

CLIMATE INVESTMENT FUNDS

Joint CTF-SCF/TFC.20/Inf.4

December 21, 2018

Joint Meeting of the CTF and SCF Trust Fund Committees

Ouarzazate, Morocco

Thursday, January 31, 2019

REPORT OF THE TRUSTEE ON THE FINANCIAL STATUS OF THE SCF

Strategic Climate Fund (SCF)

Financial Report

Prepared by the Trustee

As of September 30, 2018



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Introduction

The Climate Investment Funds (CIF) were established in 2008 and its financial architecture is rooted in two trust funds. The Clean Technology Fund (CTF) aims to provide scaled-up financing to contribute to the demonstration, deployment, and transfer of low-carbon technologies with a significant potential for long-term greenhouse gas emissions savings. The Strategic Climate Fund (SCF) aims to provide financing to pilot new development approaches or scale-up activities aimed at a specific climate change challenge or sectoral response. The SCF currently finances three such programs: the Forest Investment Program (FIP), Pilot Program for Climate Resilience (PPCR), and Scaling Up Renewable Energy in Low-Income Countries Program (SREP).

The World Bank acts as the Trustee for the CIFs. This report is produced by the Trustee based on financial information as of September 30, 2018, in accordance with the Trustee's role as set forth in the Governance Framework for the SCF 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.”

Regular financial reporting is provided through the Trustee's website: www.fiftrustee.worldbank.org. This report has been prepared specifically for the SCF Trust Fund Committee (TFC) to provide: (i) a snapshot of the financial status of the SCF Trust Fund as of September 30, 2018; (ii) the status of pledges and contributions, and (iii) the status of the SCF Programs: FIP, PPCR, SREP and Evaluation and Learning.

1. SCF Trust Fund Summary – Inception through September 30, 2018

In USD millions

SCF TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS

Inception through September 30, 2018
(USD millions)

As of September 30, 2018 % of Total

	Total	% of Total
Donor Pledges and Contributions		
Contributions	2,626.6	100%
Pledges	0.3	0%
Total Pledges and Contributions	2,627.0	100%
Cumulative Funding Received		
Contributions Received		
Cash Contributions	2,187.0	80%
Unencashed promissory notes	a/ 439.6	16%
Total Contributions Received	2,626.6	96%
Other Resources		
Investment Income earned	93.7	3%
Investment Income from MDBs	3.3	
Total Other Resources	97.0	
Total Cumulative Funding Received (A)	2,723.6	100%
Cumulative Funding Commitments		
Projects/Programs	2,246.1	94%
MDB Project Implementation and Supervision services (MPIS) Costs	86.2	4%
Cumulative Administrative Expenses net of cancellations	b/ 146.1	6%
Country Programming Budget commitment from 1st Jan 2018	b/ 0.5	0%
Evaluation and learning commitments	7.5	0%
Total Cumulative Funding Commitments	2,486.5	104%
Project/Program Cancellations	c/ (97.8)	-4%
Net Cumulative Funding Commitments (B)	2,388.6	100%
Fund Balance (A - B)	335.0	
Currency Risk Reserves	d/ (65.9)	
Funding Available for Trustee Commitments (C)	269.0	



In USD millions

SCF TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS

Inception through September 30, 2018
(USD millions)

As of September 30, 2018 % of Total

	Total	% of Total
Future Programming Reserves:		
Admin Expenses-Reserve (includes Country Programming budget/Learning and Knowledge exchange reserve) and for FY 19-28 (net of estimated investment income and reflows) e/	(53.8)	
Unrestricted Fund Balance (C) after reserves	215.2	
Anticipated Commitments (FY18-FY23)		
Program/Project Funding and MPIS Costs f/	339.0	
Total Anticipated Commitments (D)	339.0	
Available Resources (C-D)	(123.8)	
Potential Future Funding (FY18-FY23)		
Pledges g/	0.3	1%
Contributions not yet paid	-	0%
Release of Currency Risk Reserves d/	65.9	99%
Total Potential Future Resources (E)	66.3	100%
Potential Available Resources (C - D + E)	(57.5)	
Reflow from MDBs h/	1.5	

a/ This amount represents USD equivalent of GBP 337.1 million from the UK.

b/ approved by the SCF TFC to end FY18 (net of cancellations) including USD 31.10 million for Country Programming budget.

c/ This refers to cancellation of program and project commitments approved by the SCF TFC.

d/ Amounts withheld to mitigate over-commitment risk resulting from the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated promissory notes.

e/ The amount of this reserve is estimated by the CIFAU and Trustee using the 10-year forecast of the Admin Budget less the 10-year estimate of Investment Income and reflows. Pro-rata estimates across three SCF programs are based on the 41%, 37% & 22% fixed pro rata share of the PPCR, SREP & FIP cash balance as at December 31, 2017 approved by the SCF TFC on March 8, 2018.

f/ Anticipated commitments for SREP program includes both Sealed and Reserve pipeline.

g/ The balance of the pledge amount from the U.S.

h/ The usage of reflow from MDBs are approved by the SCF TFC on March 8, 2018 to cover the shortfall in administrative expenses net of the SCF investment income.



