

# CLIMATE INVESTMENT FUNDS

SREP/SC.21/4  
May 13, 2019

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Meeting of the SREP Sub-Committee  
Washington, DC  
Tuesday, June 4, 2019

Agenda Item 4

## **RISK REPORT OF THE SREP**

## **PROPOSED DECISION**

The SREP Sub-Committee reviewed the document, SREP/SC.21/4, *Risk Report of the SREP*, and welcomes the progress that has been made in advancing the work of the SREP.

The Sub-Committee requests the CIF Administrative Unit to continue to identify, assess, monitor and report the key risk exposures to the program, and to endeavor to enhance the CIF's Enterprise Risk Management (ERM) Framework, including through the following actions and initiatives:

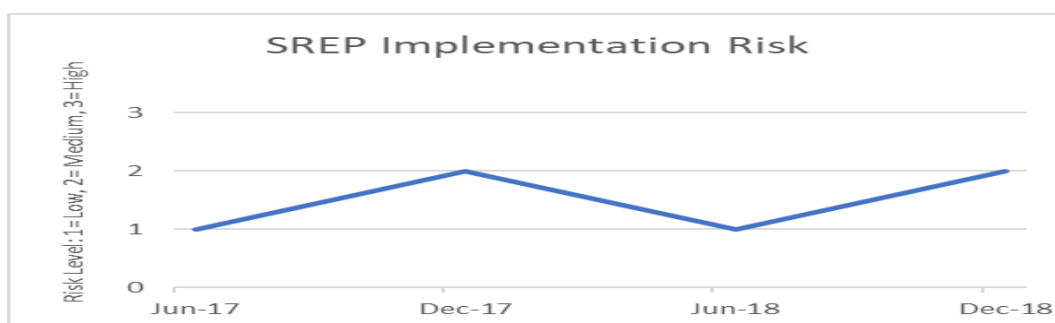
- Assessing, monitoring, and reporting credit risk exposures for each Strategic Climate Fund (SCF); and
- Assessing, monitoring, and reporting interest rate risk exposures for all CIF programs.

# 1 Introduction

1. This report provides an update on assessments of the more significant risk exposures facing the Scaling up of Renewable Energy Program in Low Income Countries (SREP). Data as of December 31, 2018 was used to flag projects for implementation risk and compare them with projects flagged in the previous Risk Report (as of June 30, 2018), with certain projects using more updated information as indicated in the report. Information as March 31, 2019 was used to assess the other risks and compare them with risks highlighted in the previous Risk Report (as of September 30, 2018).
2. The following matrix summarizes SREP's key risk exposures.

Summary Risk Matrix as of March 31, 2019 - SREP			
Risk	Likelihood	Severity	Risk Score
Implementation Risk	Possible	Moderate	Medium
Currency Risk	Very Likely	Severe	High
Resource Availability Risk - Sealed and Reserve Pipelines	Likely	Moderate	High
Resource Availability Risk - Sealed Pipeline Only	Very Unlikely	Low	Low

3. Implementation risk for SREP increased to **Medium** from **Low**, with three projects representing USD 27 million of approved funding flagged for this risk. Based on the likelihood and severity thresholds outlined in SREP's risk appetite statement, the program's implementation risk exposure has fluctuated between Low and Medium for the last four semiannual reporting cycles.



4. Currency risk for SREP remains **High**. Although GBP 64 million promissory notes were encashed, GBP 94 million remain outstanding and have declined in value by USD 24 million. Based on the likelihood and severity thresholds outlined in SREP's risk appetite statement, the program's exposure to currency risk via promissory notes has been High for the last four semiannual reporting cycles.
5. SREP's risk of being unable to fund all projects in both its sealed and reserve pipelines remains **High**, however there is **Low** risk that SREP will be unable to fund only the projects in its sealed pipeline. Based on the likelihood and severity thresholds outlined in SREP's risk

appetite statement, the program's resource availability risk exposure has been High for the last four semiannual reporting cycles.

## 2 Assessment of key risk exposures<sup>1</sup>

6. For SREP, the definition of risk is any threat to the achievement of SREP's objectives. This definition, along with the definition of SREP's objectives, establishes the context for appraising SREP's risk exposures.

