

# CLIMATE INVESTMENT FUNDS

SCF/TFC.12/3  
December 4, 2017

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Meeting of the SCF Trust Fund Committee  
Washington D.C.  
Monday, December 11, 2017

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

## **PROPOSED DECISION**

The SCF Trust Fund Committee, having reviewed document number SCF/TFC.12/3, *Report of the Trustee on the Financial Status of the SCF* prepared by the Trustee, notes that the investment income of the Trust Fund is not expected to be sufficient to cover administrative costs of the CIF Administrative Unit, MDBs, and the Trustee. Recognizing the importance of ensuring the continuity of the Administrative Services budget and the Country Programming budget for the period up to FY23, requests the Trustee to set aside funds from the available balances in the SCF Trust Fund as follows:

USD 53.1 million for Administrative Services

USD 7.7 million for Country Programming Budget

# Strategic Climate Fund (SCF)

Financial Report

Prepared by the Trustee

*As of September 30, 2017*



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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, 2017, 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](http://www.fiftrustee.worldbank.org). This report has been prepared specifically for the SCF Trust Fund Committee to provide: (i) a snapshot of the financial status of the SCF Trust Fund as of September 30, 2017; (ii) the status of pledges and contributions, and (iii) the status of the SCF Programs: FIP, PPCR, SREP and Evaluation and Learning.



## SCF Trust Fund Financial Summary as of September 30, 2017

### **Note: Important Developments since previous Financial Report dated March 31, 2017:**

Following consultations among the CIFAU and the Trustee, two new line items have been added to the calculation of potential available resources (see “Resources Available for Commitments” Tables for SCF as a whole and for each program). Neither of these changes impact the Funding Available for Trustee Commitments as at September 30, 2017, however future Potential Available Resources for programming are reduced accordingly.

**I. Administrative Expenses:** As investment income on the SCF trust fund balances is already insufficient to fund administrative costs, and SCF commitment authority and trust fund balances are expected to be exhausted by FY23, the CIFAU and Trustee deem it prudent to set aside a notional reserve for each program, to reflect the need for resources for the operations of the CIFAU, MDBs and Trustee. Additional background and details follow:

- i. Up to the end of September 2017, cumulative investment income on the SCF Trust Fund balances amounted to USD 77.3 million. This has been used to partially offset cumulative administrative costs of the CIFAU, MDBs and Trustee amounting to USD 132.8 million up to end-FY18. Trust Fund balances will decline further as funds are transferred to MDBs. Investment income on these balances will therefore decline below what is necessary to cover admin costs. Trust Fund balances therefore need to be set aside now to cover future administrative costs from FY19 onwards.
- ii. Previous Trustee Reports already included a reserve for administrative expenses of the CIFAU, Trustee and MDBs, but only for three years (i.e. until end FY21). This was reported at the SCF Trust Fund level in previous reports and amounted to USD 46.2 million as at 31 March 2017. This report now reflects a five-year reserve (i.e. until end FY23) and is presented by program (see Sections 2-5 and 7), as well as at the SCF Trust Fund level (see Section 1). This Financial Report also provides the breakdown by Capital and Grant components, as generally only Grant Contributions may be used to fund outgoing grants (including administrative costs).
- iii. The amount of the reserve is estimated by the CIFAU and Trustee using: a) a 5-year estimate of Administrative Budgets, reflecting a base case scenario, less b) the current 5-year estimate of Investment Income on SCF Trust Fund balances, using 0.9% p.a estimated return. Fund balance estimates are based on cash transfer projections provided by the MDBs to CIFAU, which are subject to change. Investment income estimates are based on conservative assumptions and actual amounts will depend on actual market conditions. The reserve should therefore be considered indicative.
- iv. Investment income is expected to become negligible after FY21, when all SREP and PPCR amounts are expected to have been transferred to the corresponding implementing MDBs and the respective trust fund balances for these two programs approach zero.
- v. In accordance with the SCF Contribution Agreements, Administrative Costs shall be applied first, against the Investment Income, and second, against all other SCF programs on a pro rata basis calculated based on the fund balance of funds in each SCF Program. The FIP is expected to be the only program with a fund balance in FY22 and FY23. This allocation requirement will therefore impact the FIP disproportionately going forward as, by FY22, the FIP will very likely be required to fund all SCF admin expenses for as long as it remains the only program with an outstanding fund balance.



vi. The impact of this change as at September 30, 2017 is a net reduction in Potential Available Resources of:

- USD 40.8 million for FIP
- USD 2.4 million for PPCR
- USD 9.9 million for SREP

**II. Projected Country Programing Budgets:** A new line item has been added to each program, to set aside amounts for Country Programming, both for the current FY18 and projected amounts for FY19-23. Country Programming amounts cannot be included in Cumulative Funding Commitments until they are committed by the Trustee to the MDBs, which can only occur after approval of each specific activity to be implemented by the respective MDB. The Trustee and CIFAU therefore deem it prudent to reserve these funds for intended Country Programs as SCF programs become fully committed. The impact of this change as of September 30, 2017 is a net reduction in Potential Available Resources of:

- USD 2.3 million for FIP
- USD 2.5 million for PPCR
- USD 2.9 million for SREP



## 1. SCF Trust Fund Summary – Inception through September 30, 2017

In USD millions

### SCF TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS

Inception through September 30, 2017

(USD millions)

