



Climate Risk and Early Warning Systems Trust Fund

Financial Report

Prepared by the Trustee

As of July 31, 2017



Table of Contents

Table of Contents

Introduction	3
CREWS Trust Fund Financial Summary as of July 31, 2017.....	4
1. CREWS Trust Fund Summary – Inception through July 31, 2017	5
2. Pledges and Contributions as of July 31, 2017.....	6
3. Asset Mix and Investment Income.....	7
4. Cumulative Funding Decisions	8
5. Funds Available	9
Glossary.....	10



Introduction

The Climate Risk and Early Warning Systems (CREWS) Initiative was officially launched at the 21st session of the UN Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP21) in Paris, France as part of the Solutions Agenda. It aims to strengthen and increase the capacity for Multi-Hazards Early Warning Systems, to generate and communicate effective impact-based early warnings and risk information for hazardous hydro-meteorological and climate events to protect lives, livelihoods, and property in Least Developed Countries (LDCs) and Small Islands Developing States (SIDS).

The CREWS Trust Fund was established in September 2016. This report covers the financial status of the CREWS Trust Fund, and is produced by the Trustee in accordance with the Trustee's role in the CREWS Governance Document, as set forth under Section 18, which states:

“The Trustee will provide to the Steering Committee regular reports on the financial status of the CREWS Trust Fund.”

In addition, Section 8 of the Standard Provisions in the Contribution Agreement/Arrangement states, as follows:

“The Trustee shall maintain separate records and ledger accounts in respect of the funds in the Trust Fund and transfers made therefrom. The Trustee shall report to the Steering Committee annually unless otherwise agreed between the Trustee and the Steering Committee, on the financial status of the Trust Fund, including information on status of Contributions, investment income, commitments, transfers and funds available for allocation by the Steering Committee.”



CREWS Trust Fund Financial Summary as of July 31, 2017

Pledges and Contributions:

A pledge represents a contributor's expression of intent to make a contribution. Pledges are converted to Contributions by way of a countersigned Contribution Agreement/Arrangement.

As of July 31, 2017, pledges and contributions to the CREWS Trust Fund totaled USDeq. 22.83 million. The Trustee executed contribution agreements/arrangements with four contributors totaling USDeq. 18.90 million, of which USDeq. 16.51 million has been deposited into the CREWS Trust Fund.

Investment Income:

As of July 31, 2017, the CREWS Trust Fund earned investment income of approximately USD 0.09 million on the liquid balances of the Trust Fund. The CREWS Trust Fund portfolio has returned approximately 0.69% during calendar year 2017. The CREWS Trust Fund balance is allocated to a short term fixed income portfolio.

Funding Approvals:

As of July 31, 2017, the CREWS Steering Committee had approved funding from the CREWS Trust Fund totaling USD 15.61 million¹, to cover projects and fees as well as administrative budgets to support the activities of the CREWS Secretariat and Trustee.

Cash Transfers:

The Trustee has transferred a total of USD 8.68 million up to July 31, 2017, including USD 7.17 million related to projects.

Funds Held in Trust:

Funds Held in Trust² reflect contributions paid-in from contributors and investment income earned, less cash transfers. Funds Held in Trust as of July 31, 2017 amounted to USDeq. 7.93 million.

Funds Available for CREWS Steering Committee Funding Decisions:

Funds available to support CREWS Steering Committee funding decisions amounted to USD 0.99 million as of July 31, 2017.

¹ The Report of the June 2017 CREWS Steering Committee Meeting has not yet been finalized, therefore, figures related to CREWS funding approvals are subject to change.

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

1. CREWS Trust Fund Summary – Inception through July 31, 2017

In USD millions

	Total	% of Total
<u>Donor Pledges and Contributions</u>		
Contributions	18.90	82.8%
Pledges	3.93	17.2%
Total Pledges and Contributions	22.83	100.0%

<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	16.51	72.0%
Investment Income earned	0.09	0.4%
Total Resources Received	16.60	72.4%
<u>Resources not yet received</u>		
Contributions not yet received	2.39	10.4%
Pledges	3.93	17.1%
Total resources not yet received	6.32	27.6%
Total Potential Resources (A) (in USD millions)	22.92	100.0%

<u>Cumulative Funding Decisions</u>		
Projects	12.62	80.8%
Fees	1.56	10.0%
Administrative Budget	1.44	9.2%
Total Funding Decisions Net of Cancellations (B)	15.61	100.0%
Total Potential Resources Net of Funding Decisions (A) - (B)	7.31	

<u>Funds Available</u>		
Funds Held in Trust with no restrictions	7.93	
Approved Amounts Pending Cash Transfers	6.94	
Total Funds Available to Support Steering Committee Decisions	0.99	

