

# CLIMATE INVESTMENT FUNDS

CTF-SCF/TFC.11/Inf.5  
October 2, 2013

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Joint Meeting of the CTF and SCF Trust Fund Committees  
Washington D.C.  
Tuesday, October 29, 2013

## **REPORT ON THE FINANCIAL STATUS OF THE SCF**

**(PREPARED BY THE TRUSTEE)**

# Strategic Climate Fund (SCF)

Financial Report

Prepared by the Trustee

*As of June 30, 2013*



## Table of Contents

Introduction .....	4
SCF Trust Fund Financial Summary as of June 30, 2013 .....	5
1. SCF Trust Fund Summary – Inception through June 30, 2013 .....	8
1.1. Pledges and Contributions .....	9
1.2. Asset Mix and Investment Income.....	10
1.3. Cumulative Funding Decisions .....	12
2. FIP Summary – Inception through June 30, 2013 .....	13
2.1. FIP Pledges and Contributions .....	14
2.2. FIP Funding Decisions.....	15
2.3. FIP Funding Availability .....	16
3. PPCR Summary – Inception through June 30, 2013.....	17
3.1. PPCR Pledges and Contributions.....	18
3.2. PPCR Funding Decisions .....	19
3.3. PPCR Funding Availability.....	20
4. SREP Summary – Inception through June 30, 2013 .....	21
4.1. SREP Pledges and Contributions .....	22
4.2. SREP Funding Decisions .....	23
4.3. SREP Funding Availability .....	24



## Introduction

The information contained in this report is prepared based on financial information as of June 30, 2013.

The Climate Investment Funds (CIF) was established in 2008 and its financial architecture is rooted in two trust funds. The Clean Technology Fund (CTF) provides middle income countries with resources to explore options to scale up the demonstration, deployment, and transfer of low-carbon, clean technologies. The Strategic Climate Fund (SCF) finances three programs that pilot new approaches with the potential for scaling up: the Forest Investment Program (FIP), Pilot Program for Climate Resilience (PPCR), and Program for Scaling Up Renewable Energy in Low-Income Countries (SREP).

The report is produced by the Trustee in accordance with the Trustee's role as set forth in the Governance Framework for the SCF Trust Fund which states:

*"The Trustee will provide to the SCF Trust Fund Committee, and, to the extent applicable, any SCF Sub-Committee, regular reports on the financial status of the Trust Fund, as agreed between the Trustee and the SCF Trust Fund Committee, or as the case may be the relevant SCF Sub-Committee."*

This report provides (i) a snapshot of the financial situation of the SCF Trust Fund since its inception to June 30, 2013 and some of the recent developments from January 1, 2013 to June 30, 2013; (ii) the status of pledges and contributions, and (iii) the details of financial activities of the SCF Trust Fund and sub-programs (FIP, PPCR and SREP).



## SCF Trust Fund Financial Summary as of June 30, 2013

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

As of June 30, 2013, 13 donors pledged USDeq. 2.2 billion to the SCF Trust Fund, of which USDeq. 1.1 billion was pledged to PPCR, USDeq. 0.6 billion to FIP and USDeq. 0.5 billion to SREP. Of the total amount pledged, USDeq. 2 billion was confirmed through signed Contribution Agreements or Contribution Arrangements (USDeq. 947 million for PPCR, USDeq. 524 million for FIP and USDeq. 477 million for SREP).

The Trustee has received USDeq. 1.9 billion in cash and promissory notes from donors (USDeq. 923 million to PPCR, USDeq. 488 million to FIP and USDeq. 449 million to SREP), of which approximately USDeq. 123 million in cash was received between January 1, 2013 and June 30, 2013.

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

As of June 30, 2013, the SCF Trust Fund earned investment income of approximately USD 18 million on the undisbursed balance of the Trust Fund since inception. During the first six months of calendar year 2013, the SCF Trust Fund had negative investment returns of 0.23%. Rising global interest rates and a sell-off in risk assets dominated the financial markets in the second quarter of 2013, triggered by increased expectations that the period of low interest rates (so-called "quantitative easing") in the United States was coming to an end. As a result, most fixed income sectors saw negative total returns during the second quarter of 2013, erasing gains earned from January through April, which were modest given the sustained period of low rates.

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

As of June 30, 2013, SCF Trust Fund Committee has approved administrative budgets totaling USD 64 million.

**FIP** Sub-Committee has endorsed seven Investment Plans for a total amount of proposed FIP funding of USD 370 million. Cumulative funding decisions by the FIP Sub-Committee totaled USD 89 million. This represents the increase of USD 17 million since December 31, 2012.

**PPCR** Sub-Committee has endorsed 20 Strategic Programs for Climate Resilience (SPCR) for a total amount of proposed PPCR funding of USD 1 billion. Cumulative funding decisions by the PPCR Sub-Committee totaled USD 497 million. This represents the increase of USD 142 million since December 31, 2012.

**SREP** Sub-Committee has endorsed seven Investment Plans for a total amount of proposed SREP funding of USD 290 million. Cumulative funding decisions by the SREP Sub-Committee totaled USD 62 million. This represents the increase of USD 23 million since December 31, 2012.

Based on the funding decisions by the SCF Trust Fund Committee and Sub-Committees, the Trustee has committed a total of USDeq. 713 million to MDBs.

### ***Cash Transfers:***

Cash transfers were made to MDBs on an as-needed basis to meet their projected disbursements. The Trustee has transferred USDeq. 176 million, of which USDeq. 31 million has been transferred between January 1, 2013 and June 30, 2013. As a result, USDeq. 536 million remains payable to MDBs as of June 30, 2013.



***Funds Held in Trust and Funds Available for funding decisions:***

**Funds Held in Trust<sup>1</sup>** reflect financial activities related to 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 June 30, 2013 amounted to US\$ 1.6 billion.

**Funds available to support SCF Trust Fund Committee and Sub-Committees decisions amounted to USD 1.1 billion as of June 30, 2013.** This represents a decrease of USD 13 million as compared to December 31, 2012.