	As of September 30, 2017	% of Total
	<b>Total</b>	<b>% of Total</b>
<b>Donor Pledges and Contributions</b>		
Contributions	2,638.7	100%
Pledges	0.3	0%
<b>Total Pledges and Contributions</b>	<b>2,639.1</b>	<b>100%</b>
<b>Cumulative Funding Received</b>		
<b>Contributions Received</b>		
Cash Contributions	2,148.0	79%
Unencashed promissory notes	a/ 490.7	18%
<b>Total Contributions Received</b>	<b>2,638.7</b>	<b>97%</b>
<b>Other Resources</b>		
Investment Income earned	77.3	3%
Reflow from MDBs	1.5	0%
Total Other Resources	78.7	
<b>Total Cumulative Funding Received (A)</b>	<b>2,717.5</b>	<b>100%</b>
<b>Cumulative Funding Commitments</b>		
Pending Approval by Governing Body	-	-
Projects/Programs	2,023.5	94%
MDB Project Implementation and Supervision services (MPIS) Costs	80.6	4%
Cumulative Administrative Expenses	b/ 143.3	7%
<b>Total Cumulative Funding Commitments</b>	<b>2,247.4</b>	<b>104%</b>
<b>Project/Program Cancellations/Admin Budget Cancellations</b>	c/ (93.7)	-4%
<b>Net Cumulative Funding Commitments (B)</b>	<b>2,153.7</b>	<b>100%</b>
<b>Fund Balance (A - B)</b>	<b>563.7</b>	
<b>Currency Risk Reserves</b>	d/ (73.6)	
<b>Funding Available for Trustee Commitments ( C )</b>	<b>490.1</b>	
<b>Future Programming Reserves:</b>		
Proposed Country Programming Budget FY18	(2.5)	
Projected Country Programming Budget reserve FY19-23	e/ (5.1)	
Admin Expenses-Reserve for FY 19-23 (net of estimated investment income)	f/ (61.0)	
<b>Unrestricted Fund Balance ( C ) after reserves</b>	<b>421.4</b>	





In USD millions

### SCF TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS

Inception through September 30, 2017

(USD millions)

As of September 30, 2017 % of Total

	Total	% of Total
<b>Anticipated Commitments (FY18-FY21)</b>		
Program/Project Funding and MPIS Costs	579.0	
<b>Total Anticipated Commitments (D)</b>	<b>579.0</b>	
<b>Available Resources (C-D)</b>	<b>(157.5)</b>	
<b>Potential Future Funding (FY18-FY21)</b>		
Pledges	h/ 0.3	0%
Contributions not yet paid	g/ 16.1	18%
Release of Currency Risk Reserves	d/ 73.6	82%
<b>Total Potential Future Resources (E)</b>	<b>90.0</b>	<b>100%</b>
<b>Potential Available Resources (C - D + E)</b>	<b>(67.5)</b>	

a/ This amount represents USD equivalent of GBP 366.71 million from the UK.

b/ approved by the TFC to end-FY18, including USD 6.8 million commitment for the Evaluation and learning program

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

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/ Effective from the September 2017 reporting period, the Trustee has added a reserve to provide for country programming budget for five years. The amount of this reserve is estimated by the CIFAU.

f/ Effective from the 30 September 2017 reporting period, the Trustee has increased the reserve to provide for Admin Expenses to FY23 (previously only to FY21). The amount of this reserve is estimated by the CIFAU and Trustee using a 5-year forecast of the Admin Budget (USD 69.4 million), less the 5-year estimate of Investment Income (USD 8.4 million). Pro-rata estimates across three SCF programs are based on projected fund balances, per the terms of the Contribution Agreements. The shortfall, after exhausting the USD 6.8 million investment income reserves in the notional Admin account and future investment income, is estimated at USD 53 million. This is allocated among three programs based on their fund balance estimates (as per terms of the contribution agreements). The pro-rata allocations across the three programs shown are also reduced by the amount of estimated investment income from 30 September 2017 to end- FY18 (USD 1.1 million).

g/ This amount represents USD equivalent of GBP 12 million.

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



## 1.1. Pledges and Contributions – SCF Summary

In USD millions

Contributor	Contribution Type	Currency	in Contribution Currency				in USD eq. a/			
			Contribution Receivable	PNs Outstanding	Cash Receipts f/	Total Pledges and Contributions	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	-	318	331	649	-	425	490	916
United Kingdom	Grant	GBP	12	49	160	221	16	66	210	291
United States	e/ Grant	USD	0.3	-	508	508	0.3	-	508	508
							<b>16</b>	<b>491</b>	<b>2,148</b>	<b>2,655</b>

a/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of September 30, 2017

b/ Out of the total EUR 59.45 million contribution, EUR 4.725 million each has been transferred as contribution to AfDB and IBRD for the AFCC program

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 CIF is USD 2 billion; the allocation across the programs is indicative.

f/ Includes cash receipts and encashed promissory notes.

Note: Totals may not add due to rounding

- The above table shows the total SCF Pledges Outstanding, Contributions Finalized, Contributions paid, Contributions Receivable and uncashed Promissory Notes in the receipt currency and USDeq valued as of September 30, 2017.