### 2.1 Implementation risk

7. Implementation risk is the risk that a project, once effective, is not implemented in a timely manner. The CIF Administrative Unit flags a project for implementation risk if the project meets at least one of the following two criteria:
  - The project has been effective for 36 months but has disbursed less than 20 percent of approved funds.
  - The project is within 15 months of the date by which all SREP funds are to be disbursed but has disbursed less than 50 percent of approved funds.
8. The MDBs provide this information semi-annually, and the most recent information available is as of December 31, 2018. No private sector projects were flagged.
9. At the program-level, SREP's risk score for implementation risk increased to **Medium** from **Low** as three projects representing USD 27 million of approved funding have been flagged for this risk. However, at the project-level, each of these projects has exceeded SREP's tolerance for this risk.
10. Table 1 illustrates the three projects flagged under the first criterion (vs. one project totaling USD 8 million as of June 30, 2018). The project flagged as of June remains on the current list and is highlighted in orange (although it has increased disbursements by USD 0.3 million).

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<sup>1</sup> Severity, in the risk scoring process, is determined (where possible) based on the estimated impact of a risk as a percentage of the program's total pledges and contributions.

- Severe represents an estimated potential impact > 5% of the program's total pledges and contributions.
- Moderate represents an estimated potential impact 1% - 5% of total pledges and contributions.
- Minimal represents an estimated potential impact < 1% of total pledges and contributions.

However, because the impact on funds exposed to implementation risk may simply be delays in the implementation of projects which are ultimately successful (vs. a complete loss of funding for projects as is the case with currency), the following ranges are used to classify implementation risk severity.

- Severe represents an estimated potential impact > 10% of the program's total pledges and contributions.
- Moderate represents an estimated potential impact 5% - 10% of total pledges and contributions.
- Minimal represents an estimated potential impact < 5% of total pledges and contributions.

**Table 1: SREP public sector projects effective for 36 months with less than 20 percent of approved funds disbursed**

COUNTRY	PROJECT TITLE	MDB	SREP Funding (USD million)	Cumulative Disb. FY19-S1	Disbursement Ratio	Effectiveness Date	Months Since Effectiveness Date	MDB Co-Financing (USD millions)
Nepal	Biogas Extended Program	IBRD	7.9	1.4	17%	9/15/2014	52	0
Maldives	Accelerating Sustainable Private Investments in Renewable Energy (ASPIRE) Program	IBRD	11.7	2.0	17%	10/1/2014	52	16
Kenya	Electricity Modernization Project	IBRD	7.5	-	0%	9/17/2015	40	10

## **11. Biogas Extended Program – Nepal (World Bank)**

- a. Reason(s) for delay: The bulk of SREP funds (USD 6.9 million out of USD 7.9 million) is used to reimburse partially the Government of Nepal for funds paid as subsidies (capital cost buydown) for completed and commissioned subprojects. The funds are only drawn once the projects are commissioned and operational. Therefore, disbursements are occurring as expected with the majority of the remaining expected to be disbursed in the next two years.
- b. Measures underway to accelerate implementation: The government issues 40 percent of the subsidy amount after the sub-projects are approved and ready for construction. The World Bank team is looking at a possibility of contributing SREP fund to the government subsidy after the project is approved instead of disbursing after commissioning. For this to happen, the project needs to be restructured. The World Bank team is currently discussing the restructuring.

Estimated timeframe within which project will have disbursed  $\geq$  20% of SREP funds: A timeframe is not foreseen as the backloaded disbursement profile is a direct result of the design of the project. Unless the project is restructured, it will remain flagged for the foreseeable future. The project team is currently discussing the options to change the project design to facilitate payment of the subsidies before the commissioning of the sub-projects. No decision has been made at this stage. Meanwhile, the implementation agency is expediting the implementation of the large sub-projects (above 100 m3 of gas generation capacity) that involve larger amounts of subsidies. From an operational perspective, the project has exceeded its target results with regard to thermal generation (see June 2019 SREP Semi-Annual Operational Report). At the end of the life of the project, unused funds will be cancelled and returned to the Trustee.

## **12. Accelerating Sustainable Private Investments in Renewable Energy (ASPIRE) Program – Maldives (World Bank)**

- a. Reason(s) for delay: SREP funds for the ASPIRE project are structured to mitigate payment risk from the utility buying the power and to provide tariff buydown subsidies, based on the needs. A portion of SREP funding has been used to cover payment risk for the first sub-project (1.5 MW) that was commissioned in March 2018. An

implementation progress update is in the June 2019 SREP Semi-Annual Operational Report.