Of the total SCF Funds available, USD 355 million is available for PPCR, USD 367 million is available for FIP, and USD 350 million is available for SREP.



## Update on Trustee Activity

### SCF cash flow model

The Trustee is in the process of designing and developing SCF cash flow model that will allow the Trustee to track reflows from the SCF funded projects under each SCF program. Following the process established by the World Bank Chief Risk Officer, the new model will be verified by independent reviewers within the World Bank to confirm accuracy of the outputs of the model.

The Trustee will also work with the Senior Risk Officer in the CIF Administration Unit (once hired), to provide a more fine grained picture of SCF portfolio risk including risks resulting from lower seniority level of SCF loans, counterparty risk, interdependencies between sectors/countries and risks resulting from the increasing diversity of financial instruments (local currency loans, guarantees, risk sharing facilities, capital contributions, etc.)

## 1. SCF Trust Fund Summary – Inception through June 30, 2013

In USD millions

	Total	% of Total
<b><u>Donor Pledges and Contributions</u></b>		
Contributions	1,961	88%
Pledges	261	12%
<b>Total Pledges and Contributions</b>	<b>2,221</b>	<b>100%</b>
<b><u>Cumulative Resources</u></b>		
<b><u>Resources received</u></b>		
Cash Receipts	1,264	56%
Unencashed promissory notes	628	28%
Investment Income earned	18	1%
<b>Total Resources Received</b>	<b>1,910</b>	<b>85%</b>
<b><u>Resources not yet received</u></b>		
Contributions not yet paid	69	3%
Pledges	261	12%
<b>Total resources not yet received</b>	<b>330</b>	<b>15%</b>
<b>Total Potential Resources (A)</b>	<b>2,240</b>	<b>100%</b>
<b><u>Cumulative Funding Decisions</u></b>		
Projects	597	84%
MPIS Costs	35	5%
Investment Plan Preparation	17	2%
Administrative Budgets	63	9%
Other a/	1	0%
<b>Total Funding Decisions Net of Cancellations (B)</b>	<b>712</b>	<b>100%</b>
<b>Total Potential Resources Net of Funding Decisions (A) - (B)</b>	<b>1,527</b>	
<b><u>Funds Available</u></b>		
Funds Held in Trust with no restrictions	1,608	
Amounts Pending Cash Transfers	536	
<b>Total Funds Available to Support SCF Trust Fund Committee decisions</b>	<b>1,072</b>	





## 1.1. Pledges and Contributions

In USD millions

Contributor	Contribution Type	Currency	Pledges Outstanding and Contributions			Historical Value of Total in USD eq. a/ (1)	Current Value of Total in USD eq. b/ (2)	FX changes (3) = (2) - (1)	Receipts in USD eq. b/
			Finalized						
			Pledges Outstanding	Contributions Finalized	Total				
Australia	Grant	AUD	-	87	87	74	80	7	80
Canada	Grant	CAD	-	100	100	97	84	(13)	84
Denmark	Grant	DKK	-	238	238	47	45	(3)	41
Germany	c/ Grant	EUR	-	59	59	88	78	(10)	78
Japan	d/ Grant	USD	-	200	200	200	199	d/ (1)	199
Korea	Grant	KRW	-	6,565	6,565	6	6	0	6
Netherlands	Grant	USD	-	76	76	76	76	-	76
Norway	Grant	NOK	-	1,336	1,336	241	225	(16)	180
Spain	Grant	EUR	-	3	3	4	4	(1)	4
	Capital	EUR	-	20	20	30	26	(4)	26
Sweden	Grant	SEK	-	385	385	59	59	(0)	59
Switzerland	Grant	USD	-	26	26	26	26	-	26
United Kingdom	e/ Capital	GBP	-	455	455	846	699	(147)	699
	Grant	GBP	-	70	70	130	107	(24)	87
United States	f/ Grant	USD	261	247	508	508	508	-	247
						<b>2,432</b>	<b>2,221</b>	<b>(211)</b>	<b>1,892</b>

a/ Represents pledges valued on the basis of exchange rates as of September 25, 2008, the CIF official pledging date.

b/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of June 30, 2013.

c/ Out of the total EUR 59 million pledged, EUR 9.45 million is not yet allocated to any programs.

d/ The USD 200 million pledge was committed in JPY in the amount of JPY 19 billion.

e/ The total contribution made by the United Kingdom through the SCF is GBP 1.2 billion, which includes allocation of GBP 610 million to CTF, GBP 3.5 million to Readiness Fund of the Forest Carbon Partnership Facility (FCPF), GBP 11.5 million to Carbon Fund of the FCPF and GBP 50 million to the Congo Basin Fund.

f/ The total pledge made by the United States to the CIF is USD 2 billion; the allocation across the programs is indicative.

- The above table shows the total pledges outstanding and contributions finalized to the SCF. Pledges represent a Contributor's expression of intent to make a contribution.
- The total pledges to the SCF amount to USDeq. 2.4 billion, valued at the exchange rates available on the date of the Climate Investment Funds (CIF) initial pledging meeting. The current value of the pledges amounts to USDeq. 2.2 billion as of June 30, 2013 (a difference of USDeq. 211 million due to exchange rate movements).
- As of June 30, 2013, the Trustee had entered into Contribution Agreements/ Contribution Arrangements with 13 donors and received USDeq. 1.9 billion in cash and promissory notes from these donors.
- Of the total amount received from donors, USDeq. 1.2 billion (62%) was received as grant contributions and USDeq. 725 million (38%) as capital contributions
- Pledges and unpaid donor contributions amount to USDeq. 330 million.



