



**GREEN
CLIMATE
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8 December 2016

Status of the Initial Resource Mobilization process

Summary

This document provides an update for the Board on the Initial Resource Mobilization process:

- (a) The status of signing for contribution agreements/arrangements;
- (b) The current commitment authority highlighting the current cash and promissory notes available; and
- (c) The forecast of available resources for commitment and disbursement.

I. Introduction

1. During the fourteenth meeting of the Board (B.14), the Secretariat reported to the Board that 41 countries and regions and 1 city out of 47 had signed the contribution agreements/arrangements amounting to approximately USD 9.9 billion equivalent of the total pledge of USD 10.3 billion equivalent, while 11 countries had not signed the contribution agreements for part or all of their pledges.

II. Status of contributions

2.1 Status of contributions

2. Since B.14, an additional 3 countries, which were reported as unsigned, have signed contribution agreement/arrangements for part or all of their pledges. The additional 3 countries were Iceland, Ireland and Panama.

3. This brings the total of signed countries/regions/cities since the 2014 High-level Pledging Conference held in Germany to 43 and the signed amount to approximately USD 9.9 billion equivalent.

4. However, there are 9 countries that have not signed the contribution agreements for part or all of their pledges. Annex I contains the most up-to-date status of contributions pledge tracker.

III. Status of resources

3.1 Forecast of available resources

5. Based on the signed contribution agreements/arrangements as at 30 September 2016 and information from the Interim Trustee, the Secretariat's forecast of available resources for funding decisions (commitments) and disbursements (available cash) are shown in the following tables. The tables show the cash and promissory notes (PNs) already forecast to be received at the end of each calendar year.

6. Table 1 below illustrates the level of resources available for funding decisions (commitment authority) as at 30 September 2016, which includes the actual cash in the GCF Trust Fund and the PNs deposited in a designated custody account, minus the funding decisions taken. Both cash and PNs constitute assets of the GCF, and the total amount of available cash and deposited PNs will act as the basis for funding decisions by the Board. As explained in Policies for Contributions to the GCF, both payments in cash and deposits of PNs will be accepted within the IRM period. Table 2 below contains the forecast of available resources for funding decisions for the budgetary period from 2016 to 2018, based on the signed agreements/arrangements.

Table 1. Total commitment authority as of 30 September 2016

Millions of USD

	Cash	Promissory Notes (PNs) ^a	Funding Decisions	Total
Commitment Authority	1,576	1,083	-452	2,207

^a Amount is in USD equivalent based on Interim Trustee's GCFTF Report as of 30 September 2016.

Table 2. Total projected additional commitment authority (as at 31 December)

Millions of USD equivalent^a

Calendar year	2016 ^b	2017	2018
Cash contributions	125.52	346.09	381.99
Promissory note deposits	1,029.48	1,029.48	739.66
Loans	-	381.25	101.58 ¹
Total commitment authority	1,155.00	1,756.83	1,223.23

^a USD equivalent is based on the reference exchange rates established for the High-level Pledging Conference (GCF/BM-2015/Inf.01/Rev.01).

^b Does not include cash already received in 2016 (USD 833 million).

7. Table 3 represents the schedule of projected cash available for disbursement, illustrating the maximum possible disbursement levels for each year. This includes the cash payments and the cash paid in from encashment of PNs. As explained in the Policies for Contribution to the GCF, the encashment schedule of PNs, which is not to exceed nine years or to take place after 2023, is to be agreed between the contributor and the Secretariat based on the contribution agreements/arrangements and is subject to revisions upon agreement between the contributors and the Secretariat. All encashment schedules of PNs has been agreed between the contributors and the Secretariat.

Table 3. Total projected additional cash available for disbursement (as at 31 December)^a

Millions of USD equivalent^b

Calendar year	2016 ^c	2017	2018	2019	2020	2021	2022	2023
Cash contributions	125.52	346.09	488.75	-	-	-	-	-
Promissory note encashment	398.32	629.90	607.91	618.17	573.98	524.35	413.58	321.98
Loans	-	381.25	101.58	-	-	-	-	-
Total cash available	523.84	1,357.25	1,091.48	618.17	573.98	524.35	413.58	321.98

^a These Projections are based on the signed contribution agreements/arrangements as at 30 September 2016, and it does not include cash available at 31 December 2015, cushions or newly signed agreements after 30 September 2016.

^b USD equivalent is based on the reference exchange rates established for the High-level Pledging Conference (GCF/BM-2015/Inf.01/Rev.01).

^c Does not include cash (USD 833 million) or encashment from PNs (USD 126.73 million) already received in 2016.

8. It should also be noted that when planning for the amount of funding decisions and disbursements, the following points need to be taken into account:

- (a) The existing Board decision (decision B.14/07) approving the ten funding proposals totalling approximately USD 743 million.
- (b) The existing Board decisions (decisions B.06/14, B.08/11 and B.11/04) approving the readiness and preparatory support programme of USD 30 million.

