



# Special Climate Change Fund (SCCF)

Financial Report

Prepared by the Trustee

*As of March 31, 2013*



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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, 2013.

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 March 31, 2013 and some of the recent developments from October 1, 2012 to March 31, 2013; (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, 2013

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

As of March 31, 2013, 15 donors pledged and signed Contribution Agreements or Contribution Arrangements amounting to USDeq. 258.6 million, including USDeq. 216.1 towards Program for Adaptation and USDeq. 42.4 million towards Program for Technology Transfer. The Trustee has received USD 240 million in cash to date from these donors.

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

As of March 31, 2013, the SCCF Trust Fund earned investment income of approximately USD 12.6 million on the undisbursed balance of the Trust Fund. The SCCF Trust Fund liquid portfolio has returned 0.10%<sup>1</sup> through the calendar year to date.

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

As of March 31, 2013, cumulative funding decisions by the Council and the CEO amounted to USD 231.2 million. This represents an increase of USD 31.3 million since September 30, 2012. Of the total amount approved, USD 206.1 million was for projects and project preparation activities, USD 20.7 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 147 million, of which USD 130.6 million relates to projects and project preparation activities, USD 12.7 million to fees, and USD 3.7 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 147 million, upon request from Agencies, the Trustee has transferred USD 107 million. As a result, USD 40 million remains payable to Agencies as of March 31, 2013.

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

**Funds Held in Trust**<sup>2</sup> 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, 2013 amounted to USDeq. 146.2 million.

**Funds available to support Council or CEO decision amounted to USD 22.6 million**<sup>3</sup> **as of March 31, 2013.** This represents a decrease of USD 12.1 million as compared to status as of September 30, 2012. The funding approvals by the Council and CEO between October 1, 2012 and March 31, 2013 exceeded receipt of new funds from donors during the same period.

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

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

<sup>3</sup> Funds available for Council decision would be adjusted accordingly to reflect new payments received from donors and additional funding approvals between April 1, 2013 and the date of work program approval by the Council in June 2013.

## 1. SCCF Trust Fund Summary – Inception through March 31, 2013

In USD millions

|   | Total         | % of Total    |
|---|---------------|---------------|
| <b><u>Donor Pledges and Contributions</u></b>                       |               |               |
| Contributions   | 258.59        | 100.0%        |
| Pledges   | -             | 0.0%          |
| <b>Total Pledges and Contributions</b>                              | <b>258.59</b> | <b>100.0%</b> |
| <b><u>Cumulative Resources</u></b>                                  |               |               |
| <b><u>Resources received</u></b>                                    |               |               |
| Cash Receipts   | 239.98        | 88.5%         |
| Investment Income earned  | 12.55         | 4.6%          |
| <b>Total Resources Received</b>                                     | <b>252.53</b> | <b>93.1%</b>  |
| <b><u>Resources not yet received</u></b>                            |               |               |
| Contributions not yet paid  | 18.61         | 6.9%          |
| Pledges   | -             | 0.0%          |
| Total resources not yet received                                    | 18.61         | 6.9%          |
| <b>Total Potential Resources (A)</b>                                | <b>271.14</b> | <b>100.0%</b> |
| <b><u>Cumulative Funding Decisions</u></b>                          |               |               |
| Projects  | 206.14        | 89.2%         |
| Fees  | 20.66         | 8.9%          |
| Administrative Budgets  | 4.40          | 1.9%          |
| <b>Total Funding Decisions Net of Cancellations (B)</b>             | <b>231.20</b> | <b>100.0%</b> |
| <b>Total Potential Resources Net of Funding Decisions (A) - (B)</b> | <b>39.94</b>  |               |
| <b><u>Funds Available</u></b>                                       |               |               |
| Funds Held in Trust   | 146.24        |               |
| Approved Amounts Pending Cash Transfers                             | 123.65        |               |
| <b>Total Funds Available to Support Council / CEO Decisions</b>     | <b>22.59</b>  |               |