## 1.2. Asset Mix and Investment Income

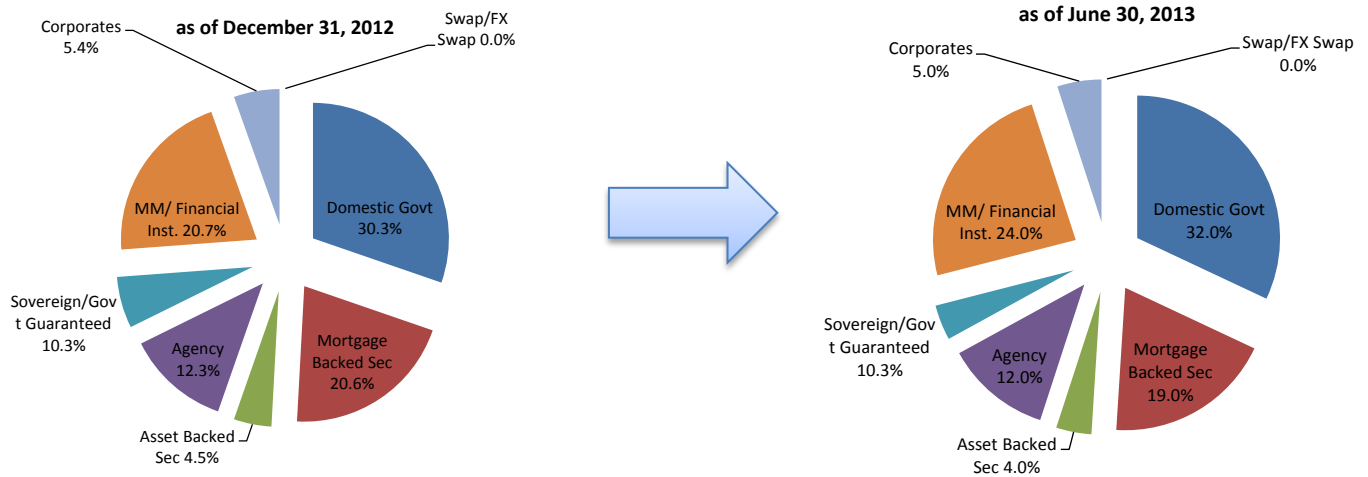
The undisbursed cash balance of the SCF Trust Fund is maintained in a commingled investment portfolio (“Pool”) for all trust funds managed by IBRD. The Pool is managed actively and conservatively with capital preservation as the over-arching objective.

### ASSET MIX

SCF Trust Fund assets are invested across three of the World Bank Trust Fund’s investment model portfolios, (“Tranche 0” for short term working capital needs, “Tranche 1” with an investment horizon of one year, “Tranche 2” with an investment horizon of three years). The latter two tranches aim to optimize investment returns subject to capital preservation with a high degree of confidence (based on statistical models) over the respective investment horizon. Although actual future returns will depend on market conditions, the TF Investment Pool portfolio is actively monitored and adjusted to preserve donor funds over the investment horizons. Over shorter periods however, market volatility may result in negative actual or ‘mark-to-market’<sup>2</sup> returns.

Overall, the SCF Trust Fund cumulative returns have been driven by its investment in longer term tranches, which may see higher volatility in returns over shorter periods, but are expected to see higher returns over longer periods.

The portfolio allocation by asset class has the largest allocations to government securities, mortgage backed securities (MBS), and money-market instruments. Allocations have been relatively stable over time.

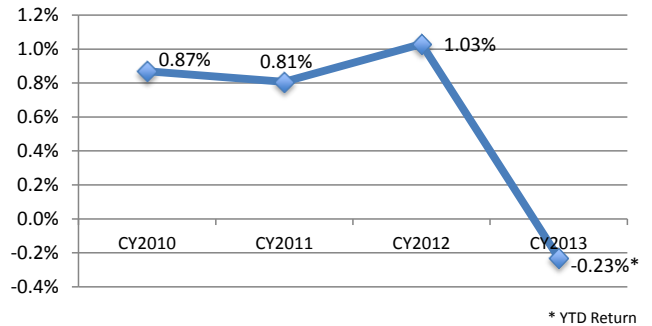


<sup>2</sup> Mark-to-market returns or losses represent returns or losses generated through an accounting entry rather than the actual sale of a security



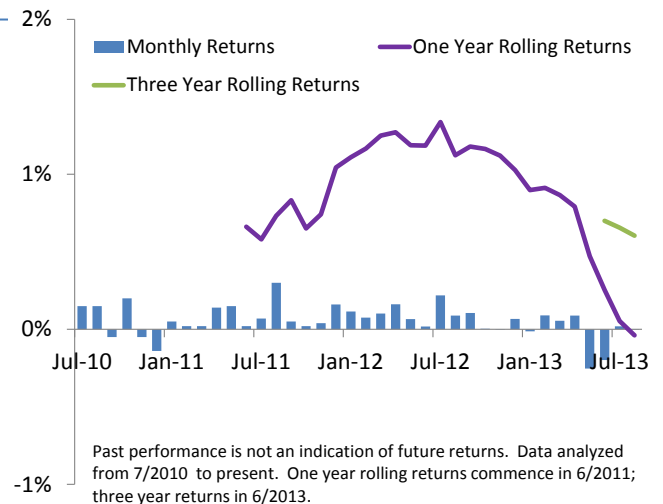
## INVESTMENT RETURNS

Rising global interest rates and a sell-off in risk assets dominated the financial markets in the second quarter of 2013, triggered by increased expectations that the period of low interest rates (so-called “quantitative easing”) in the US was coming to an end. As a result, most fixed income sectors saw negative total returns during the quarter. During the first six months of 2013, the SCF Trust Fund investment portfolio had total negative returns of 0.23%, as the negative returns in the May and June erased all gains earned from January through April, which had been modest given the sustained period of low rates.



## SCF TRUST FUND INVESTMENT PORTFOLIO: ONE AND THREE YEAR ROLLING RETURNS

SCF Trust Fund investment portfolio average one year and three year rolling returns were 0.87% and 0.65%, respectively. Rolling returns demonstrate the ability to achieve investment goals consistently and over time.



