

CLIMATE INVESTMENT FUNDS

SCF/TFC.IS.1/2/Inf.2

March 5, 2018

Intersessional Meeting of the SCF Trust Fund Committee

Washington D.C.

Thursday, March 8, 2018

REPORT OF THE TRUSTEE ON THE FINANCIAL STATUS OF THE SCF

Strategic Climate Fund (SCF)

Financial Report

Prepared by the Trustee

As of December 31, 2017



Table of Contents

Introduction	3
SCF Trust Fund Financial Summary as of December 31, 2017	4
1. SCF Trust Fund Summary – Inception through December 31, 2017	5
1.1. Pledges and Contributions – SCF Summary	7
1.2. Asset Mix and Investment Returns and Adjustment for Changes in Market Conditions	8
1.3. Cumulative Net Commitments	9
2. FIP Summary – Inception through December 31, 2017	10
2.1. FIP Pledges and Contributions -Summary	12
2.2. Cumulative Net Commitments	13
2.3. FIP Funds Held in Trust with No Restrictions and Funds Available to support Trustee Commitments	14
3. PPCR Summary – Inception through December 31, 2017	15
3.1. PPCR Pledges and Contributions - Summary	17
3.2. PPCR Cumulative Net Commitments	18
3.3. PPCR Funds Held in Trust with No Restrictions and Funds Available to support Trustee Commitments	19
4. SREP Summary – Inception through December 31, 2017	20
4.1. SREP Pledges and Contributions –Summary	22
4.2. SREP Cumulative Net Commitments	23
4.3. SREP Funds Held in Trust with No Restrictions and Funds Available for Trustee Commitments	24
5. Evaluation and Learning Summary – Inception through December 31, 2017	25
5.1 Evaluation and Learning (EVLR) – Pledges and Contributions	26
6. Overall realized and unrealized gains or losses for the Promissory Notes held in Non-USD currencies	26
7. Admin Account Summary – Feb 1, 2016 through December 31, 2017	27



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 December 31, 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. 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 December 31, 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 December 31, 2017

NOTE ON ADMINISTRATIVE COSTS AND INVESTMENT INCOME:

- i. Investment income is expected to become negligible after FY22, 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. Table 1 below compares currently-available estimates of administrative expenses for the CIFs, against estimated investment income. Investment income estimates are based on conservative return assumptions (0.9% per year), and Fund balance estimates that are based on cash transfer projections provided by the MDBs to CIFAU. All are subject to variations, including market conditions. Amounts in Table 1 below should therefore be considered indicative.

Table 1: Estimated Investment Income and Administrative Expenses for FY19-28

Fiscal Year (1 July - 30 June)	Admin Cost Estimate (A)	Investment income Estimate* (B)	Note	Relevant Investment income Fiscal Year*	(Surplus)/Shortfall (A-B)
2019	13.4	14.0	a/	2018	-0.6
2020	12.9	5.6		2019	7.3
2021	12.0	2.5		2020	9.5
2022	11.1	1.2		2021	9.9
2023	10.8	0.8		2022	10.0
2024	10.1	0.3		2023	9.8
2025	8.8				8.8
2026	8.4				8.4
2027	8.1				8.1
2028	7.6				7.6
Totals	103.2	24.4			78.8

a/ Investment income received to date in FY18 and available to be applied to the FY19 Admin budget expenses as of December 31, 2017 amounted to USD 11.1 million. Investment income for the balance of FY18 (1 Jan-30 Jun 2018) is estimated at USD 2.9 million. The surplus of investment income available in 2019 for USD 0.6 million will be rolled over to 2020.

* The investment income earned in the previous Fiscal Year (FY) is available for admin budget commitments only at the start of the subsequent FY.