## 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 + |                     | 7 = 8 + 10          | Paid (Receipts)                   |               | Unpaid                 |              |  |
|                          |  | 7       | 9+11          | 5       | 6                   |                     | 8                                 | 9             | 10                     | 11           |  |
| Contributing Participant | Currency   | Amount  | USDeq. b/     | Amount  | USDeq. b/           | Total Contributions | Amount Paid in Currency           | USDeq. c/     | Amount Due in Currency | USDeq. b/    |  |
| Belgium                  | EUR  | 19.00   | 24.93         | -       | -                   | 19.00               | 19.00                             | 24.93         | -                      | -            |  |
| 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   | 8.17    | 11.03         | -       | -                   | 8.17                | 8.17                              | 11.03         | -                      | -            |  |
|                          | USD  | 0.37    | 0.37          | -       | -                   | 0.37                | 0.37                              | 0.37          | -                      | -            |  |
| Germany                  | EUR  | 60.02   | 79.68         | -       | -                   | 60.02               | 49.40                             | 66.07         | 10.62                  | d/ 13.61     |  |
| 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  | 168.00  | 29.76         | -       | -                   | 168.00              | 168.00                            | 29.76         | -                      | -            |  |
| 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              | e/ CHF   | 7.35    | 6.85          | -       | -                   | 7.35                | 7.35                              | 6.85          | -                      | -            |  |
|                          | 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  | 30.00   | 30.00         | -       | -                   | 30.00               | 30.00                             | 30.00         | -                      | -            |  |
|                          |  |         | <b>258.59</b> |         |                     |                     |                                   | <b>239.98</b> |                        | <b>18.61</b> |  |

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

b/ Valued at the exchange rates available on March 31, 2013.

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.

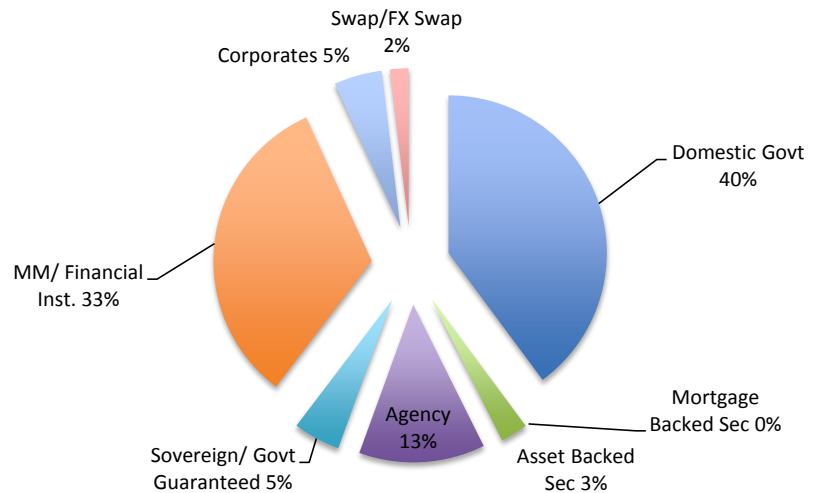
- The above table shows the total pledges and contributions to the SCCF. As of March 31, 2013, the Trustee had entered into Contribution Agreements with 15 donors for a total contribution of USDeq. 258.59 million and has received USD 239.98 million in cash.



