



Meeting of the SCF Trust Fund Committee
Washington, D.C. (Virtual)
Friday, June 25, 2021

**ADDENDUM TO SREP OPERATIONAL AND RESULTS
REPORT**

Based on the most recent resource availability information from the Trustee, the following are updates and revisions on the SREP ORR.

Table 1

Table 1: Summary of SREP resource availability: sealed and reserve pipeline
(USD million, as of March 31st, 2021)

	Total	Grant	NonGrant
Unrestricted Fund Balance (A)	100.9	54.6	46.3
Remaining Anticipated Commitments (FY21-FY22)			
<i>Program/Project Funding and MPIS Costs</i>	128.9	75.4	53.5
Total Remaining Anticipated Commitments (B)	128.9	75.4	53.5
Available Resources (A - B)	(28.0)	(20.9)	(7.2)
Potential Future Resources (FY21-FY22)			
<i>Release of Currency Risk Reserves</i>	a/ 19.3	4.1	15.2
Total Potential Future Resources (C)	19.3	4.1	15.2
Less TAF Commitments (D)			
<i>Program/Project Funding and MPIS Costs</i>	4.3	4.3	
<i>Release of Currency Risk reserve-TAF</i>	(0.8)	(0.8)	
Potential Available Resources (A - B + C - D)	(12.3)	(20.3)	8.0

a/ 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.

Table 2

Table 2: Summary of SREP resource availability: sealed pipeline
(USD million, as of March 31st, 2021)

		Total	Grant	NonGrant
Unrestricted Fund Balance (A)		100.9	54.6	46.3
Remaining Anticipated Commitments (FY21-FY22)				
<i>Program/Project Funding and MPIS Costs</i>		54.0	29.0	25.0
Total Remaining Anticipated Commitments (B)		54.0	29.0	25.0
Available Resources (A - B)		46.9	25.6	21.3
Potential Future Resources (FY21-FY22)				
<i>Release of Currency Risk Reserves</i>	a/	19.3	4.1	15.2
Total Potential Future Resources (C)		19.3	4.1	15.2
Less TAF Commitments (D)				
<i>Program/Project Funding and MPIS Costs</i>		4.3	4.3	
<i>Release of Currency Risk reserve-TAF</i>		(0.8)	(0.8)	
Potential Available Resources (A - B + C - D)		62.6	26.1	36.5

a/ 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.

Annex 1: SREP resource availability

SREP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS				
Inception through March 31, 2021		Total	Capital	Grant
Donor Pledges and Contributions				
Contributions		780.8	280	501.0
Allocation of Capital to Grants	a/		(27.3)	27.3
Total Pledges and Contributions		780.8	252.5	528.3
Cumulative Funding Received				
Contributions Received				
Cash Contributions		647.0	151.1	495.9
Unencashed Promissory Notes	b/	128.6	129	-
Unencashed promissory notes- TAF		5.1		5.1
Allocation of Capital to Grants from Unencashed Promissory Notes	a/		(27.3)	27.3
Total Contributions Received		780.8	252.5	528.3
Other Resources				
Investment Income earned -up to Feb 1, 2016	c/	9.9		9.9
Total Other Resources		9.9		9.9
Total Cumulative Funding Received (A)		790.7	252.5	538.2
Cumulative Funding Commitments				
Projects/Programs		691.3	232.3	459.0
MDB Project Implementation and Supervision services (MPIS) Costs		20.0	-	20.0
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)
Technical Assistance Facility		2.5		2.5
Total Cumulative Funding Commitments		727.9	232.3	495.6
Project/Program, MPIS and Admin Budget Cancellations	d/	(94.0)	(41.4)	(52.6)
Net Cumulative Funding Commitments (B)		633.9	190.9	443.0
Fund Balance (A - B)				
		156.8	61.5	95.2
Currency Risk Reserves	e/	(19.3)	(15.2)	(4.1)
Currency Risk Reserves-TAF		(0.8)		(0.8)
Unrestricted Fund Balance		136.7	46.3	90.4
Future Programming Reserves:				
Admin Expenses-Reserve (includes Country Programming budget/Learning and Knowledge exchange reserve) and for FY 20-28 (net of estimated investment income and reflows).Breakup of various components are provided below. (Model Updated as of December 31,2017)				
	f/	(31.8)		(31.8)
Subtract				
Administration Expense reserve for CIFAU, MDB & Trustee		USD 37.9 Million		
Country Programming Budget Reserve		USD 2.4 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		
Technical Assistance Facility	i/	(4.0)		(4.0)
Unrestricted Fund Balance (C) after reserves		100.9	46.3	54.6

SREP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS				
Inception through March 31, 2021				
		Total	Capital	Grant
Anticipated Commitments (FY21-FY22)				
Program/Project Funding and MPIS Costs	g/	128.9	53.5	75.4
Technical Assistance Facility	i/	4.3	-	4.3
Total Anticipated Commitments (D)		133.3	53.5	79.8
Available Resources (C - D)				
		(32.3)	(7.2)	(25.2)
Potential Future Resources (FY21-FY22)				
Pledges		-		-
Contributions Receivable		-		-
Release of Currency Risk Reserves	e/	19.3	15.2	4.1
Release of Currency Risk Reserves-TAF		0.8		0.8
Total Potential Future Resources (E)		20.1	15.2	4.9
Potential Available Resources (C - D + E)				
		(12.3)	8.0	(20.3)
Reflows from MDBs				
	h/	0.03		0.03

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 March 31, 2021 exchange rate.

b/ This amount includes USD equivalent of GBP 93.47 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". This reserve amount has been increased by the approved commitment amount of USD 0.3 million for country engagement cancellation from January 2018. The reflows includes the commitment fee, front end fee and late payment fee.

g/ Anticipated commitments for SREP program includes both Sealed and Reserve pipeline. Anticipated commitments as estimated by the CIFAU.

h/ Any payments of principal, interest from loans, which are due to be returned to the Trust Fund pursuant to the Financial Procedures Agreements consistent with the pertinent SCF funding approved by the SCF Trust Fund Committee. For the avoidance of doubt, the Reflow does not include any return of funds from SCF grants or Administrative Costs, including cancelled or unused funds, or any investment income earned on SCF resources held by any MDB. 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.

i/ Commitments for the Technical Assistance Facility, as estimated by the CIFAU.