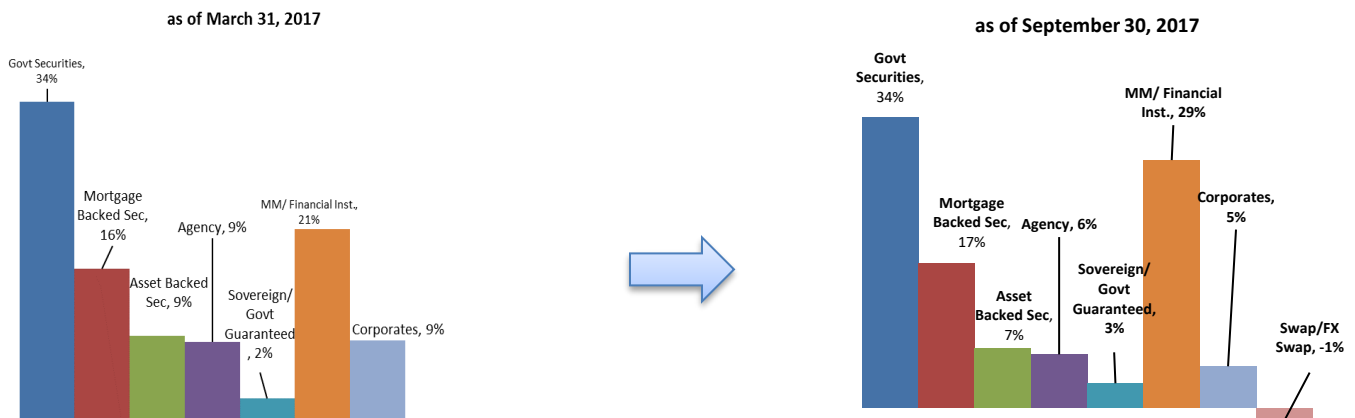
## 1.2. Asset Mix and Investment Returns and Adjustment for Changes in Market Conditions

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’<sup>1</sup> 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).



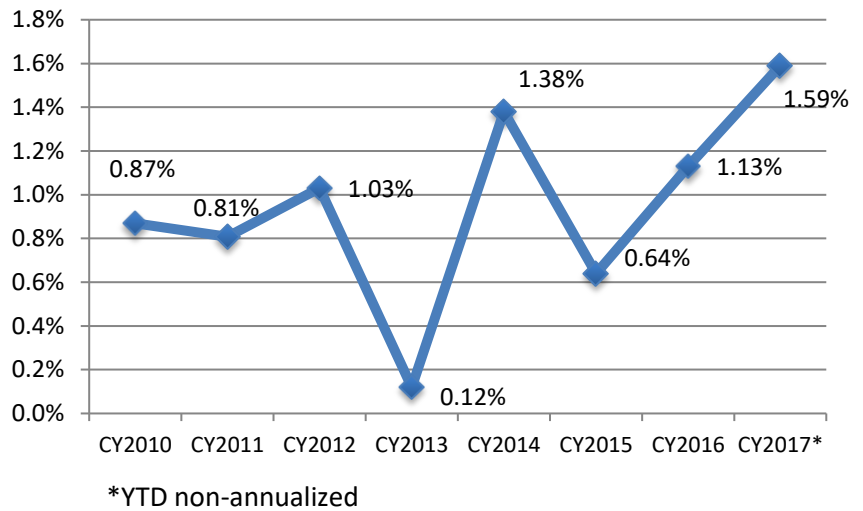
*Note: The negative position in swaps is primarily due to changes in foreign currency exchange (FX) rates in cross currency basis swaps. Such swap instruments are used to implement currency hedges on bond positions within the portfolio. These hedges remain in place.*

<sup>1</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

SCF Trust Fund investment returns have increased for calendar year 2017 with a cumulative return of 1.59% to date. Overall, the SCF Trust Fund cumulative returns have been driven by investment in longer term tranches, which may be exposed to higher volatility in returns over shorter periods. Returns are expected to be low going forward as the risk of rising market yields continues to be elevated, with an adverse effect on total portfolio returns due to lower bond prices.



## 1.3. Cumulative Net Commitments

### Total Net Commitments by the Trustee by Activity

As of September 30, 2017, 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 2.15 billion. Of this amount, USD 132.8 million represents net commitments for administrative budget, including the Country Programming budgets under the relevant SCF Program, USD 2.01 billion for projects, including preparation grants and MDB costs for project implementation and supervision services (MPIS costs), and USD 6.8 million for the Evaluation and Learning program.

### Net Project and Program Commitments by Program

Net commitments made by the Trustee totaled USD 2.01 billion for projects, investment plan preparation and MPIS costs, of which USD 447.7 million was committed under the FIP, USD 1.045 billion under the PPCR, and USD 521.5 million under the SREP.

## 2. FIP Summary – Inception through September 30, 2017

In USD millions

<b>FIP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS</b>			
<i>Inception through September 30, 2017</i>			
<i>(USD millions)</i>			
	<b>Total</b>	<b>Capital</b>	<b>Grant</b>
<b>Donor Pledges and Contributions</b>			
Contributions	741.5	255.5	486.0
Pledges	a/ 0.3		0.3
<b>Total Pledges and Contributions</b>	<b>741.8</b>	<b>255.5</b>	<b>486.3</b>
<b>Cumulative Funding Received</b>			
<b>Contributions Received</b>			
Cash Contributions	501.1	80.7	420.4
Unencashed promissory notes	b/ 240.4	174.8	65.6
<b>Total Contributions Received</b>	<b>741.5</b>	<b>255.5</b>	<b>486.0</b>
<b>Other Resources</b>			
Investment Income earned -up to Feb 1, 2016	c/ 14.5		14.5
Reflows from MDBs	0.2	0.2	
<b>Total Other Resources</b>	<b>14.7</b>	<b>0.2</b>	<b>14.5</b>
<b>Total Cumulative Funding Received (A)</b>	<b>756.2</b>	<b>255.6</b>	<b>500.6</b>
<b>Cumulative Funding Commitments</b>			
Projects/Programs	438.7	108.8	329.9
MDB Project Implementation and Supervision services (MPIS) Costs	25.0	-	25.0
Administrative Expenses-Cumulative to 1st Feb 2016	c/ 25.5	-	25.5
<b>Total Cumulative Funding Commitments</b>	<b>489.2</b>	<b>108.8</b>	<b>380.4</b>
<b>Project/Program,MPIS and Admin Budget Cancellations</b>	d/ (16.2)	(15.0)	(1.2)
<b>Net Cumulative Funding Commitments (B)</b>	<b>473.0</b>	<b>93.8</b>	<b>379.2</b>
<b>Fund Balance (A - B)</b>	<b>283.2</b>	<b>161.8</b>	<b>121.4</b>
<b>Currency Risk Reserves</b>	e/ (36.1)	(26.2)	(9.8)
<b>Unrestricted Fund Balance ( C)</b>	<b>247.1</b>	<b>135.6</b>	<b>111.5</b>
<b>Future Programming Reserves:</b>			
Proposed FY18 Country Programming Budget	(0.6)		(0.6)
Projected Country Programming Budget reserve FY19-23	f/ (1.7)		(1.7)
Admin Expenses-Reserve for FY 19-23 (net of estimated investment income)	(40.8)		(40.8)
<b>Unrestricted Fund Balance ( C) after reserves</b>	<b>204.1</b>	<b>135.6</b>	<b>68.5</b>