## ADJUSTMENTS FOR CHANGES IN MARKET CONDITIONS

Current low interest rates are reflected in lower coupon returns on fixed income instruments. As the market price of these instruments falls when interest rates increase, there is also a smaller cushion against price losses when interest rates increase. Given the challenging environment for fixed income investments, the World Bank treasury has taken steps in since 2011 to reduce the interest rate sensitivity of the Trust Fund Investment Pool portfolio to limit the impact of potential future interest rate increases (known as “duration”). The duration of both Tranches 1 and 2 has been reduced. Additionally, efforts have been underway to enable investments in a broader universe of assets in order to achieve greater diversification of portfolio risks and increase returns. Diversification opportunities include new emerging market sovereigns, covered bonds, and commercial paper.



### 1.3. Cumulative Funding Decisions

*In USD millions*

#### **FUNDING DECISIONS**

The SCF Trust Fund Committee approves allocation of SCF resources for administrative budgets, while the SCF Sub-Committees, or the MDB Committee if delegated, approve SCF financing for programs and projects including preparation grants and MDB costs for project implementation and supervision services (MPIS costs) under the respective targeted programs.

As of June 30, 2013, the SCF Trust Fund Committee has approved administrative budgets totaling USD 64 million while the SCF Sub-Committees have approved a total of USD 649 million for projects and MPIS costs.

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#### **FUNDING DECISIONS BY PROGRAM**

The SCF Sub-Committees, or MDB Committee if delegated, have approved funding totaling USD 649 million for projects and MPIS costs of which USD 89 million was approved under the FIP, USD 62 million under the SREP and USD 497 million under the PPCR.



## 2. FIP Summary – Inception through June 30, 2013

In USD millions

	Total	% of Total
<b><u>Donor Pledges and Contributions</u></b>		
Contributions	524	88%
Pledges	69	12%
<b>Total Pledges and Contributions</b>	<b>593</b>	<b>100%</b>

<b><u>Cumulative Resources</u></b>		
<u>Resources received</u>		
Cash Receipts	374	63%
Unencashed promissory notes	114	19%
<b>Total Resources Received</b>	<b>488</b>	<b>82%</b>
<u>Resources not yet received</u>		
Contributions not yet paid	36	6%
Pledges	69	12%
<b>Total resources not yet received</b>	<b>105</b>	<b>18%</b>
<b>Total Potential Resources (A)</b>	<b>593</b>	<b>100%</b>

<b><u>Cumulative Funding Decisions</u></b>		
Projects	80	90%
MPIS Costs	7	8%
Investment Plan Preparation	2	2%
<b>Total Funding Decisions Net of Cancellations (B)</b>	<b>89</b>	<b>100%</b>
<b>Total Potential Resources Net of Funding Decisions (A) - (B)</b>	<b>504</b>	

<b><u>Funds Available</u></b>		
Funds Held in Trust with no restrictions	434	
Amounts Pending Cash Transfers	67	
<b>Total Funds Available to Support FIP Sub-Committee decisions</b>	<b>367</b>	



## 2.1. FIP Pledges and Contributions

In USD millions

Contributor	Contribution Type	Currency	Pledges Outstanding and Contributions			Historical Value of Total in USD eq. a/ (1)	Current Value of Total in USD eq. b/ (2)	FX changes (3) = (2) - (1)	Receipts in USD eq. b/
			Pledges Outstanding	Finalized Contributions	Total				
Australia	Grant	AUD	-	36	36	30	35	5	35
Denmark	Grant	DKK	-	54	54	11	10	(0)	10
Japan	c/ Grant	USD	-	60	60	60	55	(5)	55
Norway	Grant	NOK	-	855	855	154	143	(11)	106
Spain	Capital	EUR	-	10	10	15	13	(2)	13
Sweden	Grant	SEK	-	100	100	15	15	(1)	15
United Kingdom	Capital	GBP	-	100	100	186	154	(32)	154
United States	d/ Grant	USD	69	99	168	168	168	-	99
						<b>639</b>	<b>593</b>	<b>(46)</b>	<b>488</b>

a/ Represents pledges valued on the basis of exchange rates as of September 25, 2008, the CIF official pledging date.

b/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of June 30, 2013.

c/ The USD 60 million pledge was committed in JPY in the amount of JPY 5.6 billion.

d/ The total pledge made by the United States to the CIF is USD 2 billion; the allocation across the programs is indicative.

- The above table shows the total pledges outstanding and contributions finalized to the FIP. Pledges represent a Contributor's expression of intent to make a contribution and form the basis for the endorsement of Investment Plans by the FIP Sub-Committee.
- The total pledges to the FIP now amount to USDeq. 639 million, valued at the exchange rates available on the date of the CIF pledging meeting. The current value of the pledges amounts to USDeq. 593 million as of December 31, 2012 (a difference of USDeq. 46 million due to exchange rate movements).
- As of June 30, 2013, the Trustee had entered into Contribution Agreements/ Contribution Arrangements with eight donors and received USDeq. 488 million in cash and promissory notes to date from these donors, of which USDeq. 39 million in cash receipts were received between January 1, 2013 and June 30, 2013.
- Of the total amount received from donors, USDeq. 321 million (66%) was received as grant contributions and USDeq. 167 million (34%) as capital contributions.
- Pledges and unpaid donor contributions amount to USDeq. 105 million.