1.1. Pledges and Contributions – SCF Summary

In USD millions

STRATEGIC CLIMATE FUND
Table 1: Pledges and Contributions
as of September 30, 2018
(in millions)

Contributor	Contribution Type	Currency	in Contribution Currency				in USD eq. a/			
			Pledges outstanding and Contribution Receivable	PNs Outstanding	Cash Receipts f/	Total Pledges and Contributions	Pledges outstanding and Contribution Receivable	PNs Outstanding	Cash Receipts f/	Total Pledges and Contributions
Australia	Grant	AUD	-	-	87	87	-	-	80	80
Canada	Grant	CAD	-	-	100	100	-	-	84	84
Denmark	Grant	DKK	-	-	238	238	-	-	44	44
Germany	b/ Grant	EUR	-	-	50	50	-	-	66	66
Japan	c/ Grant	USD	-	-	200 c/	200	-	-	187	187
Korea	Grant	KRW	-	-	6,565	6,565	-	-	6	6
Netherlands	Grant	USD	-	-	76	76	-	-	76	76
Norway	Grant	NOK	-	-	1,733	1,733	-	-	280	280
Spain	Grant	EUR	-	-	3	3	-	-	4	4
Spain	Capital	EUR	-	-	20	20	-	-	26	26
Sweden	Grant	SEK	-	-	405	405	-	-	61	61
Switzerland	Grant	USD	-	-	26	26	-	-	26	26
United Kingdom	d/ Capital	GBP	-	288	361	649	-	376	529	905
United Kingdom	Grant	GBP	-	49	160	209	-	64	210	273
United States	e/ Grant	USD	0.3	-	508	508	0.3	-	508	508
							0	440	2,187	2,627

a/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of September 30, 2018

b/ Of the EUR 59.45 contribution to SCF, EUR 9.45 million was subsequently transferred from the SCF Trust Fund to other trust funds, at the instruction of the contributor.

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

d/ The total contribution finalized by the United Kingdom through the SCF is GBP 2.1 billion, which includes allocation of GBP 1130 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.

e/ The total pledge made by the United States to the CTF and SCF is USD 2 billion

f/ Includes cash receipts and encashed promissory notes.

Note: Totals may not add due to rounding



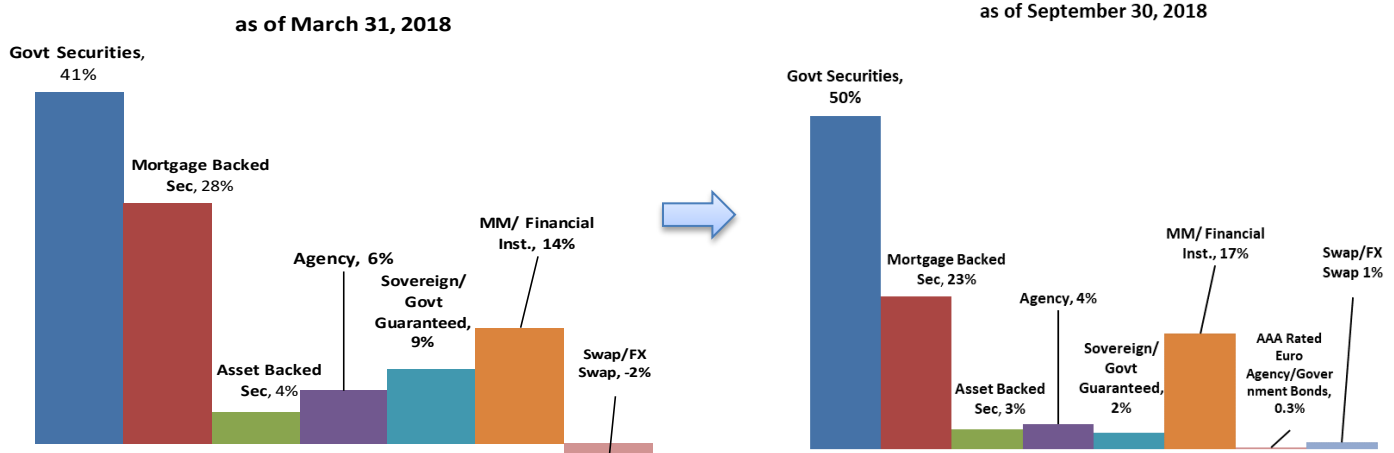
1.2. Asset Mix and Investment Returns and Adjustment for Changes in Market Conditions

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, (“Model Portfolio 0” for short term working capital needs, “Model Portfolio 1” with an investment horizon of one year, and “Model Portfolio 2” with an investment horizon of three years). The latter two model portfolios 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 Trust Fund Investment Pool portfolio is actively monitored and adjusted to preserve development partner funds over the investment horizons. Over shorter periods however, market volatility may result in negative actual or ‘mark-to-market’¹ returns.

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, money market and mortgage backed securities (MBS).



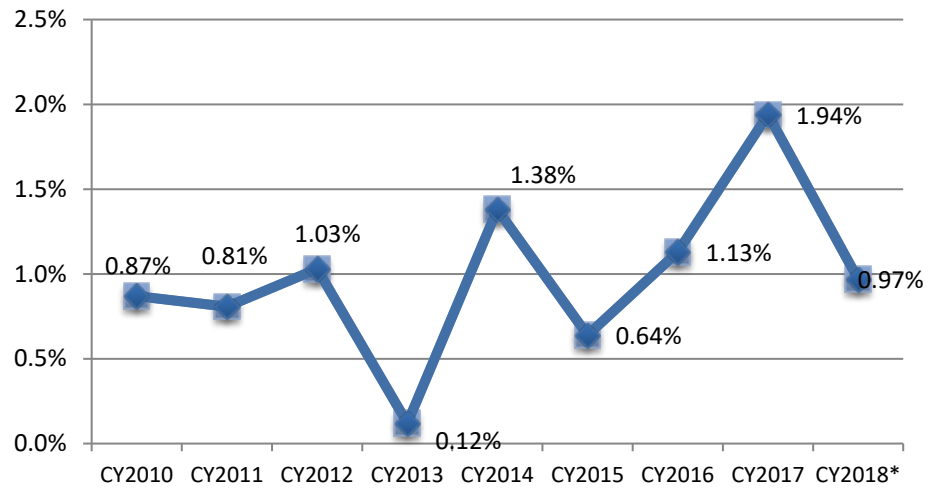
Note: The negative position in swaps is primarily due to changes in foreign currency exchange (FX) rates in cross currency basis swaps. Such swap instruments are used to implement currency hedges on bond positions within the portfolio. These hedges remain in place.