In USD millions

<b>FIP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS</b>			
<i>Inception through September 30, 2017</i>			
<i>(USD millions)</i>			
	<b>Total</b>	<b>Capital</b>	<b>Grant</b>
<b>Anticipated Commitments (FY18-FY21)</b>			
Program/Project Funding and MPIS Costs	291.7	156.8	134.9
<b>Total Anticipated Commitments (D)</b>	<b>291.7</b>	<b>156.8</b>	<b>134.9</b>
<b>Available Resources (C - D)</b>			
	<b>(87.6)</b>	<b>(21.2)</b>	<b>(66.4)</b>
<b>Potential Future Resources (FY18-FY21)</b>			
Pledges	a/ 0.3		0.3
Release of Currency Risk Reserves	e/ 36.1	26.2	9.8
<b>Total Potential Future Resources (E)</b>	<b>36.4</b>	<b>26.2</b>	<b>10.2</b>
<b>Potential Available Resources (C - D + E)</b>			
	<b>(51.2)</b>	<b>5.0</b>	<b>(56.2)</b>

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. In accordance with the terms of the Contribution Agreements, if amounts in the notional Admin account are not sufficient to cover Administrative Budgets, the shortfall is pro-rated across programs, based on fund balances. The Country Programming budgets are recorded under individual programs.

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

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/ Effective from the September 2017 reporting period, the Trustee has added a reserve to provide for country programming budget for five years. The amount of this reserve is estimated by the CIFAU.

g/ Effective from the September 2017 reporting period, the Trustee has added a reserve to cover Admin Expenses as Admin expenses are expected to exceed investment income significantly going forward. The amount of this reserve is estimated by the CIFAU and Trustee using the 5-year forecast of the Admin Budget less the 5-year estimate of Investment Income. Pro-rata estimates across three SCF programs are based on projected fund balances, per the terms of the Contribution Agreements.



## 2.1. FIP Pledges and Contributions -Summary

In USD millions

Contributor	Contribution Type	Currency	in Contribution Currency			Total Pledges and Contributions	in USD eq. a/			Total Pledges and Contributions
			Pledges outstanding	PNs Outstanding	Cash Receipts d/		Pledges outstanding	PNs Outstanding	Cash Receipts d/	
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	-	175	68	243
United Kingdom	Grant	GBP	-	49	-	49	-	66	-	66
United States	c/ Grant	USD	0.3	-	168	168	0.3	-	168	168
							<b>0.3</b>	<b>240</b>	<b>501</b>	<b>742</b>

a/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of September 30, 2017

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 CIF is USD 2 billion; the allocation across the programs is indicative.

d/ Includes cash receipts and encashed promissory notes.

Note: Totals may not add due to rounding

- The above table shows the total FIP Pledges Outstanding, Contributions Finalized, Contributions Paid, Contribution Receivables and PN outstanding. 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.

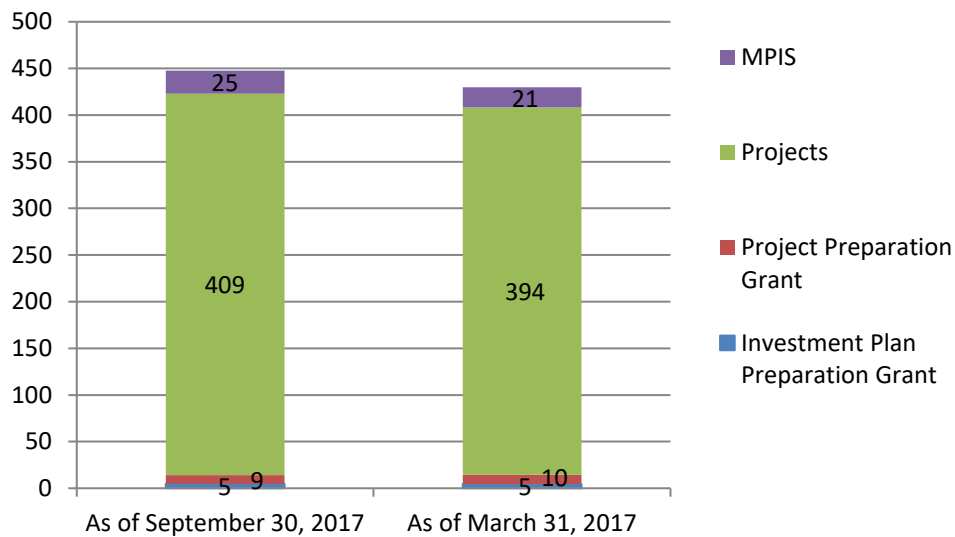


## 2.2. Cumulative Net Commitments

*In USD millions*

### FIP Net Commitments by the Trustee by Activity

Between April 1, 2017 and September 30, 2017, a total amount of USD 17.7 million was committed by the Trustee, bringing the net cumulative commitments under the FIP as of September 30, 2017 to USD 447.7 million<sup>2</sup>.