1. SCF Trust Fund Summary – Inception through December 31, 2017

In USD millions

SCF TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS

Inception through December 31, 2017

(USD millions)

	As of December 31, 2017	% of Total
	Total	% of Total
Donor Pledges and Contributions		
Contributions	2,659.6	100%
Pledges	0.3	0%
Total Pledges and Contributions	2,660.0	100%
Cumulative Funding Received		
Contributions Received		
Cash Contributions	2,148.0	79%
Unencashed promissory notes	a/ 495.4	18%
Total Contributions Received	2,643.4	97%
Other Resources		
Investment Income earned	81.6	3%
Investment Income from MDBs	1.1	
Total Other Resources	82.7	
Total Cumulative Funding Received (A)	2,726.2	100%
Cumulative Funding Commitments		
Projects/Programs	2,079.6	94%
MDB Project Implementation and Supervision services (MPIS) Costs	81.1	4%
Cumulative Administrative Expenses net of cancellations	b/ 132.8	6%
Evaluation and learning commitments	6.8	0%
Total Cumulative Funding Commitments	2,300.3	104%
Project/Program Cancellations	c/ (90.6)	-4%
Net Cumulative Funding Commitments (B)	2,209.7	100%
Fund Balance (A - B)	516.4	
Currency Risk Reserves	d/ (74.3)	
Funding Available for Trustee Commitments (C)	442.1	
Future Programming Reserves:		
Proposed Country Programming Budget FY18	(2.5)	
Projected Learning and Knowledge Exchange (includes Country Programming Budget) reserve FY19-28	e/ (6.1)	
Admin Expenses-Reserve for FY 20-28 (net of estimated investment income)	f/ (78.8)	
Admin expense reserve for FY19 (net of investment income available as of Dec 2018)	(2.9)	
Unrestricted Fund Balance (C) after reserves	351.9	



In USD millions

SCF TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS

Inception through December 31, 2017

(USD millions)

As of December 31, 2017 % of Total

	Total	% of Total
Anticipated Commitments (FY18-FY23)		
Program/Project Funding and MPIS Costs i/	487.8	
Total Anticipated Commitments (D)	487.8	
Available Resources (C-D)	(135.9)	
Potential Future Funding (FY18-FY23)		
Pledges h/	0.3	0%
Contributions not yet paid g/	16.2	17%
Release of Currency Risk Reserves d/	74.3	79%
Estimated Investment income from January 1, 2018 to June 30, 2018	2.9	3%
Total Potential Future Resources (E)	93.7	100%
Potential Available Resources (C - D + E)	(42.2)	
Reflow from MDBs j/	0.6	

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

b/ approved by the TFC to end-FY18 (net of cancellations) including USD 30.84 million for Country programming budget.

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 December 2017 reporting period, the Trustee has added a reserve to provide for country programming budget for ten years. The amount of this reserve is estimated by the CIFAU.

f/ Effective from the December 2017 reporting period, the Trustee has increased the reserve to provide for Admin Expenses to FY28 (previously only to FY23). The amount of this reserve is estimated by the CIFAU and Trustee using a 10-year forecast of the Admin Budget (USD 103.2 million), less the 5-year estimate of Investment Income (USD 24.4 million including the USD 11.1 million received in FY18 as of Dec 2017). Pro-rata estimates across three SCF programs are based on projected cash balances, per the terms of the Contribution Agreements. The shortfall for the Admin Expenses from FY20-28 is estimated at USD 78.8 million. This is allocated among three programs based on their cash balance estimates (as per terms of the contribution agreements).

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

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

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

j/ The usage of reflow from MDBs would be determined based on future Trust Fund Committee (TFC) decisions.



1.1. Pledges and Contributions – SCF Summary

In USD 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	-	318	331	649	-	429	490	920
United Kingdom	Grant	GBP	12	49	160	221	16	66	210	292
United States	e/ Grant	USD	0.3	-	508	508	0.3	-	508	508
							17	495	2,148	2,660