¹ Mark-to-market gains or losses represent unrealized gains or losses resulting from changes in the value of securities in the portfolio which have not yet been sold.



INVESTMENT RETURNS

The SCF Trust Fund achieved a calendar year-to-date 2018 return of 0.97%. Returns in the first three quarters of 2018 were driven by headline risks related to the threat of escalating trade tensions, geopolitics and the knock on effects on global growth.



*YTD non-Annualized

ADJUSTMENTS FOR CHANGES IN MARKET CONDITIONS

As a gradual move to higher rates in the coming years is expected, the outlook for fixed-income investments continues to be for low returns, as increases in market interest rates could result in unrealized (i.e., mark-to-market) losses for fixed income returns in general. Given the challenging environment for fixed income investments, the Trustee has taken steps to reduce the interest rate sensitivity (known as “duration”) of the Trust Fund Investment Pool portfolio to limit the impact of potential future interest rate increases. The short maturity/duration nature of the portfolio gives space and flexibility to tactically move into higher yields going forward. Additionally, efforts are underway by the Trustee to enable investments in a broader universe of assets to achieve greater diversification of portfolio risks and increase returns. Diversification opportunities include emerging market sovereign bonds, covered bonds and new money market instruments.



1.3. Cumulative Net Commitments

Total Net Commitments by the Trustee by Activity

As of September 30, 2018, based on the funding approvals by the SCF Trust Fund Committee, or the SCF Sub-Committee as appropriate, the Trustee has made net commitments totaling USD 2.39 billion. Of this amount, USD 146.6 million represents net commitments for administrative budget including the Country Programming budget of USD 31.10 million under the relevant SCF Programs, USD 2.23 billion for projects, preparation grants and MDB costs for project implementation and supervision services (MPIS costs), and USD 7.5 million for the Evaluation and Learning program.

Net Project and Program Commitments by Program

Net commitments made by the Trustee totaled USD 2.23 billion for projects, investment plan preparation and MPIS costs, of which USD 0.57 billion was committed under the FIP, USD 1.06 billion under the PPCR, and USD 0.6 billion under the SREP.



2. FIP Summary – Inception through September 30, 2018

In USD millions

FIP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS				
<i>Inception through September 30, 2018</i>				
<i>(USD millions)</i>				
		Total	Capital	Grant
Donor Pledges and Contributions				
Contributions		735.4	251.0	484.4
Pledges	a/	0.3	-	0.3
Total Pledges and Contributions		735.7	251.0	484.7
Cumulative Funding Received				
Contributions Received				
Cash Contributions		501.1	80.7	420.4
Unencashed promissory notes	b/	234.3	170.4	63.9
Total Contributions Received		735.4	251.0	484.4
Other Resources				
Investment Income earned -up to Feb 1, 2016	c/	14.5	-	14.5
Total Other Resources		14.5	-	14.5
Total Cumulative Funding Received (A)		749.9	251.0	498.9
Cumulative Funding Commitments				
Projects/Programs		553.0	151.8	401.2
MDB Project Implementation and Supervision services (MPIS) Costs		28.9	-	28.9
Administrative Expenses-Cumulative to 1st Feb 2016	c/	25.6	-	25.6
Country Programming Budget from 1st Jan 2018	c/	0.2	-	0.2
Total Cumulative Funding Commitments		607.7	151.8	455.9
Project/Program,MPIS and Admin Budget Cancellations	d/	(16.3)	(15.0)	(1.3)
Net Cumulative Funding Commitments (B)		591.4	136.8	454.6
Fund Balance (A - B)		158.5	114.2	44.3
Currency Risk Reserves	e/	(35.1)	(25.6)	(9.6)
Unrestricted Fund Balance (C)		123.4	88.7	34.7
Future Programming Reserves:				
Admin Expenses-Reserve (includes Country Programing budget/Learning and Knowledge exchange reserve) and for FY 19-28 (net of estimated investment income and reflows). Breakup of various components are provided below.	f/	(11.6)		(11.6)
subtract				
Administration Expense reserve for CIFAU, MDB & Trustee		USD 20.9 Million		
Country Programming Budget Reserve		USD 1.6 Million		
Learning and Knowledge Exchange Reserve		USD 1.1 Million		
add				
Estimated Investment Income Share for FIP		USD 5.4 Million		
Projected Reflows		USD 6.6 Million		
Unrestricted Fund Balance (C) after reserves		111.8	88.7	23.1

In USD millions

FIP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS				
<i>Inception through September 30, 2018</i>				
<i>(USD millions)</i>				
		Total	Capital	Grant
Anticipated Commitments (FY19-FY21)				
Program/Project Funding and MPIS Costs		162.9	110.1	52.8
Total Anticipated Commitments (D)		162.9	110.1	52.8
Available Resources (C - D)				
		(51.1)	(21.4)	(29.7)
Potential Future Resources (FY19-FY21)				
Pledges	a/	0.3		0.3
Release of Currency Risk Reserves	e/	35.1	25.6	9.6
Total Potential Future Resources (E)		35.5	25.6	9.9
Potential Available Resources (C - D + E)				
		(15.6)	4.1	(19.7)
Reflows from MDBs				
	g/	0.4		0.4

a/ The balance of the pledge amount from the U.S

b/ This amount represents USD equivalent of GBP 179.6 million.

c/ From Feb 1, 2016, Investment income across all SCF programs has been posted to a notional Admin "account", from which approved Administrative Budget expenses for the Trustee, Secretariat and MDBs are committed. The Country Programming budgets are recorded under individual programs.