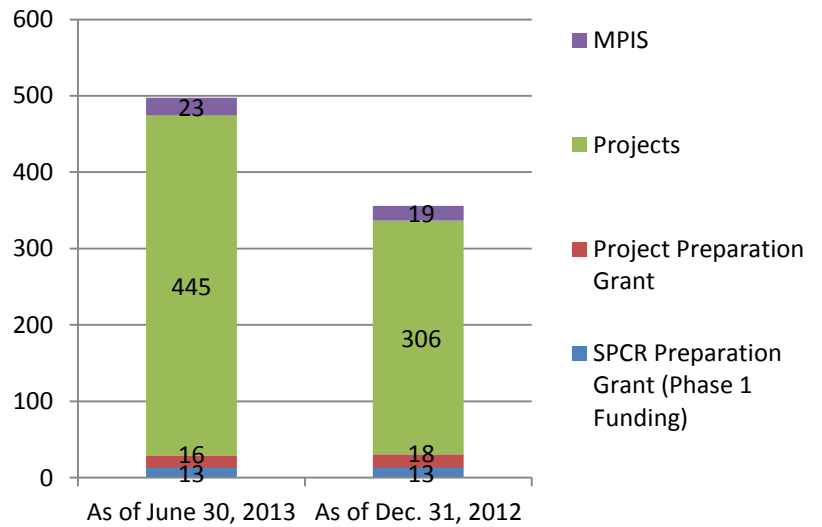


## 2.2. FIP Funding Decisions

*In USD millions*

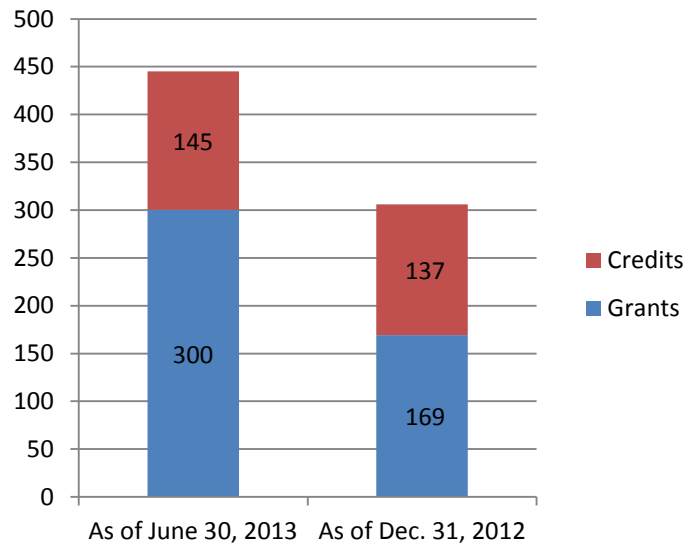
### FIP FUNDING APPROVALS BY ACTIVITY

Between January 1, 2013 and June 30, 2013, a total amount of USD 17 million was approved by the FIP Sub-Committee bringing the cumulative funding decisions under the FIP as of June 30, 2013 to USD 89 million.



### FIP PROJECT FUNDING APPROVALS BY TYPE OF FINANCING

Of the total amount approved for projects (USD 73 million), USD 45 million has been approved as grants and USD 28 million as credits.





## 2.3. FIP Funding Availability

In USD millions

	As of June 30, 2013 (a)	As of Dec. 31, 2012 (b)	Change (c) = (a) - (b)
<b>1. Cumulative Receipts</b>	<b>494</b>	<b>497</b>	<b>(3)</b>
a. Cash receipts and encashed promissory notes	374	335	39
b. Unencashed promissory notes	114	156	(42)
c. Investment income earned on undisbursed balance	6	7	(1)
<b>2. Cumulative Cash Transfers</b>	<b>42</b>	<b>30</b>	<b>13</b>
a. Projects	26	8	18
b. MPIS Costs	16	6	11
c. Administrative Budget	-	16	(16)
<b>3. Funds held in Trust ( 3 = 1 - 2 )</b>	<b>451</b>	<b>467</b>	<b>(16)</b>
a. Cash and Investments	337	311	26
b. Unencashed promissory notes	114	156	(42)
<b>4. Financial Reserve</b>	<b>17</b>	<b>23</b>	<b>(6)</b>
<b>5. Funds held in Trust with no restrictions ( 5 = 3 - 4 )</b>	<b>434</b>	<b>444</b>	<b>(10)</b>
<b>6. Funding Decisions pending cash transfer</b>	<b>67</b>	<b>59</b>	<b>8</b>
a. Projects and MPIS Costs	63	59	4
b. Administrative Budget	4	0	4
<b>7. Amounts pending Sub-Committee funding decisions</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Funds available to support Sub-Committee funding decisions ( 8 = 5 - 6 - 7 )</b>	<b>367</b>	<b>385</b>	<b>(17)</b>

### Highlights for the period January 1, 2013 through June 30, 2013:

- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USDeq. 451 million as of June 30, 2013. Funds Held in Trust decreased by approximately USD 16 million primarily due to:
  - Net changes in cumulative receipts during the period of January 1, 2013 through June 30, 2013 amounting to USDeq. 3 million, and
  - Cash transfers to MDBs amounting to USD 13 million
- **Funding Decisions Pending Cash Transfer** arising from the approvals amounted to USD 67 million.
- **Funding Availability** currently amounts to USD 367 million representing an increase of approximately USD 8 million over the prior reporting period as a result of new funding decisions made by the FIP Sub-Committee during the period offset by contribution receipts from donors.





### 3. PPCR Summary – Inception through June 30, 2013

*In USD millions*

	Total	% of Total
<b><u>Donor Pledges and Contributions</u></b>		
Contributions	947	84%
Pledges	183	16%
<b>Total Pledges and Contributions</b>	<b>1,130</b>	<b>100%</b>

<b><u>Cumulative Resources</u></b>		
<u>Resources received</u>		
Cash Receipts	589	52%
Unencashed promissory notes	334	30%
<b>Total Resources Received</b>	<b>923</b>	<b>82%</b>
<u>Resources not yet received</u>		
Contributions not yet paid	24	2%
Pledges	183	16%
<b>Total resources not yet received</b>	<b>207</b>	<b>18%</b>
<b>Total Potential Resources (A)</b>	<b>1,130</b>	<b>100%</b>