<sup>2</sup> This amount excludes net commitments for SCF administrative budget, including Country Programming budget, approved by the SCF Trust Fund Committee.





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

In USD millions

<b>STRATEGIC CLIMATE FUND</b>	
<b>Table 2: Schedule of Funds Available for FIP</b>	
as of September 30, 2017	
	<b>FIP</b>
<b><u>1. Funds held in Trust</u></b>	<b>504</b>
a. Cash	263.6
b. Unencashed Promissory Notes a/	240.4
<b><u>2. Restricted Funds</u> b/</b>	<b>36</b>
<b><u>3. Funds held in Trust with no restrictions ( 3 = 1 - 2 )</u></b>	<b>468</b>
<b><u>4. Trustee Commitments pending cash transfer</u></b>	<b>221</b>
a. Projects	218.0
b. MDB Fees	2.6
c. Administrative Budget	0.2
<b><u>5 Funds available to support Trustee Commitments ( 6 = 3 - 4 )</u></b>	<b><u>247</u></b>
<hr/> a/ Valued on the basis of exchange rates of September 30, 2017 b/ Represents amounts withheld to cover the impact of foreign exchange fluctuations on commitments made by the Trustee	

**Trustee Commitments Pending Cash Transfer** amounted to USD 221 million, representing a decrease of USD 24 million since April 1, 2017.

### 3. PPCR Summary – Inception through September 30, 2017

In USD millions

PPCR TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS			
<i>Inception through September 30, 2017</i>			
<i>(USD millions)</i>		Total	Capital
			Grant
<b>Donor Pledges and Contributions</b>			
Contributions		1,139.1	407.0
Pledges		-	-
<b>Total Pledges and Contributions</b>		<b>1,139.1</b>	<b>407.0</b>
<b>Cumulative Funding Received</b>			
<b>Contributions Received</b>			
Cash Contributions		1,126.0	393.9
Unencashed promissory notes	a/	13.1	13.1
<b>Total Contributions Received</b>		<b>1,139.1</b>	<b>407.0</b>
<b>Other Resources</b>			
Investment Income earned -up to Feb 1, 2016	b/	18.8	-
Reflows from MDBs		0.2	0.2
Total Other Resources		19.0	0.2
<b>Total Cumulative Funding Received (A)</b>		<b>1,158.1</b>	<b>407.1</b>
<b>Cumulative Funding Commitments</b>			
Projects/Programs		1,041.2	379.7
MDB Project Implementation and Supervision services (MPIS) Costs		36.5	-
Administrative Expenses-Cumulative to 1st Feb 2016	b/	68.5	-
<b>Total Cumulative Funding Commitments</b>		<b>1,146.2</b>	<b>379.7</b>
<b>Project/Program Cancellations</b>	c/	<b>(36.3)</b>	<b>(6.6)</b>
<b>Net Cumulative Funding Commitments (B)</b>		<b>1,109.9</b>	<b>373.1</b>
<b>Fund Balance (A - B)</b>		<b>48.2</b>	<b>34.1</b>
<b>Currency Risk Reserves</b>	d/	<b>(2.0)</b>	<b>(2.0)</b>
<b>Unrestricted Fund Balance (C)</b>		<b>46.3</b>	<b>32.1</b>
<b>Future Programming Reserves:</b>			
Proposed FY18 Country Programming Budget		(0.5)	(0.5)
Projected Country Programming Budget reserve FY19-23	e/	(2.0)	(2.0)
Admin Expenses-Reserve for FY 19-23 (net of estimated investment income)	f/	(2.4)	(2.4)
<b>Unrestricted Fund Balance (C) after reserves</b>		<b>41.3</b>	<b>32.1</b>



In USD millions

<b>PPCR TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS</b>			
<i>Inception through September 30, 2017</i>			
<i>(USD millions)</i>		<b>Total</b>	<b>Capital</b>
			<b>Grant</b>
<b>Anticipated Commitments (FY18-FY21)</b>			
Program/Project Funding and MPIS Costs	29.5	23.1	6.4
<b>Total Anticipated Commitments (D)</b>	<b>29.5</b>	<b>23.1</b>	<b>6.4</b>
<b>Available Resources (C-D)</b>		<b>11.8</b>	<b>2.8</b>
<b>Potential Future Funding (FY18-FY21)</b>			
Pledges	-		
Contributions not yet paid (Receivable from UK)	g/ 16.1		16.1
Release of Currency Risk Reserves	d/ 2.0	2.0	
<b>Total Potential Future Resources (E)</b>	<b>18.0</b>	<b>2.0</b>	<b>16.1</b>
<b>Potential Available Resources (C - D + E)</b>		<b>29.8</b>	<b>18.8</b>

a/ This amount represents USD equivalent of GBP 9.8 million.

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. In accordance with the terms of the Contribution Agreements, if amounts in the notional Admin account are not sufficient to cover Administrative Budgets, the shortfall is pro-rated across programs, based on fund balances. 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/ Effective from the September 2017 reporting period, the Trustee has added a reserve to provide for country programming budget for five years. The amount of this reserve is estimated by the CIFAU.

f/ Effective from the September 2017 reporting period, the Trustee has added a reserve to cover Admin Expenses as Admin expenses are expected to exceed investment income significantly going forward. The amount of this reserve is estimated by the CIFAU and Trustee using the 5-year forecast of the Admin Budget less the 5-year estimate of Investment Income. Pro-rata estimates across three SCF programs are based on projected fund balances, per the terms of the Contribution Agreements.

g/ This amount represents USD equivalent of GBP 12 million.