- b. Measures underway to accelerate implementation: No specific measures are envisaged to speed implementation of the project. It is progressing at a moderate pace. The bidding for the second sub-project is expected by June 2019. The government has submitted a request to extend to project end date (currently December 31, 2019) by two years. The request is under consideration by the World Bank.
- c. Estimated timeframe within which project will have disbursed  $\geq$  20% of SREP funds: A timeframe is not foreseen at this stage. Disbursements of SREP funds are used to cover specific risks as needed, and subject to the requirements of potential investors. At the end of the life of the project, unused funds will be cancelled and returned to the Trustee.

### 13. Electricity Modernization Project – Kenya (World Bank)

- a. Reason(s) for delay: The implementation of the SREP-funded component of the project<sup>2</sup> experienced significant delays due to the need to undertake specific studies to complement the feasibility studies that were not deemed comprehensive and did not account for the fact that mini-grids would be located on islands. These studies, now completed, were related to site selection and technical design specifications. The tender to select the private operators that will operate and maintain the mini-grids has been launched and the contracts will be awarded by July 2019.
- b. Measures underway to accelerate implementation: Disbursement will commence once the contracts are awarded.
- c. Estimated timeframe within which project will have disbursed  $\geq$  20% of SREP funds: The project will remain flagged until the current project closing date (i.e., June 30, 2020). A potential extension of the project closing date will be discussed during the next supervision mission scheduled for the week of May 6, 2019.

14. Table 2 illustrates that two projects representing USD 20 million of MDB-approved funding have now been flagged under the second criterion. Both of these projects were also flagged under the first criterion (please see above for descriptions of these projects).

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<sup>2</sup> The total cost of the project is US\$257.5 million, including US\$7.5m of SREP funds.

**Table 2: SREP public sector projects within 15 months of closing with less than 50 percent of approved funds disbursed**

COUNTRY	PROJECT TITLE	MDB	SREP Funding (USD million)	Cumulative Disb. FY19-S2	Disbursement Ratio	Expected Date of Final Disbursement	Months Before Expected Date of Final Disbursement	Co-Financing (USD millions)
Maldives	Accelerating Sustainable Private Investments in Renewable Energy (ASPIRE) Program	IBRD	11.7	2.0	17%	4/1/2020	15	16
Nepal	Biogas Extended Program	IBRD	7.9	1.4	17%	4/1/2020	15	0

### 2.1.1 MDB cancellation guidelines and criteria

15. During the December 2017 Trust Fund Committees and Sub-Committees meetings, committee expressed interest in receiving information pertaining to MDBs' potential decisions to cancel projects. Some MDBs have provided links to their guidelines.

- [ADB – Project Administration Instructions: Suspension and Cancellation of Loans](#)
- [ADB – Externally Financed Grant Regulations Applicable to Grants Financed from a Trust Fund or Other External Sources and Administered by ADB](#)
- [AfDB – Revised Guidelines on Cancellation of Approved Loans, Grants and Guarantees](#)
- [IBRD - Trust Fund Handbook \(see Section 5.9\)](#)

### 2.2 Currency risk via promissory notes

16. Currency risk via promissory notes is the risk that fluctuations in currency exchange rates will cause the value of the foreign currency in which a promissory note is denominated to decline. Although GBP 64 million promissory notes were encashed, SREP's exposure to currency risk remains **High** as GBP 94 million remain outstanding and have declined in value by USD 24 million.

17. The encashment of GBP 64 million since September 30, 2018 caused realized currency-related losses to increase to USD 36 million from USD 20 million.

18. Table 3 illustrates that it is very likely that SREP will realize a moderate (relative to the size of the program) decline in available resources due to the currency risk exposures via GBP-denominated promissory notes. The unrealized decline in the value of the outstanding promissory notes decreased to USD 24 million from USD 41 million as reported at September 30, 2018 due to the encashment during the period.