<b><u>Cumulative Funding Decisions</u></b>		
Projects	461	93%
MPIS Costs	23	5%
Investment Plan Preparation	13	3%
<b>Total Funding Decisions Net of Cancellations (B)</b>	<b>497</b>	<b>100%</b>
<b>Total Potential Resources Net of Funding Decisions (A) - (B)</b>	<b>632</b>	

<b><u>Funds Available</u></b>		
Funds Held in Trust with no restrictions	771	
Amounts Pending Cash Transfers	416	
<b>Total Funds Available to Support PPCR Sub-Committee decisions</b>	<b>355</b>	



### 3.1.PPCR Pledges and Contributions

In USD millions

Contributor	Contribution Type	Currency	Pledges Outstanding and Contributions			Historical Value of Total in USD eq. a/ (1)	Current Value of Total in USD eq. b/ (2)	FX changes (3) = (2) - (1)	Receipts in USD eq. b/
			Pledges Outstanding	Contributions Finalized	Total				
Australia	Grant	AUD	-	40	40	34	33	(0)	33
Canada	Grant	CAD	-	100	100	97	84	(13)	84
Denmark	Grant	DKK	-	123	123	24	23	(2)	19
Germany	Grant	EUR	-	50	50	74	66	(8)	66
Japan	c/ Grant	USD	-	100	100	100	107	7	107
Norway	Grant	NOK	-	91	91	16	16	(1)	16
Spain	Capital	EUR	-	10	10	15	13	(2)	13
United Kingdom	Capital	GBP	-	255	255	474	392	(82)	392
	Grant	GBP	-	70	70	130	107	(24)	87
United States	d/ Grant	USD	183	107	290	290	290	-	107
						<b>1,254</b>	<b>1,130</b>	<b>(125)</b>	<b>923</b>

a/ Represents pledges valued on the basis of exchange rates as of September 25, 2008, the CIF official pledging date.

b/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of June 30, 2013.

c/ The USD 100 million pledge was committed in JPY in the amount of JPY 9.3 billion.

d/ The total pledge made by the United States to the CIF is USD 2 billion; the allocation across the programs is indicative.

- The above table shows the total pledges outstanding and contributions finalized to the PPCR. Pledges represent a Contributor's expression of intent to make a contribution and form the basis for the endorsement of Strategic Programs for Climate Resilience by the PPCR Sub-Committee.
- The total pledges to the PPCR now amount to USDeq. 1.3 billion, valued at the exchange rates available on the date of the CIF pledging meeting. The current value of the pledges amounts to USDeq. 1.1 billion as of June 30, 2013 (a difference of USDeq. 125 million due to exchange rate movements).
- As of June 30, 2013, the Trustee had entered into Contribution Agreements/ Contribution Arrangements with nine donors and received USDeq. 923 million in cash and promissory notes to date from these donors, of which USDeq. 54 million in cash receipts were received between January 1, 2013 and June 30, 2013.
- Of the total amount received from donors, USDeq. 518 million (56%) was received as grant contributions and USDeq. 405 million (44%) as capital contributions.
- Pledges and unpaid donor contributions amount to USDeq. 207 million.

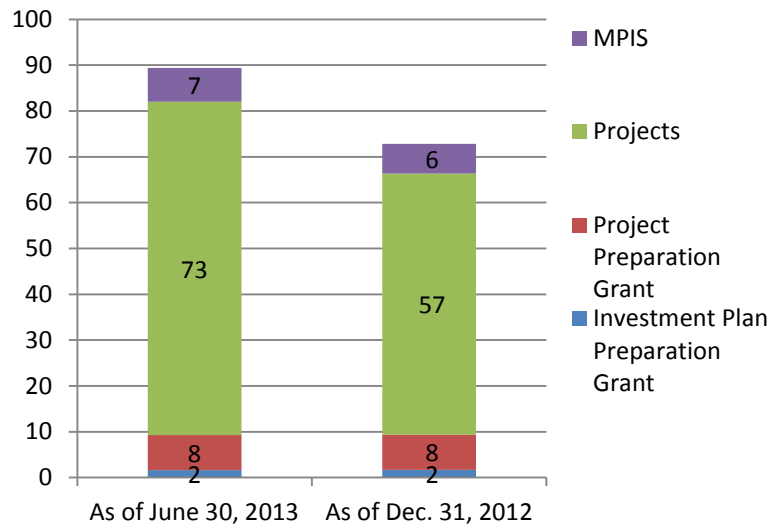


### 3.2.PPCR Funding Decisions

*In USD millions*

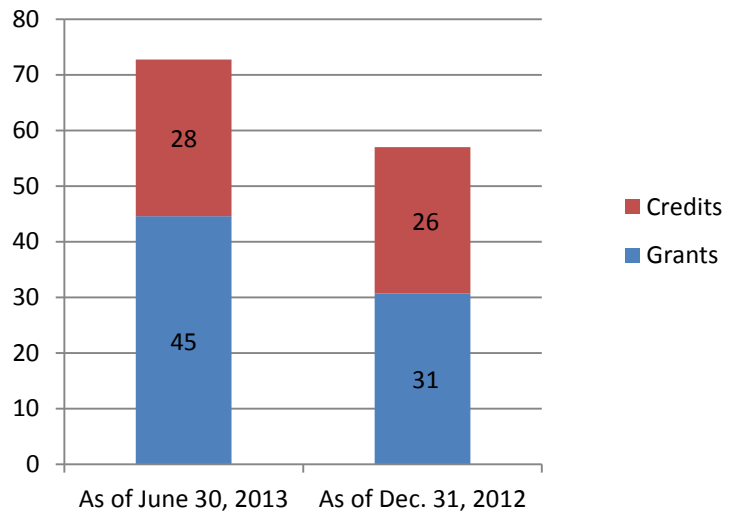
#### PPCR FUNDING APPROVALS BY ACTIVITY

Between January 1, 2013 and June 30, 2013, a total amount of USD 142 million was approved by the PPCR Sub-Committee bringing the cumulative funding decisions under the PPCR as of June 30, 2013 to USD 497 million.