### 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 e/	Total Pledges and Contributions	Pledges outstanding and Contribution Receivable	PNs Outstanding	Cash Receipts e/	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	-	10	261	271	-	13	381	394
United Kingdom	Grant	GBP	12 d/	-	90	102	16 d/	-	118	134
United States	c/ Grant	USD	-	-	290	290	-	-	290	290
							<b>16</b>	<b>13</b>	<b>1,126</b>	<b>1,155</b>

a/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of September 30, 2017

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 CIF is USD 2 billion; the allocation across the programs is indicative.

d/ The contribution receivable amount.

e/ Includes cash receipts and encashed promissory notes.

Note: Totals may not add up due to rounding

- The above table shows the total PPCR Pledges Outstanding, Contributions Finalized, Contributions Paid, Contribution Receivables and outstanding promissory notes. Pledges represent a Contributor's expression of intent to make a contribution and form the basis for the endorsement of Investment Plans by the PPCR Sub-Committee.

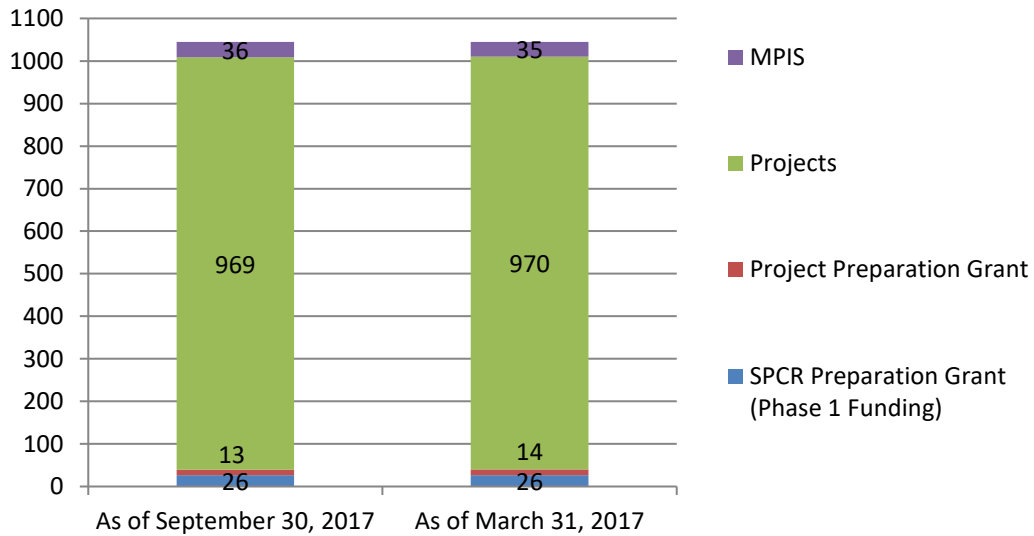


### 3.2.PPCR Cumulative Net Commitments

In USD millions

#### PPCR Net Commitments by the Trustee by Activity

The cumulative net commitments under the PPCR as of September 30, 2017 was USD 1.04 billion<sup>3</sup>.



<sup>3</sup> This amount excludes net commitments for SCF administrative budget, including Country Programming budget, approved by the SCF Trust Fund Committee.



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

In USD millions

<b>STRATEGIC CLIMATE FUND</b>	
<b>Table 2: Schedule of Funds Available for PPCR</b>	
as of September 30, 2017	
	<b>PPCR</b>
<b><u>1. Funds held in Trust</u></b>	<b>476</b>
a. Cash	463.1
b. Unencashed Promissory Notes a/	13.1
<b><u>2. Restricted Funds</u> b/</b>	<b>2</b>
<b><u>3. Funds held in Trust with no restrictions ( 3 = 1 - 2 )</u></b>	<b>474</b>
<b><u>4. Trustee Commitments pending cash transfer</u></b>	<b>428</b>
a. Projects	426.2
b. MDB Fees	1.4
c. Administrative Budget	0.3
<b><u>5 Funds available to support Trustee Commitments ( 6 = 3 - 4 )</u></b>	<b><u>46</u></b>
a/ Valued on the basis of exchange rates of September 30, 2017	
b/ Represents amounts withheld to cover the impact of foreign exchange fluctuations on commitments made by the Trustee	

**Trustee Commitments Pending Cash Transfer** amounted to USD 428 million, representing a decrease of USD 89 million since April 1, 2017.