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



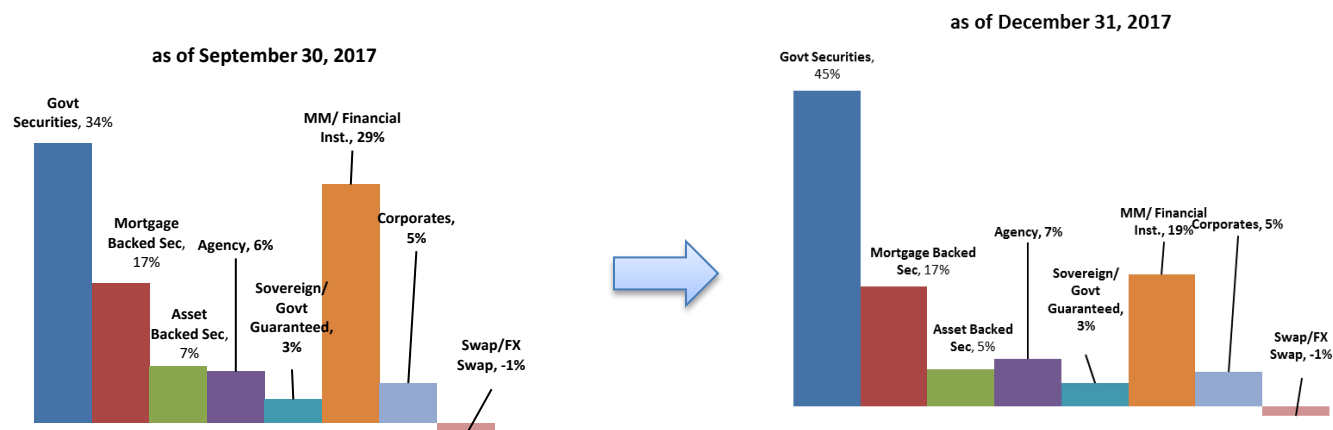
1.2. Asset Mix and Investment Returns and Adjustment for Changes in Market Conditions

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).



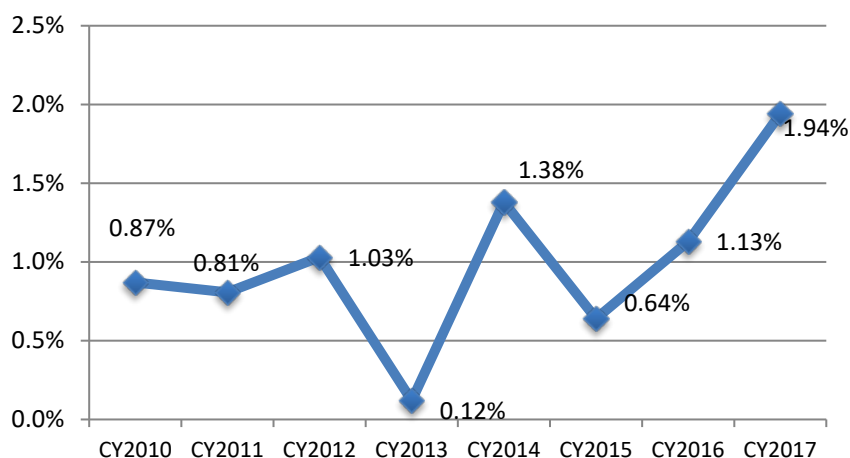
***Note:** The negative position in swaps is primarily due to changes in foreign currency exchange (FX) rates in cross currency basis swaps. Such swap instruments are used to implement currency hedges on bond positions within the portfolio. These hedges remain in place.*

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

SCF Trust Fund investment returns increased for calendar year 2017, with a cumulative return of 1.94% for the year. 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 December 31, 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 2.2 billion. Of this amount, USD 132.8 million represents net commitments for administrative budget, including the Country Programming budget of USD 30.8 million under the relevant SCF Programs, USD 2.07 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 2.07 billion for projects, investment plan preparation and MPIS costs, of which USD 499.4 million was committed under the FIP, USD 1.05 billion under the PPCR, and USD 521 million under the SREP.