#### PPCR PROJECT FUNDING APPROVALS BY TYPE OF FINANCING

Of the total amount approved for projects (USD 445 million), USD 300 million has been approved as grants and USD 145 million as credits.



### 3.3.PPCR Funding Availability

In USD millions

	As of June 30, 2013	As of Dec. 31, 2012	Change
	(a)	(b)	(c) = (a) - (b)
<b>1. Cumulative Receipts</b>	<b>931</b>	<b>928</b>	<b>3</b>
a. Cash receipts and encashed promissory notes	589	535	54
b. Unencashed promissory notes	334	383	(49)
c. Investment income earned on undisbursed balance	8	9	(1)
<b>2. Cumulative Cash Transfers</b>	<b>111</b>	<b>97</b>	<b>14</b>
a. Projects	87	55	32
b. MPIS Costs	24	18	5
c. Administrative Budget	-	23	(23)
<b>3. Funds held in Trust ( 3 = 1 - 2 )</b>	<b>821</b>	<b>831</b>	<b>(10)</b>
a. Cash and Investments	487	447	40
b. Unencashed promissory notes	334	383	(49)
<b>4. Financial Reserve</b>	<b>50</b>	<b>58</b>	<b>(7)</b>
<b>5. Funds held in Trust with no restrictions ( 5 = 3 - 4 )</b>	<b>771</b>	<b>773</b>	<b>(2)</b>
<b>6. Funding Decisions pending cash transfer</b>	<b>416</b>	<b>282</b>	<b>133</b>
a. Projects and MPIS Costs	410	282	128
b. Administrative Budget	5	0	5
<b>7. Amounts pending Sub-Committee funding decisions</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>8. Funds available to support Sub-Committee funding decisions ( 8 = 5 - 6 - 7 )</b>	<b>355</b>	<b>490</b>	<b>(135)</b>

#### Highlights for the period January 1, 2013 through June 30, 2013:

- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USDeq. 821 million as of June 30, 2013. Funds Held in Trust increased by USD 14 million primarily due to:
  - Net changes in cumulative receipts during the period of January 1, 2013 through June 30, 2013 amounting to USDeq. 3 million.
  - Cash transfers to MDBs amounting to USD 14 million
- **Funding Decisions Pending Cash Transfer** arising from the approvals amounted to USD 416 million.
- **Funding Availability** currently amounts to USD 355 million representing a decrease of USD 135 million over the prior reporting period as a result of new funding decisions made by the PPCR Sub-Committee during the period offset by contribution receipts from donors.



#### 4. SREP Summary – Inception through June 30, 2013

In USD millions

	Total	% of Total
<b><u>Donor Pledges and Contributions</u></b>		
Contributions	477	98%
Pledges	9	2%
<b>Total Pledges and Contributions</b>	<b>486</b>	<b>100%</b>
<b><u>Cumulative Resources</u></b>		
<u>Resources received</u>		
Cash Receipts	270	55%
Unencashed promissory notes	179	37%
<b>Total Resources Received</b>	<b>449</b>	<b>92%</b>
<u>Resources not yet received</u>		
Contributions not yet paid	28	6%
Pledges	9	2%
<b>Total resources not yet received</b>	<b>37</b>	<b>8%</b>
<b>Total Potential Resources (A)</b>	<b>486</b>	<b>100%</b>
<b><u>Cumulative Funding Decisions</u></b>		
Projects	56	90%
MPIS Costs	4	7%
Investment Plan Preparation	2	4%
<b>Total Funding Decisions Net of Cancellations (B)</b>	<b>62</b>	<b>100%</b>
<b>Total Potential Resources Net of Funding Decisions (A) - (B)</b>	<b>424</b>	
<b><u>Funds Available</u></b>		
Funds Held in Trust with no restrictions	404	
Amounts Pending Cash Transfers	54	
<b>Total Funds Available to Support SREP Sub-Committee decisions</b>	<b>350</b>	

## 4.1. SREP Pledges and Contributions

In USD millions

Contributor	Contribution Type	Currency	Pledges Outstanding and Contributions			Historical Value of Total in USD eq. a/ (1)	Current Value of Total in USD eq. b/ (2)	FX changes (3) = (2) - (1)	Receipts in USD eq. b/
			Pledges Outstanding	Contributions Finalized	Total				
Australia	Grant	AUD	-	12	12	10	12	2	10
Denmark	Grant	DKK	-	61	61	12	12	(1)	12
Japan	c/ Grant	USD	-	40	40	40	37	(3)	37
Korea	Grant	KRW	-	6,565	6,565	6	6	0	6
Netherlands	Grant	USD	-	76	76	76	76	-	76
Norway	Grant	NOK	-	390	390	70	66	(4)	58
Spain	Grant	EUR	-	3	3	4	4	(1)	4
Sweden	Grant	SEK	-	285	285	44	44	1	27
Switzerland	Grant	USD	-	26	26	26	26	-	26
United Kingdom	Capital	GBP	-	100	100	186	154	(33)	154
United States	d/ Grant	USD	9	41	50	50	50	-	41
						<b>524</b>	<b>486</b>	<b>(38)</b>	<b>449</b>

a/ Represents pledges valued on the basis of exchange rates of September 25, 2008, the CIF official pledging date.

b/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of June 30, 2013.

c/ The USD 40 million pledge was committed in JPY in the amount of JPY 3.7 billion.

d/ The total pledge made by the United States to the CIF is USD 2 billion; the allocation across the programs is indicative.

- The above table shows the total pledges outstanding and contributions finalized to the SREP. Pledges represent a Contributor's expression of intent to make a contribution and form the basis for the endorsement of Investment Plans by the SREP Sub-Committee.
- The total pledges to the SREP now amount to USDeq. 524 million, valued at the exchange rates available on the date of the CIF pledging meeting. The current value of the pledges amounts to USDeq. 486 million as of June 30, 2013 (a difference of USDeq. 38 million due to exchange rate movements).
- As of June 30, 2013, the Trustee had entered into Contribution Agreements/ Contribution Arrangements with 11 donors and received USDeq. 449 million in cash and promissory notes to date from these donors, of which USDeq. 30 million in cash receipts were received between January 1, 2013 and June 30, 2013.
- Of the total amount received from donors, USDeq. 292 million (65%) was received as grant contributions and USDeq. 157 million (35%) as capital contributions.
- Pledges and unpaid donor contributions amount to USDeq. 37 million.