¹ The drawdown of this Loan amount from Canada will be during Canada's Fiscal Year 2018/19 which is the twelve-month period extending from April 1 of 2018 to March 31 of 2019.

- (c) The existing Board decisions (decision B.11/08 and B.12/27) approving the administrative budget for 2016 of approximately USD 36 million.
- (d) The existing Board decisions (decisions B.10/04, B.10/11 and B.11/11) approving the requests for proposal for three pilot programmes of up to USD 900 million from 2016 to 2018 and the allocation of USD 195 million for the next phases of the programme titled “Energy Efficiency Green Bond in Latin America and the Caribbean”, to be committed, subject to funding approval by the Board;
- (e) The Accredited Entities management fees for the funding proposals approved; and
- (f) The GCF needs to consider establishing contingency reserves (for example, 10 per cent of the commitment authority) for asset liability management every year. This amount would ensure availability of resources in case GCF’s disbursements to projects and Programmes were to proceed at a higher pace than expected and/or resources from contributors were to be delayed, emergency response, foreign exchange variations and others, in the absence of relevant policies and guidelines.

3.2 Impact of foreign exchange variations

9. As at end of November 2016, the total amount of pledges was USD 10.3 billion equivalent, based on the reference exchange rate established for the GCF High-level Pledging Conference. This total amount of pledges in grant equivalence, when converted using spot rate as at end of November 2016, would be reduced virtually to USD 8.2 billion as a result of the foreign exchange variations.

10. The GCF, as part of the implementation of its risk management framework, will propose a currency hedging strategy to the Board in 2017.

IV. Next steps

4.1 Remaining pledges

The status of the main unsigned contributors are set out in table 4 below.

Table 4. Status of the main unsigned countries

Country	Amount (in pledged currency, in millions)	Status
Italy	EUR 200	Contribution agreement expected to be signed in December



Annex I: Pledge Tracker

Status of Pledges for GCF's Initial Resource Mobilization (IRM) as of 7 December 2016

Calculated on basis of reference exchange rates established for GCF's High-Level Pledging Conference (GCF/BM-2015/Inf.01)

(*In millions)

Governments	Pledges					Grant Equivalent ¹		
	Announced		Signed	Disbursed Cash and Deposited PNs	Announced Per Capita	of Pledged Amount	of Signed Amount	of Pledged Amount
	In Currency*	USD eq. ²	USD eq. ²	In Currency*	USD eq. ²	USD eq. ²	USD eq. ²	Current FX ³

