



# Special Climate Change Fund (SCCF)

Financial Report

Prepared by the Trustee

*As of September 30, 2014*



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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, 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 September 30, 2014 and some of the recent developments from April 1, 2014 to September 30, 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 September 30, 2014

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

As of September 30, 2014, 15 donors pledged and signed Contribution Agreements or Contribution Arrangements amounting to USDeq. 347.3 million, including USDeq. 287.5 million towards Program for Adaptation and USDeq. 59.78 million towards Program for Technology Transfer. The Trustee has received USDeq. 336.07 million in cash to date from these donors.

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

As of September 30, 2014, the SCCF Trust Fund earned investment income of approximately USD 13.5 million on the undisbursed balance of the Trust Fund. The SCCF Trust Fund liquid portfolio has returned 0.32%<sup>1</sup> through the calendar year to date.

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

As of September 30, 2014, cumulative funding decisions by the Council and the CEO amounted to USD 302.7 million. Of the total amount approved, USD 271.3 million was for projects and project preparation activities, USD 26.3 million was for fees, and USD 5.1 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 216.2 million, of which USD 190.2 million relates to projects and project preparation activities, USD 20.9 million to fees, and USD 5.1 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 216.2 million, upon request from Agencies, the Trustee has transferred USD 139.7 million. As a result, USD 76.4 million remains payable to Agencies as of September 30, 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 September 30, 2014 amounted to USDeq. 210.5 million.

**Funds available to support Council or CEO decision amounted to USD 15.7 million as of September 30, 2014.** This represents an increase of USD 5.5 million as compared to funds available as of March 31, 2014.

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



## 1. SCCF Trust Fund Summary<sup>2/</sup> – Inception through September 30, 2014

In USD millions

	Total	% of Total
<b><u>Donor Pledges and Contributions</u></b>		
Contributions	347.31	99.7%
Pledges	1.13	0.3%
<b>Total Pledges and Contributions</b>	<b>348.45</b>	<b>100.0%</b>
<b><u>Cumulative Resources</u></b>		
<b><u>Resources received</u></b>		
Cash Receipts	336.07	93.4%
Investment Income earned	13.48	3.7%
<b>Total Resources Received</b>	<b>349.55</b>	<b>97.2%</b>
<b><u>Resources not yet received</u></b>		
Contributions not yet paid	10.10	2.8%
Pledges	-	0.0%
Total resources not yet received	10.10	2.8%
<b>Total Potential Resources (A)</b>	<b>359.66</b>	<b>100.0%</b>
<b><u>Cumulative Funding Decisions</u></b>		
Projects	271.28	81.1%
Fees	26.29	7.9%
Administrative Budgets	5.11	1.5%
	<b>302.68</b>	<b>90.5%</b>
Funding decisions pending Council/CEO approval	31.88	9.5%
<b>Total Funding Decisions Net of Cancellations and Pending council decision (B)</b>	<b>334.56</b>	<b>100.0%</b>
<b>Total Potential Resources Net of Funding Decisions (A) - (B)</b>	<b>25.10</b>	
<b><u>Funds Available</u></b>		
Funds Held in Trust	210.51	
Approved Amounts Pending Cash Transfers	162.95	
Amounts pending Council/CEO approval	31.88	
<b>Total Funds Available to Support Council / CEO Decisions</b>	<b>15.67</b>	

<sup>2/</sup> Some numbers may not add up due to rounding.



## 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			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	10.97	14.76	0.90	1.13	10.07	10.07	13.63	-	-
	USD	0.37	0.37	-	-	0.37	0.37	0.37	-	-
Germany	EUR	90.02	120.92	-	-	90.02	87.00	117.12	3.02	e/ 3.80
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	9.49	-	-	9.85	8.60	8.19	1.25	1.30
	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	-	-
			<b>347.31</b>		<b>1.13</b>			<b>336.07</b>		<b>10.10</b>

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) September 30, 2014 value of outstanding pledges and unpaid amounts.

c/ Valued at the exchange rates available on September 30, 2014.

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.