d/ This refers to cancellation of program and project commitments approved by the SCF TFC

e/ Amounts withheld to mitigate over-commitment risk resulting from the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated promissory notes.

f/ The amount of this reserve is estimated by the CIFAU and Trustee using the 10-year forecast of the Admin Budget less the 10-year estimate of Investment Income and reflows. Pro-rata estimates across three SCF programs are based on the 22% fixed pro rata share of the FIP's cash balance as at December 31, 2017 approved by the SCF TFC on March 8, 2018. The decision reads as "allocate USD 11.6 million from the available grant resources in the FIP Program Sub-Account to finance estimated Administrative Costs from FY19 to FY28, such that the projected, indicative amount of approximately USD 81.8 million in FIP grant resources remains available for allocation to FIP projects".

g/ The usage of reflow from MDBs are approved by the SCF TFC on March 8, 2018 to cover the shortfall in administrative expenses net of the SCF investment income.



2.1. FIP Pledges and Contributions -Summary

In USD millions

Contributor	Contribution Type	Currency	in Contribution Currency				in USD eq. a/			
			Pledges outstanding	PNs Outstanding	Cash Receipts d/	Total Pledges and Contributions	Pledges outstanding	PNs Outstanding	Cash Receipts d/	Total Pledges and Contributions
Australia	Grant	AUD	-	-	36	36	-	-	35	35
Denmark	Grant	DKK	-	-	54	54	-	-	10	10
Japan	b/ Grant	USD	-	-	60	60	-	-	51	51
Norway	Grant	NOK	-	-	855	855	-	-	142	142
Spain	Capital	EUR	-	-	10	10	-	-	13	13
Sweden	Grant	SEK	-	-	100	100	-	-	15	15
United Kingdom	Capital	GBP	-	131	43	174	-	170	68	238
United Kingdom	Grant	GBP	-	49	-	49	-	64	-	64
United States	c/ Grant	USD	0.3	-	168	168	0.3	-	168	168
							0.3	234	501	736

a/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of September 30, 2018

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

c/ The total pledge made by the United States to the CTF and SCF is USD 2 billion.

d/ Includes cash receipts and encashed promissory notes.

Note: Totals may not add due to rounding

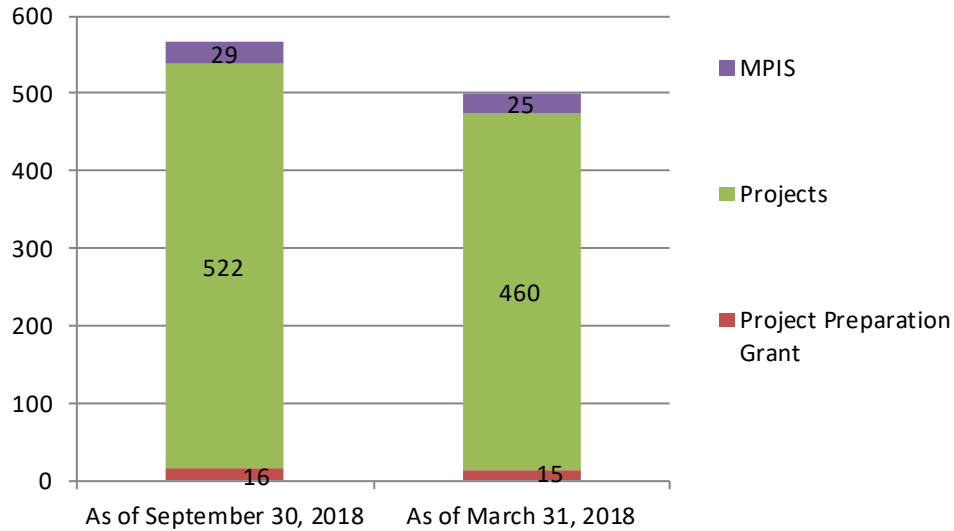


2.2. Cumulative Net Commitments

In USD millions

FIP Net Commitments by the Trustee by Activity

The cumulative net commitments under the FIP as of September 30, 2018 was USD 0.57 billion².



Note: Totals may not add due to rounding

² This amount excludes net commitments for SCF administrative budget, including Country Programming budget, approved by the SCF Trust Fund Committee. Project preparation grants includes Investment plan preparation grants.



2.3. FIP Funds Held in Trust with No Restrictions and Funds Available to support Trustee Commitments

In USD millions

STRATEGIC CLIMATE FUND		
Table 2: Schedule of Funds Available for FIP		
as of September 30, 2018		<u>FIP</u>
<u>1. Funds held in Trust</u>		388
a. Cash		153
b. Unencashed Promissory Notes a/		234
c. Reflows		0.4
<u>2. Restricted Funds</u> b/		35
<u>3. Funds held in Trust with no restrictions (3 = 1 - 2)</u>		352
<u>4. Trustee Commitments pending cash transfer</u>		229
a. Projects		227
b. MDB Fees		1
c. Administrative Budget		0.1
<u>5 Funds available to support Trustee Commitments (6 = 3 - 4)</u>	c/	<u>124</u>
<p>a/ Valued on the basis of exchange rates of September 30, 2018</p> <p>b/ Represents amounts withheld to cover the impact of foreign exchange fluctuations on commitments made by the Trustee</p> <p>c/ Doesn't include the reserve amount of USD 11.6 million estimated by the CIFAU and Trustee using the 10-year forecast of the admin and country programming budget less the 10-year estimate of Investment Income and reflows.</p>		