Amounts Announced, Signed, and Disbursed									
Australia	AUD	200.2	187.1	187.1	130.7	7.92	187.1	187.1	147.8
Austria	EUR	26.0	34.8	34.8	14.0	4.09	34.8	34.8	27.5
Belgium	EUR	50.0	66.9	66.9	50.0	6.22	66.9	66.9	52.9
Belgium (Brussels Capital Region)	EUR	1.1	1.5	1.5	1.1	1.30	1.5	1.5	1.2
Belgium (Flanders)	EUR	3.5	4.7	4.7	3.5	0.70	4.7	4.7	3.7
Belgium (Wallonia) (1)	USD	1.5	1.5	1.5	1.5	3.00	1.5	1.5	1.5
Belgium (Wallonia) (2)	EUR	7.0	9.4	9.4	7.0	9.40	9.4	9.4	7.4
Bulgaria	EUR	0.1	0.1	0.1	0.1	0.02	0.1	0.1	0.1
Canada (Grant)	CAD	168.0	155.1	155.1	168.0	7.80	155.1	155.1	125.0
Canada (Loan)	CAD	110.0	101.6	101.6	-	7.80	20.0	20.0	16.1
Canada (Cushion)	CAD	22.0	20.3	20.3	-	7.80	-	-	-
Chile	USD	0.3	0.3	0.3	0.3	0.02	0.3	0.3	0.3
Colombia	USD	0.3	0.3	0.3	0.3	0.12	0.3	0.3	0.3
Czech Republic	CZK	110.0	5.3	5.3	110.0	0.50	5.3	5.3	4.3
Denmark	DKK	400.0	71.8	71.8	200.0	12.82	71.8	71.8	56.9
Estonia	EUR	1.0	1.3	1.3	1.0	1.00	1.3	1.3	1.1
Finland	EUR	34.7	46.4	46.4	34.7	19.82	46.4	46.4	36.7
France (Grant)	EUR	432.0	577.9	577.9	165.8	16.03	577.9	577.9	457.4
France (Loan)	EUR	285.0	381.3	381.3	-	16.03	105.1	105.1	83.2
France (Cushion)	EUR	57.0	76.3	76.3	-	16.03	-	-	-
France (Paris)	EUR	1.0	1.3	1.3	0.3	0.10	1.3	1.3	1.1
Germany	EUR	750.0	1,003.3	1,003.3	187.5	12.13	1,003.3	1,003.3	794.2
Hungary	HUF	1,000.0	4.3	4.3	1,000.0	0.40	4.3	4.3	3.4
Iceland	USD	0.5	0.5	0.5	0.5	0.50	0.3	0.3	0.5
Indonesia	USD	0.3	0.3	0.3	0.2	0.00	0.3	0.3	0.3
Ireland	EUR	2.0	2.7	2.7	-	0.59	2.7	2.7	2.1
Italy	EUR	50.0	66.9	66.9	50.0	5.47	66.9	66.9	52.9
Japan	JPY	154,028.7	1,500.0	1,500.0	38,507.2	11.81	1,500.0	1,500.0	1345.7
Latvia	EUR	0.4	0.5	0.5	0.4	0.23	0.5	0.5	0.4
Liechtenstein	CHF	0.1	0.1	0.1	0.1	1.50	0.1	0.1	0.0
Lithuania	EUR	0.1	0.1	0.1	0.1	0.04	0.1	0.1	0.1
Luxembourg	EUR	25.0	33.4	33.4	15.0	93.60	33.4	33.4	26.5
Malta	EUR	0.2	0.2	0.2	0.2	0.20	0.2	0.2	0.2
Mexico	USD	10.0	10.0	10.0	10.0	0.08	10.0	10.0	10.0
Monaco	EUR	0.5	0.7	0.7	0.3	8.80	0.3	0.7	0.5
Netherlands	EUR	100.0	133.8	133.8	17.4	7.96	133.8	133.8	105.9
New Zealand	NZD	3.0	2.6	2.6	3.0	0.56	2.6	2.6	2.1
Norway	NOK	1,600.0	257.9	257.9	800.0	50.56	257.9	257.9	187.7
Panama	USD	1.0	1.0	1.0	0.5	0.26	1.0	1.0	1.0
Poland	PLN	0.4	0.1	0.1	0.4	0.00	0.1	0.1	0.1
Portugal	EUR	2.0	2.7	2.7	2.0	0.30	2.7	2.7	2.1
Republic of Korea	USD	100.0	100.0	100.0	35.7	2.02	100.0	100.0	100.0
Romania	EUR	0.1	0.1	0.1	0.1	0.00	0.1	0.1	0.1
Spain	EUR	120.0	160.5	160.5	2.0	3.40	160.5	160.5	127.1
Sweden	SEK	4,000.0	581.2	581.2	4,000.0	60.54	581.2	581.2	433.4
Switzerland	USD	100.0	100.0	100.0	65.0	12.20	100.0	100.0	100.0
United Kingdom	GBP	720.0	1,211.0	1,211.0	240.0	19.07	1,211.0	1,211.0	900.5
United States of America	USD	3,000.0	3,000.0	3,000.0	500.0	9.30	3,000.0	3,000.0	3,000.0
Total			9,918.7	9,918.7			9,463.9	9,464.3	8,221.2

Amounts Announced but Not Yet Signed									
Colombia	USD	5.7	5.7	-	-	0.12	5.7	-	5.7
Cyprus	EUR	0.4	0.5	-	-	0.40	0.5	-	0.4
Finland	EUR	45.3	60.6	-	-	19.82	60.6	-	48.0
Iceland	USD	0.8	0.8	-	-	5.00	0.8	-	0.8
Italy	EUR	200.0	267.5	-	-	5.47	267.5	-	211.8
Luxembourg	EUR	10.0	13.4	-	-	93.60	13.4	-	10.6
Mongolia	MNT	90.0	0.0	-	-	0.02	0.0	-	0.0
Peru	USD	6.0	6.0	-	-	0.19	6.0	-	6.0
Vietnam	USD	1.0	1.0	-	-	0.01	1.0	-	1.0
Total			355.5	-	-		355.5	-	284.2

Grand Total			10,274.3	9,918.7			9,819.5	9,464.3	8,505.5
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EU Member States (Total)	USD		4,823.1	4,481.1			4,470.7	4,128.7	3,454.5
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Notes:

- Grant equivalent is calculated based on the terms in Policies for Contributions.
- United States dollars equivalent (USD eq.), based on the reference exchange rates established for GCF's High-Level Pledging Conference (GCF/BM-2015/Inf.01).
- USD eq., based on the foreign exchange rate as of 30 November 2016. Depending on the rate at the time of conversion, the USD eq. amount will fluctuate accordingly.
- The original pledge from Austria was announced in USD (25 million) but signed in EUR (20 million). The amount shown as signed is calculated in accordance with 2.
- Signed amount includes contributions made prior to GCF's High-Level Pledging Conference.
- The total amount pledged is EUR 120 million, but EUR 78 million will be paid after the Initial Resource Mobilization period (2015-2018).
- Out of the United Kingdom's announced pledge of GBP 720 million, GBP 144 million is signed as a grant and GBP 576 million is signed as a capital contribution, as defined in its agreement.
- Subject to the availability of funds. USD 500 million provided to date.
- The total amount pledged is EUR 1 million, but EUR 0.4 million is planned to be paid after the IRM.
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