**Table 3: SREP currency risk exposure summary**

Currency Risk Exposure (Millions) as of March 31, 2019							
Program/ Subprogram	Original Amount Pledged/ Received (GBP)	Pledged Amount Outstanding/ Unencashed (GBP)	Realized Currency Gain/ (Loss) (USD)	Unrealized Currency Gain/ (Loss) (USD)	Risk Likelihood	Risk Severity	Risk Score
SREP	268.0	93.5	(35.5)	(24.5)	Very Likely	Moderate	High

### 2.3 Resource availability risk<sup>3</sup>

19. Resource availability risk is the risk that the Trustee will not have sufficient resources under a respective CIF program to commit to fund all projects in the program's pipeline. During the period from September 30, 2018 to March 31, 2019, SREP's deficit in available resources to fund its sealed and reserve pipelines decreased from USD 98 million to USD 70 million (see Table 4 and Annex A) and SREP's risk of being able to fund all projects in both of these pipelines remains **High**. However, SREP's deficit in available grant resources to fund its sealed pipeline only is USD 3 million, and it has a surplus of USD 1 million in capital resources (see Table 5 and Annex B). This means there is **Low** risk that the program will be unable to fund its sealed pipeline.

**Table 4: SREP resource availability risk summary (sealed and reserve pipelines)**

Available Resources as of March 31, 2019				
Program	Available Resources for Projects/Programs (\$Million)*	Risk Likelihood	Risk Severity	Risk Score
SREP** Grant	(\$59.1)	Likely	Severe	High
SREP** Capital	(\$11.0)			

\*Available Resources for Projects/Programs represent Unrestricted Fund Balance for Project/Program Commitments less Total Anticipated Commitments, as reflected in Annex A.

\*\*SREP's resource availability is based on both the sealed and reserve pipelines.

20. The increase in available resources is primarily attributable to the decrease in Currency Reserve requirement resulting from the recent encashment of promissory notes (see Section 2.2).

21. To mitigate this risk, the SREP Sub-Committee, MDBs, and CIF Administrative Unit have all consistently conveyed the message that resource allocations in SREP are not guaranteed during the initial project preparatory stages. The SREP Sub-Committee must approve project/program funding.

<sup>3</sup> Available Resources excludes Currency Reserves as these reserves are not available for the Trustee to commit for programming. Additionally, if, before the remaining promissory notes are encashed, the GBP declines against the USD, some or all of the current amount of the Currency Reserves may never become Available Resources to commit for programming.



22. As of March 31, 2019, USD 60 million of the current shortfall in available resources can be attributed to realized and unrealized declines in the value of SREP's GBP-denominated promissory notes. An additional USD 18 million must be set aside to mitigate over-commitment risk that could result from further declines in the GBP.

**Table 5: SREP resource availability risk summary (sealed pipeline only)**

Available Resources as of March 31, 2019				
Program	Available Resources for Projects/Programs (\$Million)*	Risk Likelihood	Risk Severity	Risk Score
SREP** Grant	(\$3.0)	Unlikely	Moderate	Low
SREP** Capital	\$1.0			

\*Available Resources for Projects/Programs represent Unrestricted Fund Balance for Project/Program Commitments less Total Anticipated Commitments, as reflected in Annex A.

\*\*SREP's resource availability is based on the sealed pipeline only.

## 2.4 Fraud and sexual exploitation and abuse

23. At the February 2019 meeting, the SREP Sub-Committee requested that the MDBs provide to the CIF Administrative Unit information regarding fraud and sexual exploitation and abuse in SREP projects implemented by them to the extent that such information is provided to their own MDB boards and is subject to any necessary legal/confidentiality arrangements prior to disclosure.
24. The MDBs did not report any allegations or instances of fraud or sexual exploitation and abuse to the CIF Administrative Unit during the reporting period; however, MDBs issue the following annual reports on fraud and corruption highlighting statistics related to their anti-corruption efforts.
- [ADB – Office of Anti-Corruption and Integrity Annual Report](#)
  - [AfDB – Office of Integrity and Anti-Corruption Annual Report](#)
  - [EBRD – Integrity and Anti-Corruption Annual Report](#)
  - [IDB – Office of Institutional Integrity Annual Report](#)
  - [World Bank Group – Integrity Vice Presidency Annual Report](#)

## 3 Next steps

25. In its continuing work to implement the CIF's Enterprise Risk Management (ERM) Framework, the CIF Administrative Unit will endeavor to undertake the following actions and initiatives:
1. Assess, monitor, and report credit risk exposures for each Strategic Climate Fund (SCF) program, now that SCF programs are relying on reflows to cover administrative costs, by end of FY2019.
  2. Assess, monitor, and report interest rate risk exposures for all CIF programs.