#### 4. SREP Summary – Inception through September 30, 2017

in USD millions

<b>SREP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS</b>				
<i>Inception through September 30, 2017</i>				
<i>(USD millions)</i>				
		<b>Total</b>	<b>Capital</b>	<b>Grant</b>
<b>Donor Pledges and Contributions</b>				
Contributions		750.5	279.1	471.3
Pledges		-		
<b>Total Pledges and Contributions</b>		<b>750.5</b>	<b>279.1</b>	<b>471.3</b>
<b>Cumulative Funding Received</b>				
<b>Contributions Received</b>				
Cash Contributions		513.2	41.9	471.3
Unencashed Promissory Notes	a/	237.3	237.3	-
<b>Total Contributions Received</b>		<b>750.5</b>	<b>279.1</b>	<b>471.3</b>
<b>Other Resources</b>				
Investment Income earned -up to Feb 1, 2016	b/	9.9		9.9
Other Income		-		
<b>Total Other Resources</b>		<b>9.9</b>		<b>9.9</b>
<b>Total Cumulative Funding Received (A)</b>		<b>760.4</b>	<b>279.1</b>	<b>481.2</b>
<b>Cumulative Funding Commitments</b>				
Projects/Programs		543.5	151.8	391.7
MDB Project Implementation and Supervision services (MPIS) Costs		19.1	-	19.1
Administrative Expenses-Cumulative to 1st Feb 2016	b/	14.2	-	14.2
<b>Total Cumulative Funding Commitments</b>		<b>576.9</b>	<b>151.8</b>	<b>425.1</b>
<b>Project/Program, MPIS and Admin Budget Cancellations</b>	c/	<b>(41.2)</b>	<b>(30.5)</b>	<b>(10.7)</b>
<b>Net Cumulative Funding Commitments (B)</b>		<b>535.7</b>	<b>121.3</b>	<b>414.4</b>
<b>Fund Balance (A - B)</b>				
		<b>224.6</b>	<b>157.8</b>	<b>66.8</b>
<b>Currency Risk Reserves</b>				
	d/	<b>(35.6)</b>	<b>(35.6)</b>	
<b>Unrestricted Fund Balance</b>		<b>189.1</b>	<b>122.2</b>	<b>66.8</b>
<b>Future Programming Reserves:</b>				
Proposed FY18 Country Programming Budget		(1.5)		(1.5)
Projected Country Programming Budget reserve FY19-23	e/	(1.4)		(1.4)
Admin Expenses-Reserve for FY 19-23 (net of estimated investment income)	f/	(9.9)		(9.9)
<b>Unrestricted Fund Balance (C) after reserves</b>		<b>176.3</b>	<b>122.2</b>	<b>54.1</b>



in USD millions

<b>SREP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS</b>			
<i>Inception through September 30, 2017</i>			
<i>(USD millions)</i>			
	<b>Total</b>	<b>Capital</b>	<b>Grant</b>
<b>Anticipated Commitments (FY18-FY21)</b>			
Program/Project Funding and MPIS Costs	g/ 257.7	145.6	112.1
<b>Total Anticipated Commitments (D)</b>	<b>257.7</b>	<b>145.6</b>	<b>112.1</b>
<b>Available Resources (C - D)</b>			
	<b>(81.4)</b>	<b>(23.4)</b>	<b>(58.0)</b>
<b>Potential Future Resources (FY18-FY21)</b>			
Release of Currency Risk Reserves	d/ 35.6	35.6	
<b>Total Potential Future Resources (D)</b>	<b>35.6</b>	<b>35.6</b>	
<b>Potential Available Resources (C - D + E)</b>			
	<b>(45.8)</b>	<b>12.2</b>	<b>(58.0)</b>

a/ This amount includes USD equivalent of GBP 177.3 million from the UK.

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. In accordance with the terms of the Contribution Agreements, if amounts in the notional Admin account are not sufficient to cover Administrative Budgets, the shortfall is pro-rated across programs, based on fund balances. The Country Programming budgets are recorded under individual programs.

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

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/ Effective from the September 2017 reporting period, the Trustee has added a reserve to provide for country programming budget for five years. The amount of this reserve is estimated by the CIFAU.

f/ Effective from the September 2017 reporting period, the Trustee has added a reserve to cover Admin Expenses as Admin expenses are expected to exceed investment income significantly going forward. The amount of this reserve is estimated by the CIFAU and Trustee using the 5-year forecast of the Admin Budget less the 5-year estimate of Investment Income. Pro-rata estimates across three SCF programs are based on projected fund balances, per the terms of the Contribution Agreements.

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		Cash Receipts c/	Total Pledges and Contributions	Pledges outstanding and		Cash Receipts d/	Total Pledges and Contributions
			Contribution Receivable	PNs Outstanding			Contributions Receivable	PNs Outstanding		
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	-	177	27	204	-	237	42	279
United Kingdom	Grant	GBP	-	-	64	64	-	-	84	84
United States	d/ Grant	USD	-	-	50	50	-	-	50	50
									<b>237</b>	<b>513</b>
										<b>750</b>

a/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of September 30, 2017

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 CIF is USD 2 billion; the allocation across the programs is indicative.

Note: Totals may not add up due to rounding

- The above table shows the total SREP Pledges Outstanding, Contributions Finalized, Contributions Paid, Contribution Receivables and outstanding promissory notes. 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.

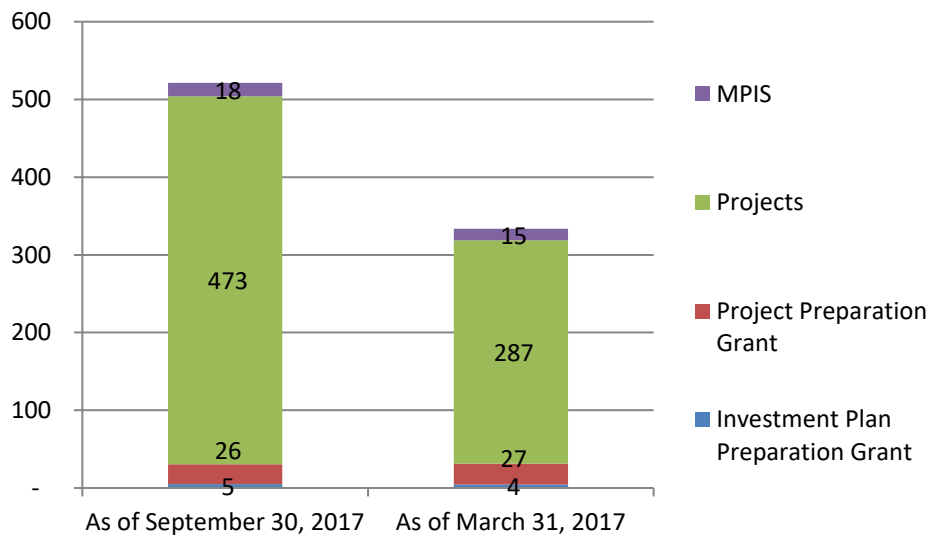


## 4.2. SREP Cumulative Net Commitments

In USD millions

### SREP Net Commitments by the Trustee by Activity

Between April 1, 2017 and September 30, 2017, a total amount of USD 188 million was committed by the trustee, bringing the cumulative commitments under the SREP as of September 30, 2017 to USD 522 million<sup>4</sup>.