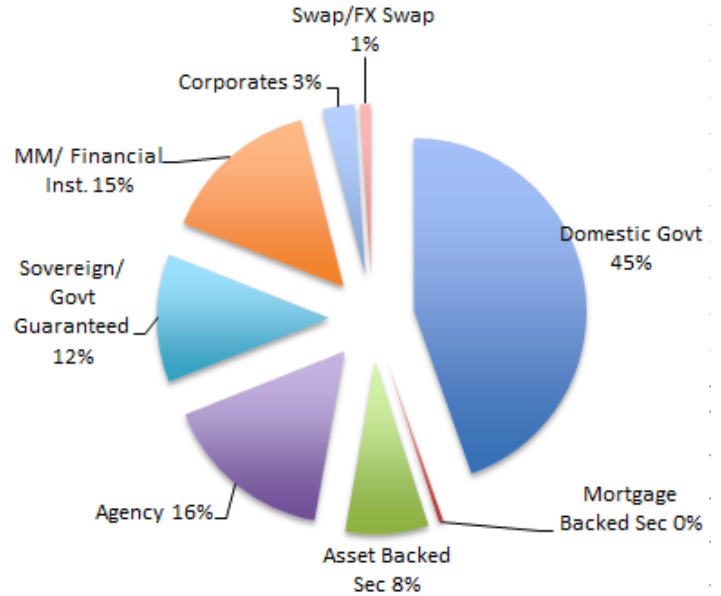
- The above table shows the total pledges and contributions to the SCCF. As of September 30, 2014, the Trustee had entered into Contribution Agreements with 15 donors for a total contribution of USDeq. 347.3 million and has received USDeq. 336.1 million in cash.



### 3. Asset Mix and Investment Income

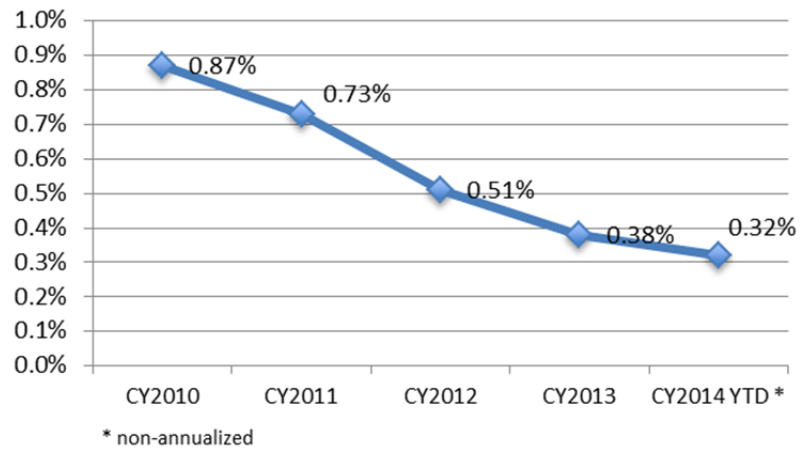
#### ASSET MIX

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 September 30, 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 210.5 million at end-September 2014) earned approximately USD 13.5 million in investment income since inception.