## Annex A: SREP resource availability – sealed and reserve pipelines

SREP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS			
Inception through March 31, 2019 (USD millions)			
	Total	Capital	Grant
<b>Cumulative Funding Received</b>			
<b>Contributions Received</b>			
Cash Contributions	625.9	151.1	474.8
Unencashed Promissory Notes	b/ 122.2	122.2	-
Allocation of Capital to Grants from Unencashed Promissory Notes	a/ (25.9)	(25.9)	25.9
Total Contributions Received	748.1	247.4	500.7
<b>Other Resources</b>			
Investment Income earned -up to Feb 1, 2016	c/ 9.9		9.9
Other Income	-		
Total Other Resources	9.9		9.9
<b>Total Cumulative Funding Received (A)</b>	758.0	247.4	510.6
<b>Cumulative Funding Commitments</b>			
Projects/Programs	643.7	202.5	441.2
MDB Project Implementation and Supervision services (MPIS) Costs	21.2	-	21.2
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
<b>Total Cumulative Funding Commitments</b>	679.4	202.5	476.9
<b>Project/Program, MPIS and Admin Budget Cancellations</b>	d/ (46.7)	(30.5)	(16.2)
<b>Net Cumulative Funding Commitments (B)</b>	632.7	172.0	460.7
<b>Fund Balance (A - B)</b>	125.3	75.4	49.9
<b>Currency Risk Reserves</b>	e/ (18.3)	(14.4)	(3.9)
<b>Unrestricted Fund Balance</b>	107.0	61.0	46.0
<b>Future Programming Reserves:</b>			
Admin Expenses-Reserve (includes Country Programming budget/Learning and Knowledge exchange reserve) and for FY 19-28 (net of estimated investment income and reflows). Breakup of various components are provided below. (Model Updated as of December 31, 2017)	f/ (31.6)		(31.6)
<b>Subtract</b>			
Administration Expense reserve for CIFAU, MDB & Trustee	USD 37.9 Million		
Country Programming Budget Reserve	USD 2.2 Million		
Learning and Knowledge Exchange Reserve	USD 1.1 Million		
<b>Add</b>			
Estimated Investment Income Share for SREP	USD 9.0 Million		
Projected Reflows	USD 0.6 Million		
Technical Assistance Facility Reserve	i/ (1.7)		(1.7)
<b>Unrestricted Fund Balance (C) after reserves</b>	73.7	61.0	12.7
<b>Anticipated Commitments (FY19-FY21)</b>			
Program/Project Funding and MPIS Costs	g/ 143.9	72.0	71.9
<b>Total Anticipated Commitments (D)</b>	143.9	72.0	71.9
<b>Available Resources (C - D)</b>	(70.2)	(11.0)	(59.1)
<b>Potential Future Resources (FY19-FY21)</b>			
Pledges	-		-
Contributions Receivable	h/ 3.6		3.6
Potential Technical Assistance Facility Payable	i/ (3.6)		(3.6)
Release of Currency Risk Reserves	e/ 18.3	14.4	3.9
<b>Total Potential Future Resources (D)</b>	18.3	14.4	3.9
<b>Potential Available Resources (C - D + E)</b>	(51.8)	3.4	(55.2)
<b>Reflows from MDBs</b>	j/ 0.0		0.0

a/ Promissory Notes amounting to GBP 19.84 million received as capital contributions are available to finance grants (including administrative costs) according to the terms of the contribution agreements/arrangements. The Promissory Notes are valued as of December 31, 2018 exchange rate.

b/ This amount includes USD equivalent of GBP 93 million from the UK.

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

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

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

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

g/ Includes both sealed and Reserve pipeline.

h/ Contribution Receivable from Denmark is DKK 24.05 million (US\$eq. 3.6 million).

i/ The CTF and SCF Trust Fund Committees agreed on July 20, 2018 to establish the Technical Assistance Facility for Clean Energy Investment Mobilization under the terms of the SCF.

j/ 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.