Note: sub-totals may not add up to due to rounding



2. Pledges and Contributions as of July 31, 2017

In millions

<u>Contributor</u>	<u>Curr</u>	<u>Pledge in Currency of Contribution</u>	<u>Effective (or signed) Contribution</u>	<u>Receipts in Currency of Contribution</u>	<u>Receipts in USDeq. a/</u>
Australia	AUD	5.00	5.00	2.00	1.53
France	EUR	10.00	10.00	10.00	10.79
Germany	EUR	3.00	3.00	3.00	3.13
Luxembourg	EUR	1.00	1.00	1.00	1.07
Netherlands	EUR	3.35	-	-	-
Total Contributions Received					16.51

a/ Represents actual USD receipts

Note: totals may not add up due to rounding

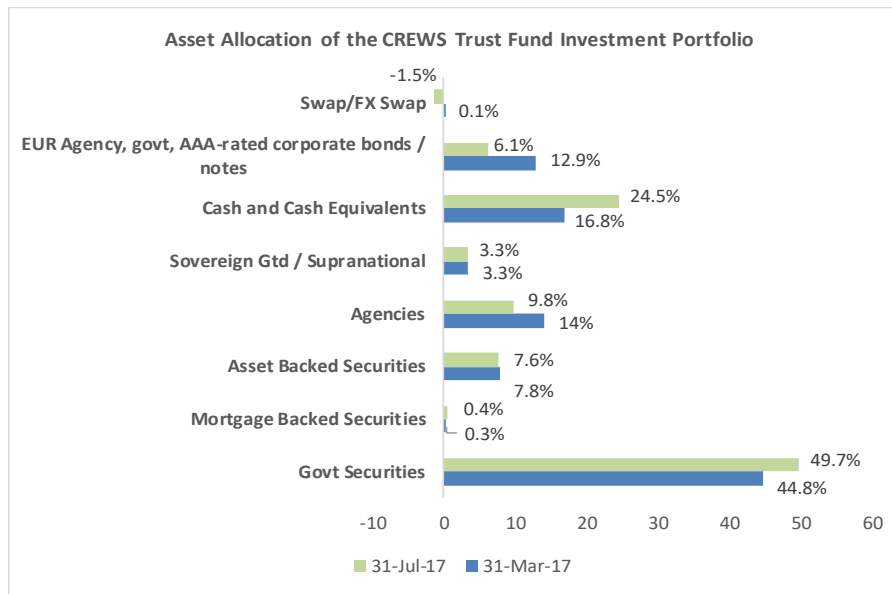


3. Asset Mix and Investment Income

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. On July 1, 2015, the World Bank formally adopted the Conditional Value-at-Risk (CVaR) measure as the risk constraint in the management of trust funds. Funds are managed such that the expected maximum loss, as measured by the CVaR, at the portfolio’s investment horizon, is not to exceed 1% with 99% confidence.

The portfolio allocation by asset class has the largest allocations to government securities and money market instruments.



Note: The negative position in swaps is primarily due to changes in foreign currency exchange (FX) rates in cross currency basis swaps. Such swap instruments are used to implement currency hedges on bond positions within the portfolio. These hedges remain in place.

INVESTMENT RETURNS

The CREWS funds are invested in accordance with the investment strategy established for all of the trust funds administered by the World Bank. The CREWS funds are invested in a short term fixed income portfolio with an investment horizon of one year. The CREWS Trust Fund portfolio (which totaled approximately USD 7.93 million at end-July 2017) has earned approximately USD 0.09 million in investment income since inception.



4. Cumulative Funding Decisions

In USD millions

<u>Projects</u>	<u>Implementing Partner</u>	<u>as of July 31, 2017</u>
Burkina Faso	WMO	1.94
Congo, DR	IBRD	2.51
	WMO	0.26
Pacific Islands	WMO	2.18
Mali	IBRD	2.78
	WMO	0.22
Niger	IBRD	2.24
	WMO	0.22
Global	WMO	0.28
		12.62
<u>Fees</u>		
IBRD		0.84
WMO		0.72
		1.56
<u>Administrative Budget</u>		
Secretariat a/		1.19
Trustee		0.25
		1.44
Total Funding Decisions		15.61

a/ includes support from Implementing Partners, provided through staff secondments

Note: sub-totals may not add up due to rounding



5. Funds Available

In USD millions

	As of July 31, 2017 <u>(a)</u>	As of March 31, 2017 <u>(b)</u>	Change since last report <u>(a) - (b)</u>
1. Cumulative Receipts	16.60	10.96	5.65
a. Cash receipts from Contributors	16.51	10.92	5.58
b. Investment Income earned	0.09	0.03	0.06
2. Cumulative Cash Transfers	8.68	0.62	8.05
a. Projects	7.17	-	7.17
b. Fees	0.89	-	0.89
c. Administrative Budget	0.62	0.62	-
3. Funds Held in Trust (3 = 1 - 2)	7.93	10.33	(2.41)
4. Funding Decisions Pending Cash Transfer	6.94	8.35	(1.41)
5. Funds available to support Steering Committee decisions (5 = 3 - 4)	0.99	1.99	(1.00)

Note: sub-totals may not add up due to rounding



Glossary

Term	Definition
IBRD	International Bank for Reconstruction and Development
IP	Implementing Partner
UNISDR	United Nations Office for Disaster Risk Reduction
WMO	World Meteorological Organization