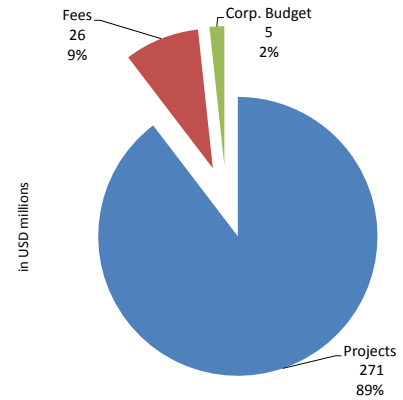




## 4. Cumulative Funding Decisions, Trustee Commitments and Cash Transfers

### FUNDING DECISIONS BY ACTIVITY

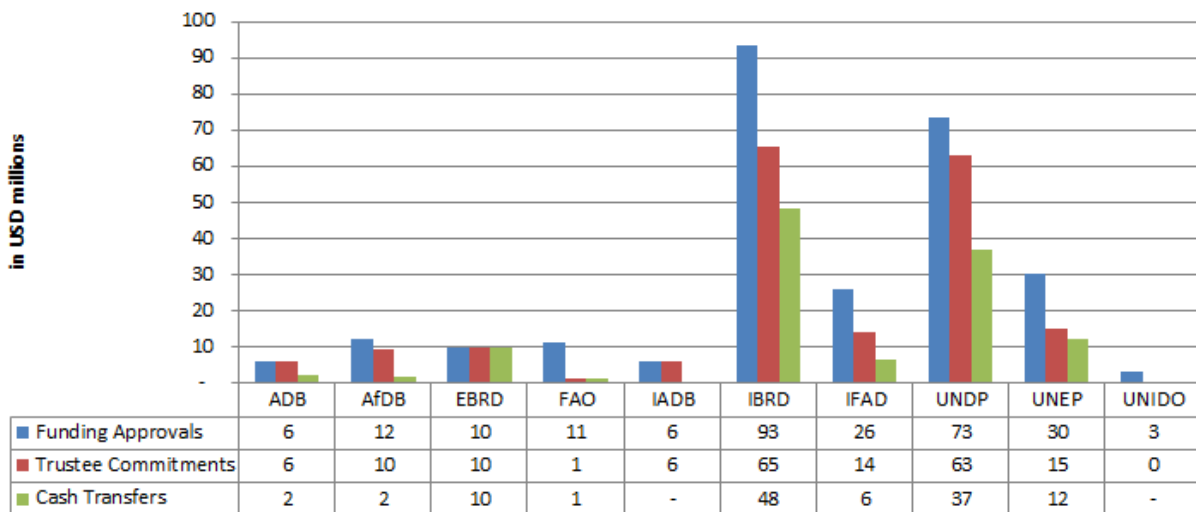
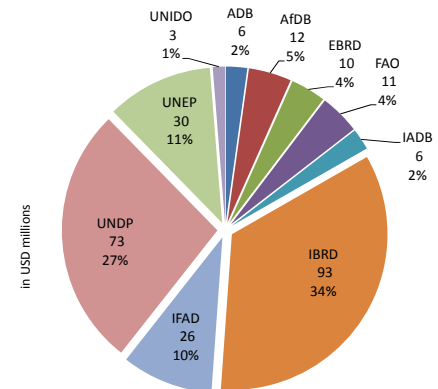
Since inception to September 30, 2014 funding approvals made by the LDCF/SCCF Council totaled USD 302.68 million. Projects represent about 89%, fees for Agencies 9%, and corporate budgets for the Secretariat, the Trustee, STAP and Evaluation 2%.



### PROJECT FUNDING DECISIONS BY AGENCY

The pie chart shows the project funding decisions by Agency. Of the total USD 271.3 million of approved projects to date, 34% has been allocated to IBRD, 27% to UNDP, and 11% to UNEP.

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

	As of September 30, 2014		As of March 31, 2014		Change
	(a)	(b)	(a)	(b)	(c) = (a) - (b)
<b>I. Program for Adaptation</b>					
<b>1. Funds held in Trust</b>	<b>168.33</b>	<b>135.08</b>	<b>168.33</b>	<b>135.08</b>	<b>33.25</b>
a. Cash and investments	168.33	135.08	168.33	135.08	33.25
b. Unencashed promissory notes	-	-	-	-	-
<b>2. Approved Amounts Pending Cash Transfers to Agencies</b>	<b>126.72</b>	<b>127.05</b>	<b>126.72</b>	<b>127.05</b>	<b>(0.32)</b>
a. Trustee committed	63.24	44.47	63.24	44.47	18.78
b. Approved by Council/CEO pending Endorsement	63.48	82.58	63.48	82.58	(19.10)
<b>3. Funding decisions pending for Council/CEO approval</b>	<b>31.88</b>	<b>-</b>	<b>31.88</b>	<b>-</b>	<b>31.88</b>
<b>4. Funds Available to Support Council or CEO Decisions (4 = 1 - 2 - 3)</b>	<b>9.72</b>	<b>8.03</b>	<b>9.72</b>	<b>8.03</b>	<b>1.69</b>
<b>II. Program for Technology Transfer</b>					
<b>5. Funds held in Trust</b>	<b>42.18</b>	<b>46.56</b>	<b>42.18</b>	<b>46.56</b>	<b>(4.39)</b>
a. Cash and investments	42.18	46.56	42.18	46.56	(4.39)
b. Unencashed promissory notes	-	-	-	-	-
<b>6. Approved Amounts Pending Cash Transfers to Agencies</b>	<b>36.23</b>	<b>44.43</b>	<b>36.23</b>	<b>44.43</b>	<b>(8.20)</b>
a. Trustee committed	13.22	5.68	13.22	5.68	7.54
b. Approved by Council/CEO pending Endorsement	23.01	38.74	23.01	38.74	(15.74)
<b>7. Funds Available to Support Council or CEO Decisions (7 = 5 - 6)</b>	<b>5.95</b>	<b>2.14</b>	<b>5.95</b>	<b>2.14</b>	<b>3.81</b>
<b>III. Total SCCF Funds Available for Council/CEO approval and/or CEO endorsement (3 + 6)</b>	<b>15.67</b>	<b>10.17</b>	<b>15.67</b>	<b>10.17</b>	<b>5.50</b>

