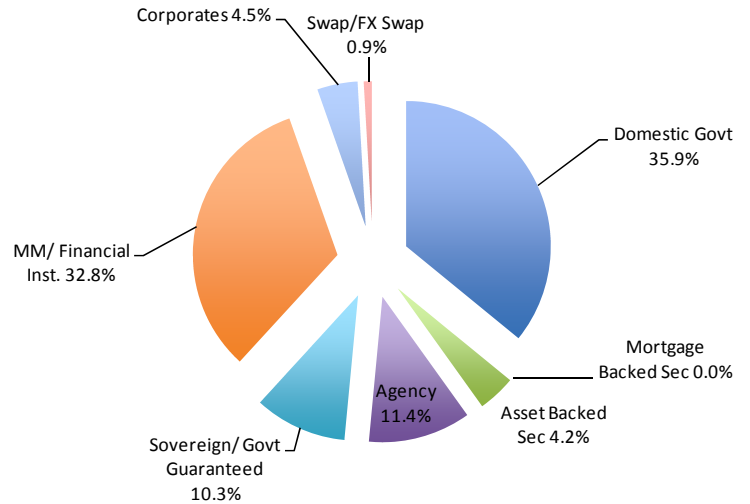
- The above table shows the total pledges and contributions to the SCCF. As of September 30, 2012, the Trustee had entered into Contribution Agreements with 15 donors for a total contribution of USDeq. 241.07 million and has received USD 222.35 million in cash.



3. Asset Mix and Investment Income

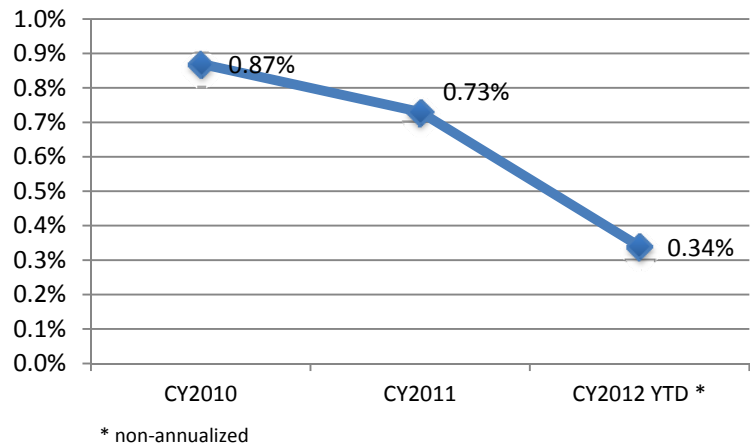
ASSET MIX

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.



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 138.7 million at end-September 2012) earned approximately USD 12.28 million in investment income since inception.

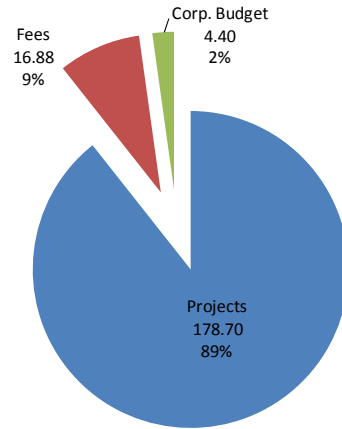




4. Cumulative Funding Decisions, Trustee Commitments and Cash Transfers

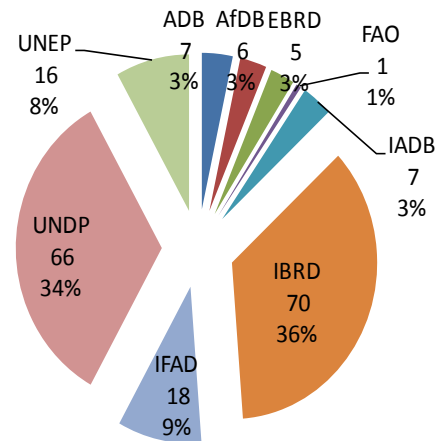
FUNDING DECISIONS BY ACTIVITY

Since inception to September 30, 2012 funding approvals made by the GEF Council totaled USD 199.97 million. Projects represent about 89%, fees for Agencies 9%, and corporate budgets for the Secretariat, the Trustee STAP and Evaluation 2%.