2. FIP Summary – Inception through December 31, 2017

In USD millions

FIP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS				
Inception through December 31, 2017 (USD millions)		Total	Capital	Grant
Donor Pledges and Contributions				
Contributions		743.8	257.1	486.6
Pledges	a/	0.3	-	0.3
Total Pledges and Contributions		744.1	257.1	487.0
Cumulative Funding Received				
Contributions Received				
Cash Contributions		501.1	80.7	420.4
Unencashed promissory notes	b/	242.7	176.5	66.2
Total Contributions Received		743.8	257.1	486.6
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)		758.3	257.1	501.2
Cumulative Funding Commitments				
Projects/Programs	d/	490.0	132.1	358.0
MDB Project Implementation and Supervision services (MPIS) Costs		25.5	-	25.5
Administrative Expenses-Cumulative to 1st Feb 2016	c/	25.6	-	25.6
Total Cumulative Funding Commitments		541.1	132.1	409.0
Project/Program,MPIS and Admin Budget Cancellations	e/	(16.2)	(15.0)	(1.2)
Net Cumulative Funding Commitments (B)		524.8	117.1	407.8
Fund Balance (A - B)		233.5	140.1	93.4
Currency Risk Reserves	f/	(36.4)	(26.5)	(9.9)
Unrestricted Fund Balance (C)		197.1	113.6	83.5
Future Programming Reserves:				
Proposed FY18 Country Programming Budget		(0.5)		(0.5)
Projected Learning and Knowledge Exchange(includes Country Programming Budget) reserve FY19-28	g/	(2.2)		(2.2)
Admin Expenses-Reserve for FY 20-28 (net of estimated investment income)	h/	(67.2)		(67.2)
Unrestricted Fund Balance (C) after reserves		127.3	113.6	13.6



In USD millions

FIP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS <i>Inception through December 31, 2017</i> <i>(USD millions)</i>			Total	Capital	Grant
Anticipated Commitments (FY18-FY21)					
Program/Project Funding and MPIS Costs		235.5		129.9	105.7
Total Anticipated Commitments (D)		235.5		129.9	105.7
Available Resources (C - D)			(108.2)	(16.2)	(92.0)
Potential Future Resources (FY18-FY21)					
Pledges	a/	0.3			0.3
Release of Currency Risk Reserves	f/	36.4		26.5	9.9
Total Potential Future Resources (E)		36.7		26.5	10.3
Potential Available Resources (C - D + E)			(71.5)	10.2	(81.7)
Reflows from MDBs	i/	0.2		-	0.2

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 cash balances. The Country Programming budgets are recorded under individual programs.

d/ Following a portfolio review, USD 3 million of commitments for programs, which had previously been reported as commitments of Capital resources, are now being reported as commitments of Grant resources

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

f/ 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.

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

h/ Effective from the December 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 10-year forecast of the Admin Budget less the 10-year estimate of Investment Income. Pro-rata estimates across three SCF programs are based on projected cash balances, per the terms of the Contribution Agreements.

i/ The usage of reflow from MDBs would be determined based on future Trust Fund Committee (TFC) decisions.



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	-	176	68	244
United Kingdom	Grant	GBP	-	49	-	49	-	66	-	66
United States	c/ Grant	USD	0.3	-	168	168	0.3	-	168	168
							0.3	243	501	744