### 3. Asset Mix and Investment Income

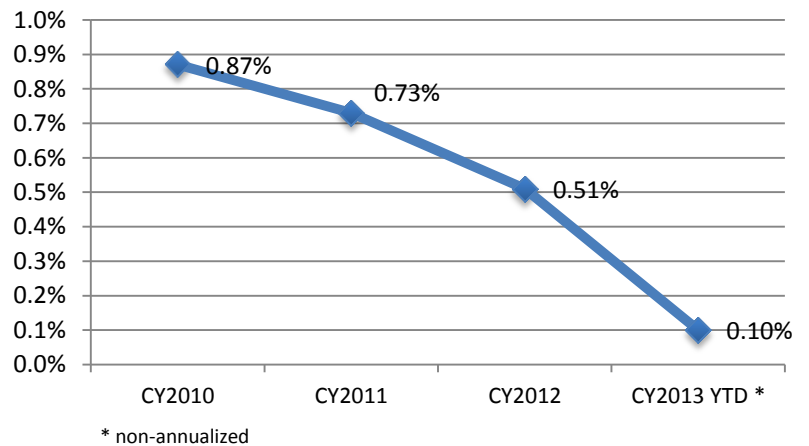
#### ASSET MIX

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 146.2 million at end-March 2013) earned approximately USD 12.55 million in investment income since inception.

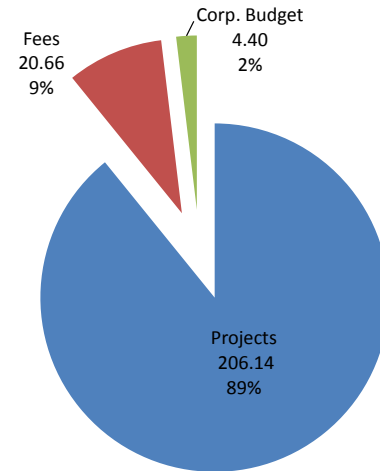




## 4. Cumulative Funding Decisions, Trustee Commitments and Cash Transfers

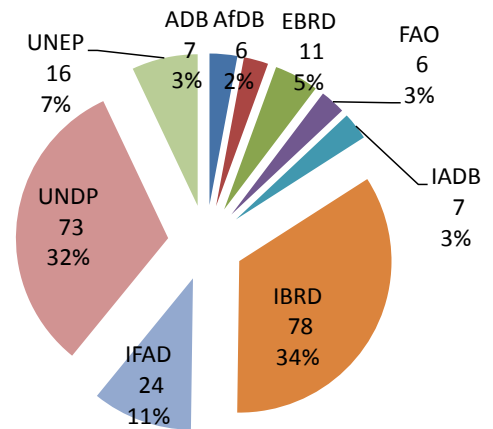
### FUNDING DECISIONS BY ACTIVITY

Since inception to March 31, 2013 funding approvals made by the GEF Council totaled USD 231.2 million. Projects represent about 89%, fees for Agencies 9%, and corporate budgets for the Secretariat, the Trustee STAP and Evaluation 2%.

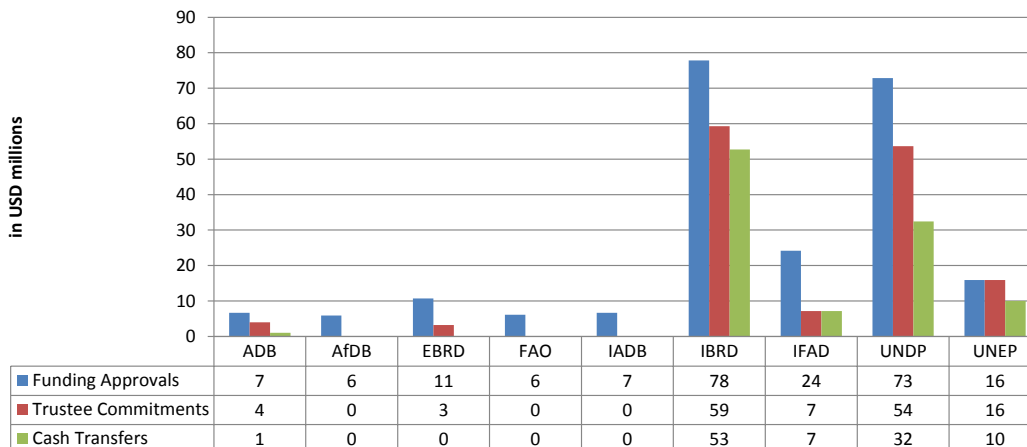


### PROJECT FUNDING DECISIONS, TRUSTEE COMMITMENTS AND CASH TRANSFERS BY AGENCY

The pie chart shows the projects and fees funding decisions by Agency. Of the total USD 226.8 million of approved projects and fees to date, 34% has been allocated to IBRD, 32% to UNDP, and 11% to IFAD.