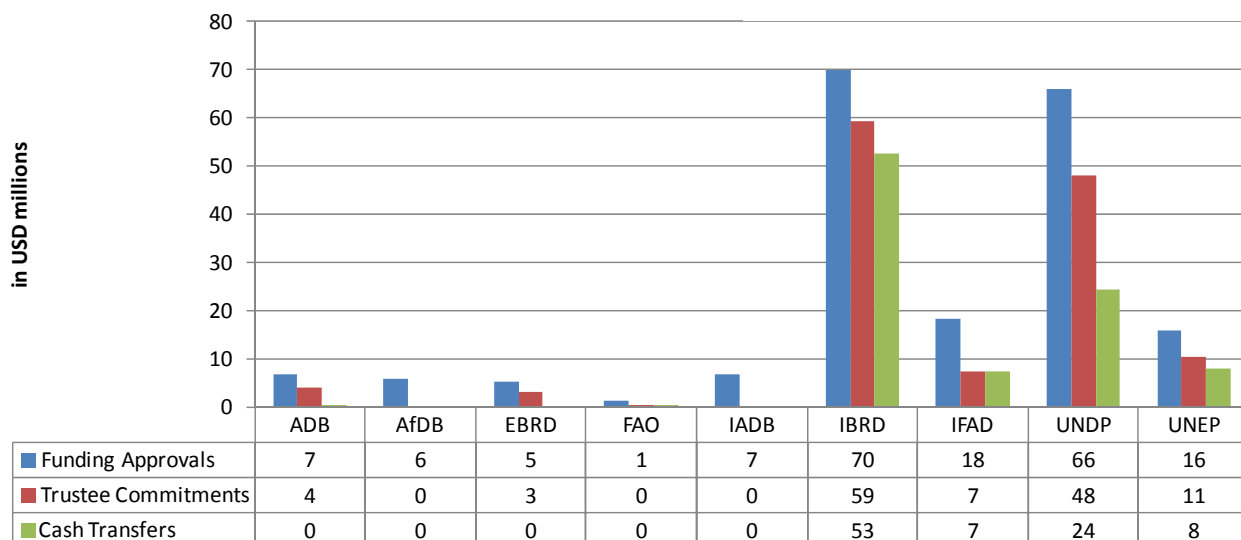


PROJECT FUNDING DECISIONS, TRUSTEE COMMITMENTS AND CASH TRANSFERS BY AGENCY

The pie charts show the projects and fees funding decisions by Agency. Of the total USD 195.58 million of approved projects and fees to date, 36% has been allocated to IBRD, 34% to UNDP, and 9% to UNEP.



The bar chart below shows the total funding approvals for projects and fees, commitments and transfers by Agency. Details of funding approvals, commitments and cash transfers can be found in Annex 2.





5. Funds Available

In USD millions

	As of Sept. 30, 2012	As of Mar. 31, 2012	Change
	(a)	(a)	(c) = (a) - (b)
I. Program for Adaptation			
1. Funds held in Trust	115.58	103.00	12.58
a. Cash and investments	115.58	103.00	12.58
b. Unencashed promissory notes	-	-	-
2. Approved Amounts Pending Cash Transfers to Agencies	82.85	80.85	2.01
a. Trustee committed	37.25	32.35	4.90
b. Amounts pending Council but not yet CEO Endorsed	45.60	48.50	(2.90)
c. Requested amounts for financing pending decision	-	-	-
3. Funds Available to Support Council or CEO Decisions (3 = 1 - 2)	32.72	22.15	10.57
II. Program for Technology Transfer			
4. Funds held in Trust	23.17	23.57	(0.40)
a. Cash and investments	23.17	23.57	(0.40)
b. Unencashed promissory notes	-	-	-
5. Approved Amounts Pending Cash Transfers to Agencies	21.22	6.96	14.26
a. Trustee committed	2.36	3.26	(0.90)
b. Amounts pending Council but not yet CEO Endorsed	18.86	3.70	15.16
c. Requested amounts for financing pending decision	-	-	-
6. Funds Available to Support Council or CEO Decisions (6 = 4 - 5)	1.94	16.61	(14.66)
III. Total SCCF Funds Available for Council/CEO approval and/or CEO endorsement (3 + 6)	34.67	38.76	(4.09)