### Highlights for the period April 1, 2014 through September 30, 2014:

- **Funds Held in Trust** represent cumulative cash receipts and investment income less cumulative cash transfers, and amount to USD 210.5 million as of September 30, 2014 (including USD 168.3 million for Program for Adaptation and USD 42.2 million for Program for Technology Transfer). Funds Held in Trust increased by USD 28.9 million primarily due to:
  - Contributions received during the period of April 1, 2014 to September 30, 2014 amounting to USD 37 million.
  - Cash transfers to Agencies amounting to USD 8.5 million.
- **Funding Decisions Pending Cash Transfer** arising from the LDCF/SCCF Council approvals amount to USD 162.95 million for both Programs.
- **Funding decision pending the LDCF/SCCF Council/CEO approval** is USD 31.88million.
- **Funding Availability** for Council decision amounts to USD 15.67 million representing an increase of USD 5.5 million over the prior reporting period as a result of donor payments received from April 1, 2014 to September 30, 2014 exceeding new funding decisions made by the LDCF/SCCF Council and the CEO during the same period.

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

In USD millions

Contributing Participant	Total Pledges Outstanding and Contributions Finalized				Pledges Outstanding		Contribution Agreements Finalized				
	1	2	4 = 6 + 9+		5	6	Paid (Receipts)			Unpaid	
			3 = 5 + 7	11			7 = 8 + 10	8	9	10	11
Currency	Currency	Amount	US\$Eq. a/	Amount	US\$Eq. b/	Total Contributions	Amount Paid in Currency	US\$Eq. c/	Amount Due in Currency	US\$Eq. 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	e/ USD	9.72	0.37	-	-	9.72	9.72	0.37	-	-	
	EUR	1.27	14.34	0.90	1.13	0.37	0.37	13.21	-	-	
Germany	EUR	90.02	120.92	-	-	90.02	87.00	117.12	3.02 d/	3.80	
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	6.29	-	-	6.50	5.75	5.50	0.75	0.78	
	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	-	-	
			<b>287.53</b>		<b>1.13</b>			<b>276.81</b>		<b>9.58</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	3.21	-	-	2.85	2.85	2.69	0.50	0.52	
			<b>59.78</b>		<b>0.00</b>			<b>59.26</b>		<b>0.52</b>	
<b>TOTAL</b>			<b>347.31</b>		<b>1.13</b>			<b>336.07</b>		<b>10.10</b>	

a/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) September 30, 2014 value of amount pending FX.

b/ Valued at the exchange rates available on September 30, 2014.

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.



## 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)
<b>Projects</b>				
ADB	6.0	6.0	2.1	3.9
AfDB	12.1	9.5	2.0	7.5
EBRD	9.9	9.9	9.7	0.2
FAO	11.4	1.4	1.3	0.1
IADB	6.0	6.0	0.0	6.0
IBRD	93.3	65.3	48.2	17.1
IFAD	25.8	13.9	6.4	7.5
UNDP	73.4	63.1	36.7	26.4
UNEP	30.0	14.9	12.0	2.9
UNIDO	3.4	0.1	0.0	0.1
Sub-total	271.3	190.2	118.5	71.7
<b>Fees</b>				
ADB	0.6	0.6	0.5	0.1
AfDB	1.1	0.9	0.0	0.9
EBRD	1.0	1.0	1.0	0.0
FAO	1.1	0.4	0.4	0.0
IADB	0.6	0.6	0.0	0.6
IBRD	8.9	7.0	6.0	1.0
IFAD	2.6	1.7	0.7	1.0
UNDP	7.2	6.6	5.6	1.0
UNEP	2.9	2.0	2.0	0.0
UNIDO	0.3	0.1	0.0	0.1
Sub-total	26.3	20.9	16.2	4.7
<b>Corporate Budget <sup>a/</sup></b>				
Secretariat	2.9	2.9	2.9	0.0
Evaluation	0.3	0.3	0.2	0.1
STAP	0.3	0.3	0.3	0.0
Trustee	1.7	1.7	1.7	0.0
Sub-total	5.1	5.1	5.0	0.1
<b>Total for SCCF</b>	<b>302.7</b>	<b>216.2</b>	<b>139.7</b>	<b>76.4</b>

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