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

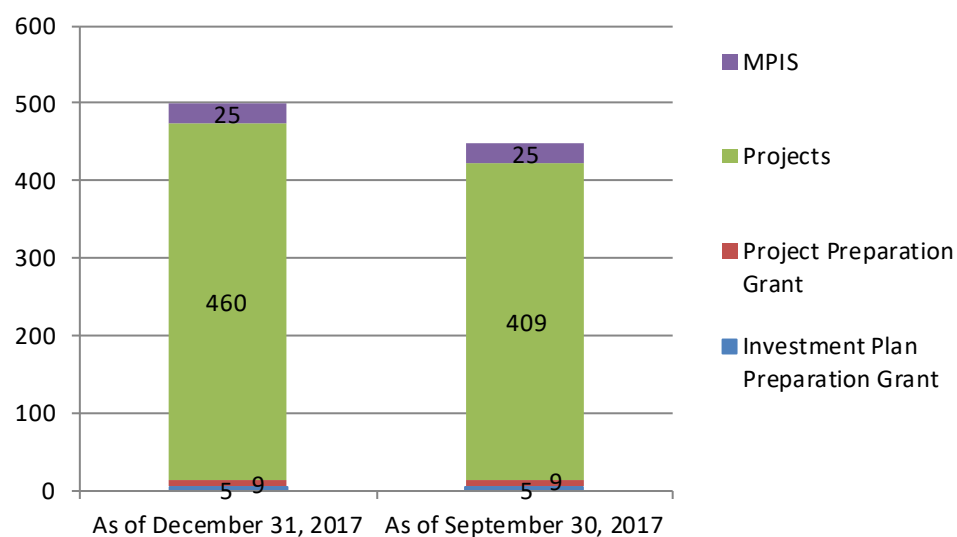


2.2. Cumulative Net Commitments

In USD millions

FIP Net Commitments by the Trustee by Activity

Between October 1, 2017 and December 31, 2017, a total amount of USD 51.7 million was committed by the Trustee, bringing the net cumulative commitments under the FIP as of December 31, 2017, to USD 499.4 million².



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.



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 December 31, 2017	
	FIP
1. Funds held in Trust	461
a. Cash	218
b. Unencashed Promissory Notes a/	243
2. Restricted Funds b/	36
3. Funds held in Trust with no restrictions (3 = 1 - 2)	424
4. Trustee Commitments pending cash transfer	227
a. Projects	224
b. MDB Fees	3
c. Administrative Budget	0
5 Funds available to support Trustee Commitments (6 = 3 - 4)	197
a/ Valued on the basis of exchange rates of December 31, 2017	
b/ Represents amounts withheld to cover the impact of foreign exchange fluctuations on commitments made by the Trustee	



3. PPCR Summary – Inception through December 31, 2017

In USD millions

PPCR TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS						
Inception through December 31, 2017 (USD millions)				Total	Capital	Grant
Donor Pledges and Contributions						
Contributions				1,155.4	407.1	748.4
Pledges				-	-	-
UK Contributions-Allocation from Capital to Grants				a/ (24.5)	24.5	
Total Pledges and Contributions				1,155.4	382.6	772.9
Cumulative Funding Received						
Contributions Received						
Cash Contributions				1,126.0	393.9	732.1
Unencashed promissory notes				b/ 13.2	13.2	-
UK Contributions-Allocation from Capital to Grants				a/ (24.5)	24.5	
Total Contributions Received				1,139.2	382.6	756.6
Other Resources						
Investment Income earned -up to Feb 1, 2016				c/ 18.8	-	18.8
Total Other Resources				18.8	-	18.8
Total Cumulative Funding Received (A)				1,158.0	382.6	775.5
Cumulative Funding Commitments						
Projects/Programs				d/ 1,046.0	372.6	673.4
MDB Project Implementation and Supervision services (MPIS) Costs				36.5	-	36.5
Administrative Expenses-Cumulative to 1st Feb 2016				c/ 68.5	-	68.5
Total Cumulative Funding Commitments				1,151.0	372.6	673.4
Project/Program Cancellations				e/ (36.4)	(6.6)	(29.8)
Net Cumulative Funding Commitments (B)				1,114.6	366.0	748.6
Fund Balance (A - B)				43.4	16.6	26.9
Currency Risk Reserves				f/ (2.0)	(2.0)	-
Unrestricted Fund Balance (C)				41.4	14.6	26.9
Future Programming Reserves:						
Proposed FY18 Country Programming Budget				(0.5)		(0.5)
Projected Learning and Knowledge Exchange(includes Country Programming Budget) reserve FY19-28				g/ (2.2)		(2.2)
Admin Expenses-Reserve for FY 20-28 (net of estimated investment income)				h/ (2.4)		(2.4)
Unrestricted Fund Balance (C) after reserves				36.4	14.6	21.8



In USD millions

PPCR TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS					
Inception through December 31, 2017 (USD millions)			Total	Capital	Grant
Anticipated Commitments (FY18-FY21)					
Program/Project Funding and MPIS Costs		24.5		23.1	1.4
Total Anticipated Commitments (D)		24.5		23.1	1.4
Available Resources (C-D)					
		11.9		(8.5)	20.4
Potential Future Funding (FY18-FY21)					
Pledges		-			
Contributions not yet paid (Receivable from UK)	i/	16.2		-	16.2
Release of Currency Risk Reserves	f/	2.0		2.0	
Total Potential Future Resources (E)		18.2		2.0	16.2
Potential Available Resources (C - D + E)					
		30.1		(6.5)	36.6
Reflows from MDBs	j/	0.4		-	0.4

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/ This amount represents USD equivalent of GBP 9.8 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 cash balances. The Country Programming budgets are recorded under individual programs

d/ Following a portfolio review, USD 7 million of commitments for programs, which had previously been reported as commitments of Capital resources, are now being reported as commitments of Grant resources.

e/ 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.

f/ 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.