3. PPCR Summary – Inception through September 30, 2018

In USD millions

PPCR TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS				
Inception through September 30, 2018 (USD millions)				
		Total	Capital	Grant
		Total	Total	Total
Donor Pledges and Contributions				
Contributions		1,139.0	406.9	732.1
Pledges		-	-	-
Allocation from Capital to Grants	a/	-	(24.5)	24.5
Total Pledges and Contributions		1,139.0	382.4	756.6
Cumulative Funding Received				
Contributions Received				
Cash Contributions		1,139.0	406.9	732.1
Unencashed promissory notes		-	-	-
UK Contributions-Allocation from Capital to Grants	a/	-	(24.5)	24.5
Total Contributions Received		1,139.0	382.36	756.6
Other Resources				
Investment Income earned -up to Feb 1, 2016	b/	18.8	-	18.8
Total Other Resources		18.8	-	18.8
Total Cumulative Funding Received (A)		1,157.8	382.4	775.5
Cumulative Funding Commitments				
Projects/Programs		1,070.4	395.7	674.7
MDB Project Implementation and Supervision services (MPIS) Costs		36.8	-	36.8
Administrative Expenses-Cumulative to 1st Feb 2016	b/	68.5	-	68.5
Country Programming Budget commitment from 1st Jan 2018	b/	0.2	-	0.2
Total Cumulative Funding Commitments		1,175.9	395.7	780.2
Project/Program and Administrative Budget Cancellations	c/	(42.06)	(11.6)	(30.46)
Net Cumulative Funding Commitments (B)		1,133.9	384.1	749.7
Fund Balance (A - B)		24.0	(1.8)	25.7
Currency Risk Reserves	d/	-	-	-
Grant resources funding Capital projects	e/	-	1.8	(1.8)
Unrestricted Fund Balance (C)		24.0	-	24.0
Future Programming Reserves:				
Admin Expenses including Country programming budget/Learning and Knowledge exchange-Reserve for FY 19-28 (net of estimated investment income and reflows) Breakup of various components are provided below.	f/	(10.6)		(10.6)
Subtract				
Administration Expense reserve for CIFAU, MDB & Trustee		USD 29.0 Million		
Country Programming Budget Reserve		USD 1.4 Million		
Learning and Knowledge Exchange Reserve		USD 1.1 Million		
Add				
Estimated investment Income Share for PPCR		USD 10.1 Million		
Projected Reflows		USD 10.8 Million		
Unrestricted Fund Balance (C) after reserves		13.4	-	13.4



In USD millions

PPCR TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS			
<i>Inception through September 30, 2018</i>			
<i>(USD millions)</i>			
	Total	Capital	Grant
Anticipated Commitments (FY19-FY21)			
Program/Project Funding and MPIS Costs	-	-	-
Total Anticipated Commitments (D)	-	-	-
Available Resources (C-D)			
	13.4	-	13.4
Potential Future Funding (FY19-FY21)			
Pledges	-	-	-
Funding From Provisional Account	-	-	-
Contributions not yet paid	-	-	-
Release of Currency Risk Reserves	d/ -	-	-
Total Potential Future Resources (E)	-	-	-
Potential Available Resources (C - D + E)			
	13.4	-	13.4
Reflows from MDBs			
	g/	1.2	1.2

a/ Cash contributions amounting to GBP 15 million (USDeq. 24.5 million based on exchange rate on May 10, 2011) received as capital contributions are available to finance grants (including administrative costs) according to the terms of the contribution agreements/arrangements.

b/ From Feb 1, 2016, Investment income across all SCF programs has been posted to a notional Admin "account", from which approved Administrative Budget expenses for the Trustee, Secretariat and MDBs are committed. The Country Programming budgets are recorded under individual programs.

c/ This refers to cancellation of program and project commitments approved by the committee. Also includes any commitment cancellations to adjust changes to the previous approvals.

d/ Amounts withheld to mitigate over-commitment risk resulting from the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated promissory notes.

e/ The Loan commitment for "Niger community project" has been funded partially by USD 1.8 million from the Grant resources, which is allowed as per the SCF governance framework. Any additional cancellations in Capital projects also results in further reduction in the usage of grant resources for the capital project.

f/ The amount of this reserve is estimated by the CIFAU and Trustee using the 10-year forecast of the Admin Budget less the 10-year estimate of Investment Income and reflows. Pro-rata estimates across three SCF programs are based on the 41% fixed pro rata share of the PPCR's cash balance as at December 31, 2017 approved by the committee on March 8, 2018. The decision reads as "allocate USD 10.6 million from the available grant resources in the PPCR Program Sub-Account to finance estimated Administrative Costs from FY19 to FY28, such that the projected, indicative amount of approximately USD 16.3 million in PPCR grant resources remains available for allocation to PPCR project's".

g/ The usage of reflow from MDBs are approved by the SCF TFC on March 8, 2018 to cover the shortfall in administrative expenses net of the SCF investment income.



3.1.PPCR Pledges and Contributions - Summary

In USD millions

Contributor	Contribution Type	Currency	in Contribution Currency				in USD eq. a/			
			Pledges outstanding and Contribution Receivable	PNs Outstanding	Cash Receipts d/	Total Pledges and Contributions	Pledges outstanding and Contribution Receivable	PNs Outstanding	Cash Receipts d/	Total Pledges and Contributions
Australia	Grant	AUD	-	-	40	40	-	-	33	33
Canada	Grant	CAD	-	-	100	100	-	-	84	84
Denmark	Grant	DKK	-	-	123	123	-	-	23	23
Germany	Grant	EUR	-	-	50	50	-	-	66	66
Japan	b/ Grant	USD	-	-	100	100	-	-	103	103
Norway	Grant	NOK	-	-	91	91	-	-	16	16
Spain	Capital	EUR	-	-	10	10	-	-	13	13
United Kingdom	Capital	GBP	-	-	271	271	-	-	394	394
United Kingdom	Grant	GBP	-	-	90	90	-	-	118	118
United States	c/ Grant	USD	-	-	290	290	-	-	290	290
									1,139	1,139

a/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of September 30, 2018

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

c/ The total pledge made by the United States to the CTF and SCF is USD 2 billion

d/ Includes cash receipts and encashed promissory notes.