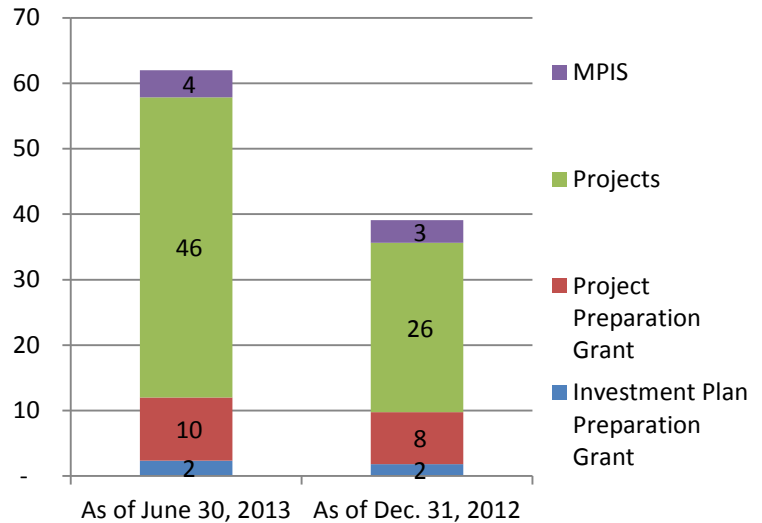


## 4.2. SREP Funding Decisions

*In USD millions*

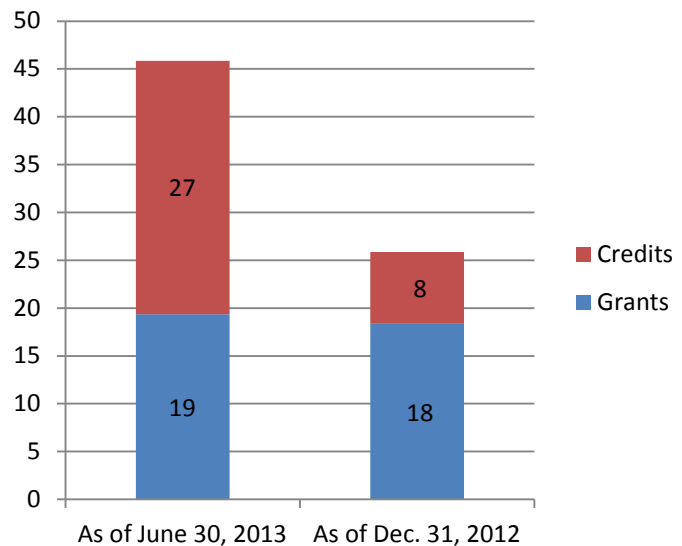
### SREP FUNDING APPROVALS BY ACTIVITY

Between January 1, 2013 and June 30, 2013, a total amount of USD 23 million was approved by the SREP Sub-Committee bringing the cumulative funding decisions under the SREP as of June 30, 2013 to USD 62 million.



### SREP PROJECT FUNDING APPROVALS BY ACTIVITY

Of the total amount approved for projects (USD 46 million), USD 19 million has been approved as grants and USD 27 million as credits. There was an increase of approximately USD 20 million in project approvals.





## 4.3.SREP Funding Availability

In USD millions

	As of June 30, 2013 (a)	As of Dec. 31, 2012 (b)	Change (c) = (a) - (b)
<b>1. Cumulative Receipts</b>	<b>453</b>	<b>455</b>	<b>(2)</b>
a. Cash receipts and encashed promissory notes	270	240	30
b. Unencashed promissory notes	179	211	(31)
c. Investment income earned on undisbursed balance	4	5	(0)
<b>2. Cumulative Cash Transfers</b>	<b>23</b>	<b>19</b>	<b>4</b>
a. Projects	11	3	7
b. MPIS Costs	12	3	9
c. Administrative Budget	-	12	(12)
<b>3. Funds held in Trust ( 3 = 1 - 2 )</b>	<b>430</b>	<b>437</b>	<b>(6)</b>
a. Cash and Investments	251	228	23
b. Unencashed promissory notes	179	211	(31)
<b>4. Financial Reserve</b>	<b>27</b>	<b>32</b>	<b>(5)</b>
<b>5. Funds held in Trust with no restrictions ( 5 = 3 - 4 )</b>	<b>404</b>	<b>405</b>	<b>(1)</b>
<b>6. Funding Decisions pending cash transfer</b>	<b>54</b>	<b>32</b>	<b>22</b>
a. Projects and MPIS Costs	51	32	19
b. Administrative Budget	3	0	3
<b>7. Amounts pending Sub-Committee funding decisions</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Funds available to support Sub-Committee funding decisions ( 8 = 5 - 6 - 7 )</b>	<b>350</b>	<b>373</b>	<b>(23)</b>

### Highlights for the period January 1, 2013 through June 30, 2013:

- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USDeq. 430 million as of June 30, 2013. Funds Held in Trust decreased by USD 6 million primarily due to:
  - Net changes in cumulative receipts during the period of January 1, 2013 through June 30, 2013 amounting to USD eq. 2 million.
  - Cash transfers to MDBs amounting to USD 4 million
- **Funding Decisions Pending Cash Transfer** arising from the approvals amounted to USD 54 million.
- **Funding Availability** currently amounts to USD 350 million representing a decrease of USD 23 million over the prior reporting period as a result of contribution receipts from donors offset by new funding decisions made by the SREP Sub-Committee during the period.