Note: Totals may not add due to rounding

<sup>4</sup> This amount excludes net commitments for SCF administrative budget, including Country Programming budget, approved by the SCF Trust Fund Committee.



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

In USD millions

<b>STRATEGIC CLIMATE FUND</b>	
<b>Table 2: Schedule of Funds Available for SREP</b>	
as of September 30, 2017	
	<b>SREP</b>
<b><u>1. Funds held in Trust</u></b>	<b>609</b>
a. Cash	371.6
b. Unencashed Promissory Notes a/	237.3
<b><u>2. Restricted Funds</u> b/</b>	<b>36</b>
<b><u>3. Funds held in Trust with no restrictions ( 3 = 1 - 2 )</u></b>	<b>573</b>
<b><u>4. Trustee Commitments pending cash transfer</u></b>	<b>384</b>
a. Projects	378.8
b. MDB Fees	5.1
c. Administrative Budget c/	0.2
<b><u>5 Funds available to support Trustee Commitments ( 6 = 3 - 4 )</u></b>	<b><u>189</u></b>
<p>a/ Valued on the basis of exchange rates of September 30, 2017</p> <p>b/ Represents amounts withheld to cover the impact of foreign exchange fluctuations on commitments made by the Trustee</p>	

- **Trustee Commitments Pending Cash Transfer** amounted to USD 384 million, representing an increase of USD 181 million since April 1, 2017.



## 5. 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/	-	-	7.7	7.7

a/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of September 30, 2017

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

The above table shows the total Pledges Outstanding, Contributions Finalized, Contributions Paid, Contribution Receivables and outstanding promissory notes for Evaluation and Learning. Pledges represent a Contributor's expression of intent to make a contribution and form the basis for the endorsement of Evaluation and Learning activities by the Evaluation and Learning sub-committee.

- As of September 30, 2017, the Trustee had entered into Contribution Agreements/Arrangements with the United Kingdom in the amount of USDeq. 7.7 million. At September 30, 2017 USD 6.8 million had been committed for EVLR activities.

## 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, 2017	Realized - PN Encashments	Unrealized- PN Unencashed	Promissory Note vs (Encashments+ unencashed)
<b>Japan</b>		<b>18,531</b>	<b>18,531</b>	<b>0</b>	<b>229</b>	<b>187</b>	<b>0</b>	<b>-42</b>	<b>0</b>	<b>-42</b>
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
<b>United Kingdom</b>		<b>858</b>	<b>491</b>	<b>367</b>	<b>1,336</b>	<b>700</b>	<b>491</b>	<b>-66</b>	<b>-80</b>	<b>-145</b>
SCF-PPCR	GBP	361	351	10	565	499	13	-50	-2	-52
SCF-FIP	GBP	223	43	180	344	68	240	1	-37	-36
SCF-SREP	GBP	268	91	177	419	126	237	-15	-40	-56
SCF-EVLR	GBP	6	6	0	9	8	0	-2	0	-2
<b>Grand Total</b>					<b>1,566</b>	<b>887</b>	<b>491</b>	<b>-108</b>	<b>-80</b>	<b>-188</b>



## 7. Admin Account Summary – Feb 1, 2016 through Sep 30, 2017

in USD millions

<b>ADMIN Account - RESOURCES AVAILABLE for COMMITMENTS</b>		<b>As of September</b>
<i>Inception through September 30, 2017</i>		<b>30,2017</b>
<i>(USD millions)</i>		
<b>Other Resources</b>		
Investment Income earned	a/	34.0
Other income		1.1
Total Other Resources		35.1
<b>Total Cumulative Funding Received (A)</b>		<b>35.1</b>
<b>Cumulative Funding Commitments</b>		
Cumulative Administrative Expenses from Feb 1, 2016. until end-FY18		28.3
<b>Fund Balance (A - B)</b>		
		6.8
<b>Unrestricted Fund Balance ( C )</b>		
		6.8
<b>Net Available Resources</b>		
Projected Administrative Budget FY19 (Partial coverage of estimated amount)	b/	(6.8)
Projected Administrative Budget FY20-23	c/	-
<b>Projected Admin Budget (D)</b>		<b>(6.8)</b>
<b>Potential Available resources (C-D)</b>		
		<b>(0.0)</b>

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. In accordance with the terms of the Contribution Agreements, if amounts in the notional Admin account are not sufficient to cover Administrative Budgets, the shortfall is pro-rated across programs, based on fund balances. The Country Programming budgets are recorded under individual programs.

b/ It is assumed that unrestricted Fund Balance (USD 6.8 million) will be sufficient to cover approximately half of the estimated FY19 CIF Admin budget. The shortfall (net of investment income) has been allocated among three individual programs based on their fund balance estimates

c/ FY20-FY23 projected admin budget (net of projected investment income) has been allocated among three individual programs (resource availability table) based on their fund balance estimates.