Note: Totals may not add up due to rounding

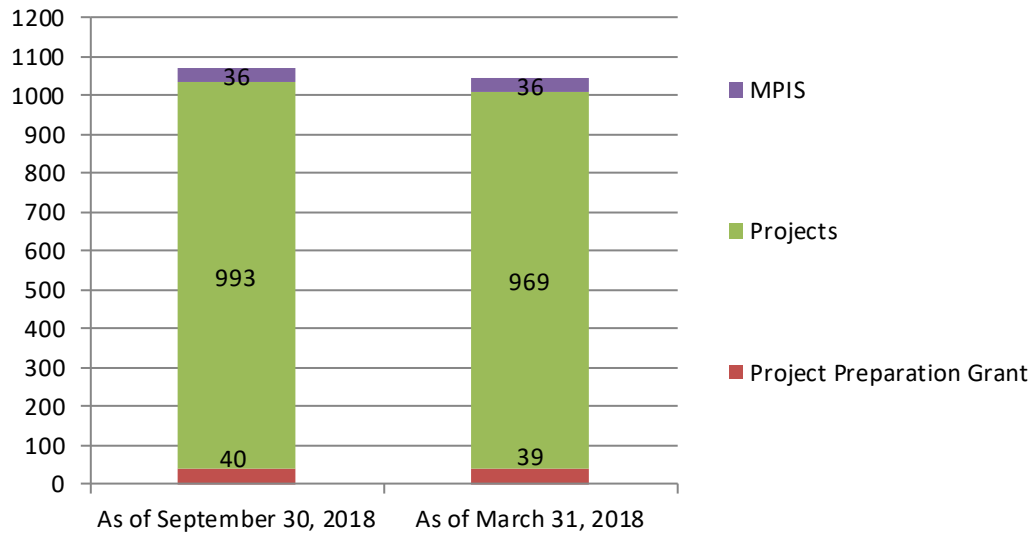


3.2.PPCR Cumulative Net Commitments

In USD millions

PPCR Net Commitments by the Trustee by Activity

The cumulative net commitments under the PPCR as of September 30, 2018 was USD 1.07 billion³.



Note: Totals may not add due to rounding

³ This amount excludes net commitments for SCF administrative budget, including Country Programming budget, approved by the SCF Trust Fund Committee. Project preparation grants includes Investment plan preparation grants.



3.3. PPCR Funds Held in Trust with No Restrictions and Funds Available to support Trustee Commitments

In USD millions

STRATEGIC CLIMATE FUND	
Table 2: Schedule of Funds Available for PPCR	
as of September 30, 2018	
	PPCR
1. Funds held in Trust	336
a. Cash	335
b. Unencashed Promissory Notes a/	-
c. Reflows	1
2. Restricted Funds b/	-
3. Funds held in Trust with no restrictions (3 = 1 - 2)	336
4. Trustee Commitments pending cash transfer	311
a. Projects	310
b. MDB Fees	1
c. Administrative Budget	0.01
5 Funds available to support Trustee Commitments (6 = 3 - 4)	c/ <u>25</u>
<p>a/ Valued on the basis of exchange rates of September 30, 2018</p> <p>b/ Represents amounts withheld to cover the impact of foreign exchange fluctuations on commitments made by the Trustee</p> <p>c/ Doesn't include the reserve amount of USD 10.6 million estimated by the CIFAU and Trustee using the 10-year forecast of the admin and country programming budget less the 10-year estimate of Investment Income and reflows.</p>	



4. SREP Summary – Inception through September 30, 2018

In USD millions

SREP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS			
<i>Inception through September 30, 2018</i>			
<i>(USD millions)</i>			
	Total	Capital	Grant
Total			
Donor Pledges and Contributions			
Contributions	744.5	273.2	471.3
Pledges	-	-	-
Allocation of Capital to Grants	a/	(25.9)	25.9
Total Pledges and Contributions	744.5	247.3	497.2
Cumulative Funding Received			
Contributions Received			
Cash Contributions	539.2	67.9	471.3
Unencashed Promissory Notes	b/ 205.4	205.4	-
Allocation of Capital to Grants from Unencashed Promissory Notes	a/	(25.9)	25.9
Total Contributions Received	744.5	247.3	497.2
Other Resources			
Investment Income earned -up to Feb 1, 2016	c/ 9.9		9.9
Other Income			
Total Other Resources	9.9		9.9
Total Cumulative Funding Received (A)	754.5	247.3	507.1
Cumulative Funding Commitments			
Projects/Programs	622.7	190.9	431.8
MDB Project Implementation and Supervision services (MPIS) Costs	20.6	-	20.6
Administrative Expenses-Cumulative to 1st Feb 2016	c/ 14.2	-	14.2
Country Programming Budget expense from 1st Jan 2018	c/ 0.2		0.2
Total Cumulative Funding Commitments	657.7	190.9	466.8
Project/Program, MPIS and Admin Budget Cancellations	d/ (43.2)	(30.5)	(12.7)
Net Cumulative Funding Commitments (B)	614.5	160.4	454.1
Fund Balance (A - B)	140.0	87.0	53.0
Currency Risk Reserves	e/ (30.8)	(26.9)	(3.9)
Unrestricted Fund Balance	109.2	60.0	49.2
Future Programming Reserves:			
Admin Expenses-Reserve (includes Country Programming budget/Learning and Knowledge exchange reserve) and for FY 19-28 (net of estimated investment income and reflows).Breakup of various components are provided below.	f/ (31.6)		(31.6)
Subtract			
Administration Expense reserve for CIFAU, MDB & Trustee	USD 37.9 Million		
Country Programming Budget Reserve	USD 2.2 Million		
Learning and Knowledge Exchange Reserve	USD 1.1 Million		
Add			
Estimated Investment Income Share for SREP	USD 9.0 Million		
Projected Reflows	USD 0.6 Million		
Unrestricted Fund Balance (C) after reserves	77.6	60.0	17.6