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

h/ Effective from the December 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 10-year forecast of the Admin Budget less the 10-year estimate of Investment Income. Pro-rata estimates across three SCF programs are based on projected cash balances, per the terms of the Contribution Agreements.

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

j/ The usage of reflow from MDBs would be determined based on future Trust Fund Committee (TFC) decisions.



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
							16	13	1,126	1,155

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

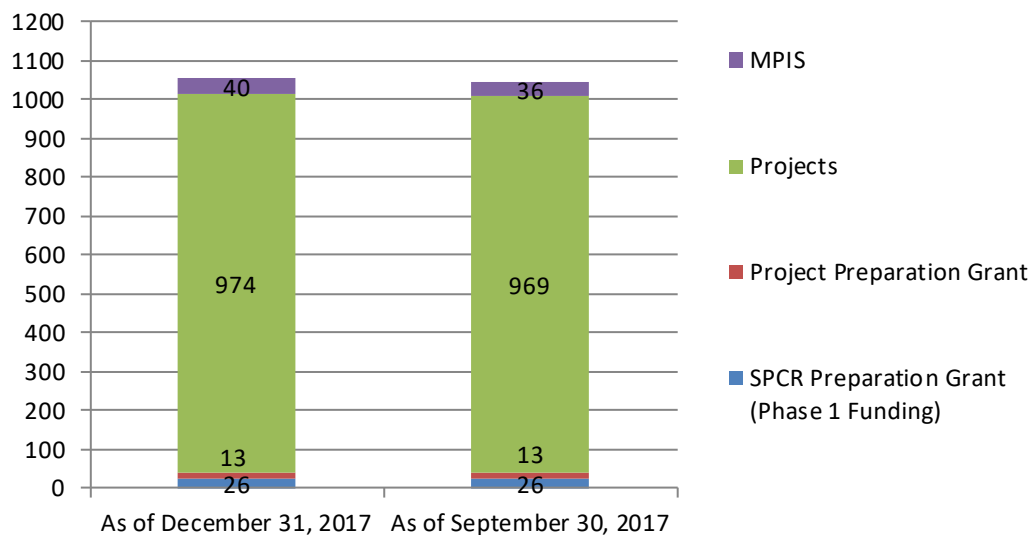


3.2.PPCR Cumulative Net Commitments

In USD millions

PPCR Net Commitments by the Trustee by Activity

The cumulative net commitments under the PPCR as of December 31, 2017 was USD 1.05 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.



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 December 31, 2017	
	PPCR
1. Funds held in Trust	424
a. Cash	410
b. Unencashed Promissory Notes a/	13
2. Restricted Funds b/	2
3. Funds held in Trust with no restrictions (3 = 1 - 2)	422
4. Trustee Commitments pending cash transfer	380
a. Projects	378
b. MDB Fees	1
c. Administrative Budget	0
5 Funds available to support Trustee Commitments (6 = 3 - 4)	42
a/ Valued on the basis of exchange rates of December 31, 2017	
b/ Represents amounts withheld to cover the impact of foreign exchange fluctuations on commitments made by the Trustee	