## Annex B: Resource availability – sealed pipeline only

SREP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS			
Inception through March 31, 2019			
(USD millions)			
	Total	Capital	Grant
<b>Cumulative Funding Received</b>			
<b>Contributions Received</b>			
Cash Contributions	625.9	151.1	474.8
Unencashed Promissory Notes	b/ 122.2	122.2	-
Allocation of Capital to Grants from Unencashed Promissory Notes	a/ (25.9)	(25.9)	25.9
Total Contributions Received	748.1	247.4	500.7
<b>Other Resources</b>			
Investment Income earned -up to Feb 1, 2016	c/ 9.9		9.9
Other Income	-		
Total Other Resources	9.9		9.9
<b>Total Cumulative Funding Received (A)</b>	<b>758.0</b>	<b>247.4</b>	<b>510.6</b>
<b>Cumulative Funding Commitments</b>			
Projects/Programs	643.7	202.5	441.2
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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
<b>Total Cumulative Funding Commitments</b>	<b>679.4</b>	<b>202.5</b>	<b>476.9</b>
<b>Project/Program, MPIS and Admin Budget Cancellations</b>	<b>d/ (46.7)</b>	<b>(30.5)</b>	<b>(16.2)</b>
<b>Net Cumulative Funding Commitments (B)</b>	<b>632.7</b>	<b>172.0</b>	<b>460.7</b>
<b>Fund Balance (A - B)</b>			
	<b>125.3</b>	<b>75.4</b>	<b>49.9</b>
<b>Currency Risk Reserves</b>			
	e/ (18.3)	(14.4)	(3.9)
<b>Unrestricted Fund Balance</b>	<b>107.0</b>	<b>61.0</b>	<b>46.0</b>
<b>Future Programming Reserves:</b>			
Admin Expenses-Reserve (includes Country Programing budget/Learning and Knowledge exchange reserve) and for FY 19-28 (net of estimated investment income and reflows).Breakup of various components are provided below. (Model Updated as of December 31,2017)			
f/ (31.6)			(31.6)
<b>Subtract</b>			
Administration Expense reserve for CIFAU, MDB & Trustee	USD 37.9 Million		
Country Programming Budget Reserve	USD 2.2 Million		
Learning and Knowledge Exchange Reserve	USD 1.1 Million		
<b>Add</b>			
Estimated Investment Income Share for SREP	USD 9.0 Million		
Projected Reflows	USD 0.6 Million		
Technical Assistance Facility Reserve	i/ (1.7)		(1.7)
<b>Unrestricted Fund Balance (C) after reserves</b>	<b>73.7</b>	<b>61.0</b>	<b>12.7</b>
<b>Anticipated Commitments (FY19-FY21)</b>			
Program/Project Funding and MPIS Costs	g/ 75.7	60.0	15.7
<b>Total Anticipated Commitments (D)</b>	<b>75.7</b>	<b>60.0</b>	<b>15.7</b>
<b>Available Resources (C - D)</b>			
	<b>(2.0)</b>	<b>1.0</b>	<b>(3.0)</b>
<b>Potential Future Resources (FY19-FY21)</b>			
Pledges	-		-
Contributions Receivable	h/ 3.6		3.6
Potential Technical Assistance Facility Payable	i/ (3.6)		(3.6)
Release of Currency Risk Reserves	e/ 18.3	14.4	3.9
<b>Total Potential Future Resources (D)</b>	<b>18.3</b>	<b>14.4</b>	<b>3.9</b>
<b>Potential Available Resources (C - D + E)</b>			
	<b>16.3</b>	<b>15.4</b>	<b>0.9</b>
<b>Reflows from MDBs</b>			
j/ 0.0			0.0

a/ Promissory Notes amounting to GBP 19.84 million received as capital contributions are available to finance grants (including administrative costs) according to the terms of the contribution agreements/arrangements. The Promissory Notes are valued as of December 31, 2018 exchange rate.

b/ This amount includes USD equivalent of GBP 93 million from the UK.

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

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

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

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

g/ Includes sealed pipeline only.

h/ Contribution Receivable from Denmark is DKK 24.05 million (USD Eq. 3.6 million).

i/ The CTF and SCF Trust Fund Committees agreed on July 20, 2018 to establish the Technical Assistance Facility for Clean Energy Investment Mobilization under the terms of the SCF.

j/ 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.