In USD millions

SREP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS				
<i>Inception through September 30, 2018</i>				
<i>(USD millions)</i>				
		Total	Capital	Grant
		Total		
Anticipated Commitments (FY19-FY21)				
Program/Project Funding and MPIS Costs	g/	175.9	100.4	75.5
Total Anticipated Commitments (D)		175.9	100.4	75.5
Available Resources (C - D)				
		(98.3)	(40.4)	(57.9)
Potential Future Resources (FY19-FY21)				
Release of Currency Risk Reserves	e/	30.8	26.9	3.9
Total Potential Future Resources (D)		30.8	26.9	3.9
Potential Available Resources (C - D + E)				
		(67.5)	(13.4)	(54.0)

a/ Promissory Notes amounting to GBP 19.84 million received as capital contributions are available to finance grants (including administrative costs) according to the terms of the contribution agreements/arrangements. The Promissory Notes are valued as of September 30, 2018 exchange rate.

b/ This amount includes USD equivalent of GBP 157.5 million from the UK.

c/ From Feb 1, 2016, Investment income across all SCF programs has been posted to a notional Admin "account", from which approved Administrative Budget expenses for the Trustee, Secretariat and MDBs are committed. The Country Programming budgets are recorded under individual programs.

d/ This refers to cancellation of program and project commitments approved by the SCF TFC.

e/ Amounts withheld to mitigate over-commitment risk resulting from the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated promissory notes.

f/ The amount of this reserve is estimated by the CIFAU and Trustee using the 10-year forecast of the Admin Budget less the 10-year estimate of Investment Income and reflows. Pro-rata estimates across three SCF programs are based on the 37% fixed pro rata share of the SREP's cash balance as at December 31, 2017 approved by the SCF TFC on March 8, 2018. The decision reads as "allocate USD 31.6 million from the available grant resources in the SREP Program Sub-Account to finance estimated Administrative Costs from FY19 to FY28, such that the projected, indicative amount of approximately USD 59.6 million in SREP grant resources remains available for allocation to SREP projects".

g/ Includes both sealed and Reserve pipeline



4.1. SREP Pledges and Contributions –Summary

In USD millions

Contributor	Contribution Type	Currency	in Contribution Currency				in USD eq. a/			
			Pledges outstanding and Contribution Receivable	PNs Outstanding	Cash Receipts c/	Total Pledges and Contributions	Pledges outstanding and Contributions Receivable	PNs Outstanding	Cash Receipts d/	Total Pledges and Contributions
Australia	Grant	AUD	-	-	12	12	-	-	12	12
Denmark	Grant	DKK	-	-	61	61	-	-	12	12
Japan	b/ Grant	USD	-	-	40	40	-	-	34	34
Korea	Grant	KRW	-	-	6,565	6,565	-	-	6	6
Netherlands	Grant	USD	-	-	76	76	-	-	76	76
Norway	Grant	NOK	-	-	787	787	-	-	122	122
Spain	Grant	EUR	-	-	3	3	-	-	4	4
Sweden	Grant	SEK	-	-	305	305	-	-	47	47
Switzerland	Grant	USD	-	-	26	26	-	-	26	26
United Kingdom	Capital	GBP	-	157	47	204	-	205	68	273
United Kingdom	Grant	GBP	-	-	64	64	-	-	84	84
United States	d/ Grant	USD	-	-	50	50	-	-	50	50
									205	539
										745

a/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of September 30, 2018

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

c/ Includes cash receipts and encashed promissory notes.

d/The total pledge made by the United States to the CTF and SCF is USD 2 billion.

Note: Totals may not add up due to rounding

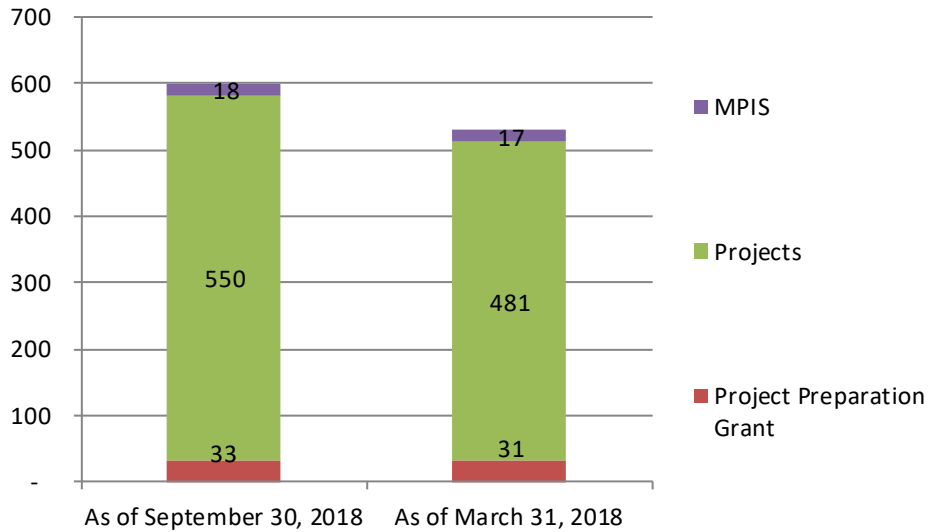


4.2. SREP Cumulative Net Commitments

In USD millions

SREP Net Commitments by the Trustee by Activity

The cumulative commitments under the SREP as of September 30, 2018 are USD 0.6 billion⁴.