4. SREP Summary – Inception through December 31, 2017

In USD millions

SREP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS					
Inception through December 31, 2017					
(USD millions)				Total	Capital Grant
Donor Pledges and Contributions					
Contributions		752.7		281.4	471.3
Pledges		-			
UK Contributions-Allocation from Capital to Grants	a/		(26.8)	26.8	
Total Pledges and Contributions		752.7		254.6	498.1
Cumulative Funding Received					
Contributions Received					
Cash Contributions		513.2	41.9	471.3	
Unencashed Promissory Notes	b/	239.5	239.5	-	
UK Contributions-Allocation of Capital to Grants from Unencashed Promissory Notes	a/		(26.8)	26.8	
Total Contributions Received		752.7	254.6	498.1	
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)		762.7	254.6	508.1	
Cumulative Funding Commitments					
Projects/Programs	d/	543.5	148.9	394.7	
MDB Project Implementation and Supervision services (MPIS) Costs		19.1	-	19.1	
Administrative Expenses-Cumulative to 1st Feb 2016	c/	14.2	-	14.2	
Total Cumulative Funding Commitments		576.9	148.9	428.0	
Project/Program, MPIS and Admin Budget Cancellations	e/	(41.7)	(30.5)	(11.2)	
Net Cumulative Funding Commitments (B)		535.2	118.4	416.8	
Fund Balance (A - B)				136.2	91.2
Currency Risk Reserves	f/	(35.9)	(31.9)	(4.0)	
Unrestricted Fund Balance		191.5	104.3	87.2	
Future Programming Reserves:					
Proposed FY18 Country Programming Budget		(1.5)		(1.5)	
Projected Learning and Knowledge Exchange(includes Country Programming Budget) reserve FY19-28	g/	(1.8)		(1.8)	
Admin Expenses-Reserve for FY 20-28 (net of estimated investment income)	h/	(9.3)		(9.3)	
Unrestricted Fund Balance (C) after reserves		179.0	104.3	74.7	



In USD millions

SREP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS				
Inception through December 31, 2017				
(USD millions)			Total	Capital Grant
Anticipated Commitments (FY18-FY21)				
Program/Project Funding and MPIS Costs	i/	226.6	126.6	100.0
Total Anticipated Commitments (D)		226.6	126.6	100.0
Available Resources (C - D)			(47.6)	(22.3) (25.3)
Potential Future Resources (FY18-FY21)				
Release of Currency Risk Reserves	f/	35.9	31.9	4.0
Total Potential Future Resources (D)		35.9	31.9	4.0
Potential Available Resources (C - D + E)			(11.7)	9.6 (21.3)

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 December 31, 2017 exchange rate.

b/ This amount includes USD equivalent of GBP 177.3 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. 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 cash balances. The Country Programming budgets are recorded under individual programs.

d/ Following a portfolio review, USD 2.9 million of commitments for programs, which had previously been reported as commitments of Capital resources, are now being reported as commitments of Grant resources.

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

f/ 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.

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

h/ Effective from the December 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 10-year forecast of the Admin Budget less the 10-year estimate of Investment Income. Pro-rata estimates across three SCF programs are based on projected cash balances, per the terms of the Contribution Agreements.

i/ 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	-	177	27	204	-	240	42	281
United Kingdom	Grant	GBP	-	-	64	64	-	-	84	84
United States	d/ Grant	USD	-	-	50	50	-	-	50	50
							-	240	513	753