Highlights for the period April 1, 2012 through September 30, 2012:

- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USD 138.74 million as of September 30, 2012 (including USD 115.58 million for Program for Adaptation and USD 23.17 million for Program for Technology Transfer). Funds Held in Trust increased by USD 12.18 million primarily due to:
 - Contributions received during the period of April 1, 2012 to September 30, 2012 amounting to USD 25.95 million.
 - Cash transfers to recipients amounting to USD 14.24 million



- ***Funding Decisions Pending Cash Transfer*** arising from the LDCF/SCCF Council approvals amount to USD 104.08 million for both Programs.
- ***Funding Availability*** for Council decision amounts to \$34.67 million representing a decrease of USD 4.09 million over the prior reporting period as a result of new funding decisions made by the LDCF/SCCF Council and the CEO outpacing donor payments received from April 1, 2012 to September 30, 2012.

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

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	US\$eq. b/	Amount	US\$eq. b/	Total Contributions	Amount Paid in Currency	US\$eq. c/	Amount Due in Currency	US\$eq. 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	0.37	0.37	-	-	0.37	0.37	0.37	-	-		
	EUR	5.82	8.01	-	-	5.82	5.82	8.01	-	-		
Germany	EUR	60.02	79.79	-	-	60.02	49.40	66.07	10.62	d/ 13.72		
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	134.50	23.77	-	-	134.50	134.50	23.77	-	-		
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	-	-		
	e/ CHF	5.00	4.70	-	-	5.00	5.00	4.70	-	-		
Switzerland	USD	0.40	0.40	-	-	0.40	0.40	0.40	-	-		
	GBP	10.00	18.60	-	-	10.00	10.00	18.60	-	-		
United Kingdom												
United States	USD	30.00	30.00	-	-	30.00	30.00	30.00	-	-		
			210.66					191.94		18.72		
II. Program for Technology Transfer												
Belgium	EUR	10.00	12.90	-	-	10.00	10.00	12.90	-	-		
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	2.35	2.15	-	-	2.35	2.35	2.15	-	-		
			30.42					30.42				
TOTAL			241.07					222.35		18.72		

a/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) September 30, 2012 value of amount pending FX.

b/ Valued at the exchange rates available September 30, 2012

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

d/ This amount is payable in installments in the years 2013, 2014 and 2015.

e/ Contributions made in more than one currency.

f/ 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)
Projects				
ADB	6,075,280	3,618,182	50,000	3,568,182
AfDB	5,250,000	-	-	-
EBRD	4,745,249	2,927,067	-	2,927,067
FAO	1,031,818	31,818	31,818	-
IADB	6,032,250	-	-	-
IBRD	63,905,861	54,168,084	48,168,084	6,000,000
IFAD	16,574,521	6,587,521	6,587,521	-
UNDP	60,630,654	43,694,036	20,169,503	23,524,533
UNEP	14,456,818	9,556,818	7,025,000	2,531,818
Sub-total	178,702,451	120,583,526	82,031,926	38,551,600
Fees				
ADB	602,940	361,818	361,818	-
AfDB	525,000	-	-	-
EBRD	474,525	292,707	-	292,707
FAO	103,182	3,182	3,182	-
IADB	603,225	-	-	-
IBRD	6,071,638	5,143,015	4,543,015	600,000
IFAD	1,657,450	658,750	658,750	-
UNDP	5,395,203	4,261,542	4,261,542	-
UNEP	1,443,182	953,182	953,182	-
Sub-total	16,876,345	11,674,196	10,781,489	892,707
Corporate Budget a/				
Secretariat	2,564,695	2,070,869	2,070,869	-
Evaluation	278,500	278,500	278,500	-
STAP	156,600	156,600	156,600	-
Trustee	1,396,556	1,396,556	1,228,056	168,500
Sub-total	4,396,351	3,902,525	3,734,025	168,500
Total for SCCF	199,975,147	136,160,247	96,547,440	39,612,807

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