Note: Totals may not add due to rounding

⁴ This amount excludes net commitments for SCF administrative budget, including Country Programming budget, approved by the SCF Trust Fund Committee. Project preparation grants includes Investment plan preparation grants.



4.3.SREP Funds Held in Trust with No Restrictions and Funds Available for Trustee Commitments

In USD millions

STRATEGIC CLIMATE FUND		<u>SREP</u>
Table 2: Schedule of Funds Available for SREP		
as of September 30, 2018		
1. Funds held in Trust		564
a. Cash	359	
b. Unencashed Promissory Notes a/	205	
2. Restricted Funds b/		31
3. Funds held in Trust with no restrictions (3 = 1 - 2)		533
4. Trustee Commitments pending cash transfer		424
a. Projects	421	
b. MDB Fees	3	
c. Administrative Budget c/	0.2	
5 Funds available to support Trustee Commitments (6 = 3 - 4)	c/	<u>109</u>
<p>a/ Valued on the basis of exchange rates of September 30, 2018</p> <p>b/ Represents amounts withheld to cover the impact of foreign exchange fluctuations on commitments made by the Trustee</p> <p>c/ Doesn't include the reserve amount of USD 31.6 million estimated by the CIFAU and Trustee using the 10-year forecast of the admin and country programming budget less the 10-year estimate of Investment Income and reflows.</p>		



5. Evaluation and Learning Summary – Inception through September 30, 2018

In USD millions

EVALUATION AND LEARNING (EVL) TRUST FUND - RESOURCES	
AVAILABLE for COMMITMENTS	
<i>Inception through September 30, 2018</i>	
<i>(USD millions)</i>	<i>As of September 30, 2018</i>
	Total
Donor Pledges and Contributions	
Contributions	7.7
Total Contributions	7.7
Cumulative Funding Received	
Contributions Received	
Cash Contributions	7.7
Total Contributions Received	7.7
Total Cumulative Funding Received (A)	7.7
Cumulative Funding Commitments	
Projects/Programs	-
MDB Project Implementation and Supervision services (MPIS) Costs	-
Cumulative Administrative Expenses	7.5
Total Cumulative Funding Commitments	7.5
Project/Program, MPIS and Admin Budget Cancellations	-
Net Cumulative Funding Commitments (B)	7.5
Fund Balance (A - B)	0.2
Unrestricted Fund Balance (C)	0.2
Anticipated Commitments (FY18-F19)	
Projected Evaluation and Learning Commitments	a/ (0.5)
Total Anticipated Commitments (D)	(0.5)
Available Resources (C-D)	(0.3)
Potential Available Resources (C - D + E)	(0.3)

a/ of the amount USD 8 million approved for FY17 and FY18, USD 7.48 million has been committed in FY17 and FY18 by the trustee and the balance amount of USDeq. 0.52 million is yet to be committed. The future commitments will be based on decisions made by the CIFAU through call for proposals and up to the available funding of USD 0.208 million.

5.1 Evaluation and Learning (EVL) – Pledges and Contributions

In USD millions

Contributor	Contribution Type	Currency	in Contribution Currency				in USD eq. a/			
			Pledges outstanding	PNs Outstanding	Cash Receipts b/	Total Pledges and Contributions	Pledges outstanding	PNs Outstanding	Cash Receipts b/	Total Pledges and Contributions
United Kingdom	Grant	GBP	-	-	6	6 c/	-	-	8	8

a/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of March 31, 2018

b/ Includes cash receipts and encashed promissory notes.

c/ The UK Contributions set aside for Evaluation and Learning.

Note: Totals may not add due to rounding

6. Overall realized and unrealized gains or losses for the Promissory Notes held in Non-USD currencies.

In USD millions

Donor/Program	Amount in Currency			Amount in USD eq.			Currency Exchange Rate Changes in USD eq.			
	Currency	Promissory Note (PN) received	PN Encashment	PN Unencashed	Promissory Note (PN) @Receipt date	PN Encashment (FXR)	PN Unencashed @ September 30, 2018	Realized - PN Encashments	Unrealized - PN Unencashed	Promissory Note vs (Encashments+ unencashed)
Japan		18,531	18,531	0	229	187	0	-42	0	-42
SCF-PPCR	JPY	9,266	9,266	0	110	103	0	-7	0	-7
SCF-FIP	JPY	5,559	5,559	0	71	51	0	-21	0	-21
SCF-SREP	JPY	3,706	3,706	0	48	34	0	-14	0	-14
United Kingdom		858	521	337	1,336	739	440	-73	-85	-158
SCF-PPCR	GBP	361	361	0	565	512	0	-52	0	-52
SCF-FIP	GBP	223	43	180	344	68	234	1	-43	-42
SCF-SREP	GBP	268	111	157	419	152	205	-20	-41	-62
SCF-EVLR	GBP	6	6	0	9	8	0	-2	0	-2
Grand Total					1,566	926	440	-115	-85	-200



7. Admin Account Summary – Feb 1, 2016 through September 30, 2018

in USD millions

ADMIN Account - RESOURCES AVAILABLE for COMMITMENTS

Inception through September 30, 2018
(USD millions)

As of September 30, 2018

	Total
Other Resources	
Investment Income earned a/	50.4
Other income	3.3
Total Other Resources	<u>53.7</u>
Total Cumulative Funding Received (A)	<u><u>53.7</u></u>
Cumulative Funding Commitments	
Cumulative Administrative Expenses from Feb 1, 2016 until end-FY19	<u><u>41.5</u></u>
Fund Balance (A - B)	<u><u>12.2</u></u>
Unrestricted Fund Balance (C)	<u><u>12.2</u></u>

a/ From Feb 1, 2016, Investment income across all SCF programs has been posted to a notional Admin "account", from which approved Administrative Budget expenses for the Trustee, Secretariat and MDBs are committed.