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 March 31, 2013 | As of Sept. 30, 2012 | Change          |
|--|----------------------|----------------------|-----------------|
|  | (a)                  | (b)                  | (c) = (a) - (b) |
| <b>I. Program for Adaptation</b>   |                      |                      |                 |
| <b>1. Funds held in Trust</b>  | <b>112.98</b>        | <b>115.58</b>        | <b>(2.60)</b>   |
| a. Cash and investments  | 112.98               | 115.58               | (2.60)          |
| b. Unencashed promissory notes   | -                    | -                    | -               |
| <b>2. Approved Amounts Pending Cash Transfers to Agencies</b>                                    | <b>104.43</b>        | <b>82.85</b>         | <b>21.57</b>    |
| a. Trustee committed   | 34.26                | 37.25                | (2.99)          |
| b. Approved by Council/CEO pending Endorsement   | 70.16                | 45.60                | 24.56           |
| <b>3. Funds Available to Support Council or CEO Decisions ( 3 = 1 - 2 )</b>                      | <b>8.56</b>          | <b>32.72</b>         | <b>(24.17)</b>  |
| <b>II. Program for Technology Transfer</b>   |                      |                      |                 |
| <b>4. Funds held in Trust</b>  | <b>33.25</b>         | <b>23.17</b>         | <b>10.09</b>    |
| a. Cash and investments  | 33.25                | 23.17                | 10.09           |
| b. Unencashed promissory notes   | -                    | -                    | -               |
| <b>5. Approved Amounts Pending Cash Transfers to Agencies</b>                                    | <b>19.23</b>         | <b>21.22</b>         | <b>(2.00)</b>   |
| a. Trustee committed   | 5.75                 | 2.36                 | 3.39            |
| b. Approved by Council/CEO pending Endorsement   | 13.47                | 18.86                | (5.39)          |
| <b>6. Funds Available to Support Council or CEO Decisions ( 6 = 4 - 5 )</b>                      | <b>14.03</b>         | <b>1.94</b>          | <b>12.09</b>    |
| <b>III. Total SCCF Funds Available for Council/CEO approval and/or CEO endorsement ( 3 + 6 )</b> | <b>22.59</b>         | <b>34.67</b>         | <b>(12.08)</b>  |