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

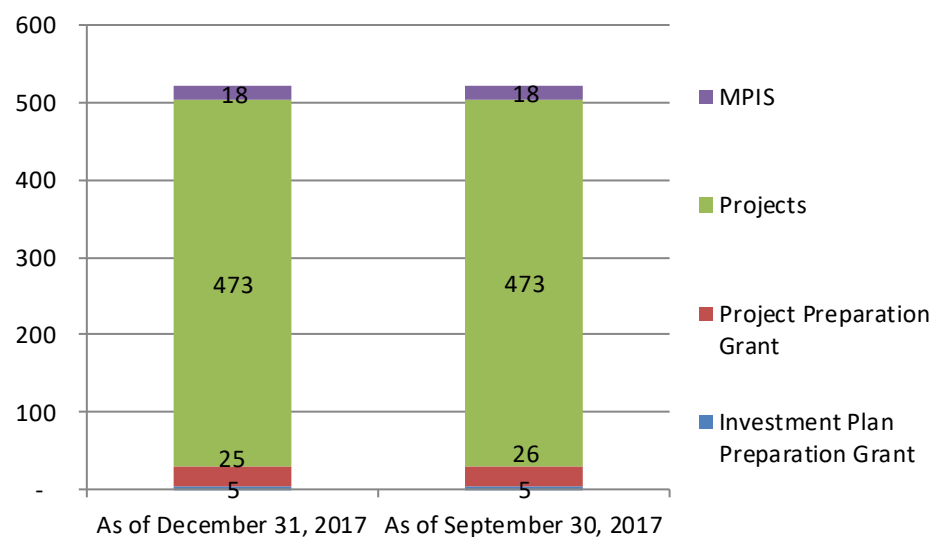


4.2. SREP Cumulative Net Commitments

In USD millions

SREP Net Commitments by the Trustee by Activity

The cumulative commitments under the SREP as of December 31, 2017, to USD 521 million⁴.



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.



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

In USD millions

STRATEGIC CLIMATE FUND	
Table 2: Schedule of Funds Available for SREP	
as of December 31, 2017	
	SREP
1. Funds held in Trust	605
a. Cash	365
b. Unencashed Promissory Notes a/	240
2. Restricted Funds b/	36
3. Funds held in Trust with no restrictions (3 = 1 - 2)	569
4. Trustee Commitments pending cash transfer	377
a. Projects	372
b. MDB Fees	5
c. Administrative Budget c/	0
5 Funds available to support Trustee Commitments (6 = 3 - 4)	191
a/ Valued on the basis of exchange rates of December 31, 2017	
b/ Represents amounts withheld to cover the impact of foreign exchange fluctuations on commitments made by the Trustee	



5. Evaluation and Learning Summary – Inception through December 31, 2017

In USD millions

EVALUATION AND LEARNING(EVLR) TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS <i>Inception through December 31, 2017</i>		As of December 31,2017
	Total	
Donor Pledges and Contributions		
Contributions		7.7
Total Pledges and 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		
Cumulative EVLR commitments		6.8
Net Cumulative Funding Commitments (B)		6.8
Fund Balance (C)= (A) - (B)		0.89
Anticipated Commitments (FY18-F19)		
Projected Administrative Budget	a/	1.2
Total Anticipated Commitments (D)		1.2
Available Resources (C)-(D)		(0.3)

a/ Of the amount USD 8 million approved for FY17 and FY18, USD 6.8 million has been committed in FY17 and FY18 by the trustee. The balance amount of USDeq. 1.2 million is yet to be committed. The future commitments will be based on the decision made by the CIFAU through call of proposals and up to the available funding of USD 0.89 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 December 31, 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

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 @ December 31, 2017	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	491	367	1,336	700	495	-66	-75	-141
SCF-PPCR	GBP	361	351	10	565	499	13	-50	-2	-52
SCF-FIP	GBP	223	43	180	344	68	243	1	-35	-33
SCF-SREP	GBP	268	91	177	419	126	240	-15	-38	-53
SCF-EVLR	GBP	6	6	0	9	8	0	-2	0	-2
Grand Total					1,566	887	495	-108	-75	-183



7. Admin Account Summary – Feb 1, 2016 through December 31, 2017

in USD millions

ADMIN Account - RESOURCES AVAILABLE for COMMITMENTS		As of December 31, 2017
Inception through December 31, 2017 (USD millions)		
Other Resources		
Investment Income earned	a/	38.3
Investment Income from MDBs		1.1
Total Other Resources		39.4
Total Cumulative Funding Received (A)		39.4
Cumulative Funding Commitments		
Cumulative Administrative Expenses from Feb 1, 2016 until end-FY18 (B)		28.3
Fund Balance (A - B)		11.1
Unrestricted Fund Balance (C)		11.1
Projected Admin Budget		
Projected Administrative Budget FY19		13.4
Projected Administrative Budget FY20-28	b/	-
Projected Admin Budget (D)		13.4
Potential Investment Income (Jan 2018 -Jun 2018)		
Projected Investment Income (Jan 2018-June 2018)		2.9
Projected Investment Income (Jan 2018 -Jun 2018) (E)		2.9
Potential Available resources (C-D)+E		0.6

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/ FY20-FY28 projected admin budget (net of projected investment income) has been allocated among three individual programs (resource availability table) based on their fund balance estimates.