### Highlights for the period October 1, 2012 through March 31, 2013:

- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USD 146.24 million as of March 31, 2013 (including USD 112.98 million for Program for Adaptation and USD 33.25 million for Program for Technology Transfer). Funds Held in Trust increased by USD 7.49 million primarily due to:
  - Contributions received during the period of October 1, 2012 to March 31, 2013 amounting to USD 17.9 million.
  - Cash transfers to recipients amounting to USD 10.41 million
- **Funding Decisions Pending Cash Transfer** arising from the LDCF/SCCF Council approvals amount to USD 123.65 million for both Programs.
- **Funding Availability** for Council decision amounts to USD 22.59 million representing a decrease of USD 12.08 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, 2012 to March 31, 2013, 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 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/   |
| <b>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                                | e/ USD   | 0.37            | 0.37          | -                   | -          | 0.37                              | 0.37                    | 0.37          | -                      | -            |
|  | EUR  | 7.82            | 10.61         | -                   | -          | 7.82                              | 7.82                    | 10.61         | -                      | -            |
| Germany                                | EUR  | 60.02           | 79.68         | -                   | -          | 60.02                             | 49.40                   | 66.07         | 10.62 d/               | 13.61        |
| 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  | 151.50          | 26.76         | -                   | -          | 151.50                            | 151.50                  | 26.76         | -                      | -            |
| 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   | 5.00            | 4.70          | -                   | -          | 5.00                              | 5.00                    | 4.70          | -                      | -            |
|  | 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  | 30.00           | 30.00         | -                   | -          | 30.00                             | 30.00                   | 30.00         | -                      | -            |
|  |  |                 | <b>216.14</b> |                     |            |                                   |                         | <b>197.53</b> |                        | <b>18.61</b> |
| <b>Program for Technology Transfer</b> |  |                 |               |                     |            |                                   |                         |               |                        |              |
| Belgium                                | EUR  | 19.00           | 24.93         | -                   | -          | 19.00                             | 19.00                   | 24.93         | -                      | -            |
| 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          | -                      | -            |
|  |  |                 | <b>42.44</b>  |                     |            |                                   |                         | <b>42.44</b>  |                        | -            |
| <b>TOTAL</b>                           |  |                 | <b>258.59</b> |                     |            |                                   |                         | <b>239.98</b> |                        | <b>18.61</b> |

a/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) March 31, 2013 value of amount pending FX.

b/ Valued at the exchange rates available on March 31, 2013

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)   |
| <u>Projects</u>            |                        |                    |                    |                   |
| ADB                        | 6,075,280              | 3,618,182          | 633,000            | 2,985,182         |
| AfDB                       | 5,375,000              | -                  | -                  | -                 |
| EBRD                       | 9,745,249              | 2,927,067          | -                  | 2,927,067         |
| FAO                        | 5,556,818              | 69,735             | 31,818             | 37,917            |
| IADB                       | 6,032,250              | -                  | -                  | -                 |
| IBRD                       | 71,053,496             | 54,168,084         | 48,168,084         | 6,000,000         |
| IFAD                       | 21,964,521             | 6,478,570          | 6,478,570          | -                 |
| UNDP                       | 65,880,654             | 48,894,036         | 28,169,503         | 20,724,533        |
| UNEP                       | 14,456,818             | 14,456,818         | 8,531,818          | 5,925,000         |
| Sub-total                  | 206,140,086            | 130,612,492        | 92,012,793         | 38,599,699        |
| <u>Fees</u>                |                        |                    |                    |                   |
| ADB                        | 602,940                | 361,818            | 361,818            | -                 |
| AfDB                       | 536,875                | -                  | -                  | -                 |
| EBRD                       | 974,525                | 292,707            | -                  | 292,707           |
| FAO                        | 548,182                | 6,784              | 3,182              | 3,602             |
| IADB                       | 603,225                | -                  | -                  | -                 |
| IBRD                       | 6,786,401              | 5,143,015          | 4,543,015          | 600,000           |
| IFAD                       | 2,196,000              | 658,750            | 658,750            | -                 |
| UNDP                       | 6,968,953              | 4,781,042          | 4,261,542          | 519,500           |
| UNEP                       | 1,443,182              | 1,443,182          | 1,443,182          | -                 |
| Sub-total                  | 20,660,283             | 12,687,298         | 11,271,489         | 1,415,809         |
| <u>Corporate Budget a/</u> |                        |                    |                    |                   |
| Secretariat                | 2,564,695              | 1,958,925          | 1,958,925          | -                 |
| Evaluation                 | 278,500                | 218,426            | 218,426            | -                 |
| STAP                       | 156,600                | 105,072            | 105,072            | -                 |
| Trustee                    | 1,396,556              | 1,396,556          | 1,396,556          | -                 |
| Sub-total                  | 4,396,351              | 3,678,979          | 3,678,979          | -                 |
| <b>Total for SCCF</b>      | <b>231,196,720</b>     | <b>146,978,769</b> | <b>106,963,261</b> | <b>40,015,508</b> |

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