

Green Climate Fund

Status of Resources

GCF/B.01-13/Inf.02

24 February 2013

Meeting of the Board

13-15 March 2013

Berlin, Germany

Agenda item 9

Status of Resources

I. Introduction

1. This document addresses:
 - (a) The reconciliation of the administrative budget of the Fund for the period from 1 July 2012 to 31 October 2012;
 - (b) The administrative budget update for the period from 1 November 2012 to 31 January 2013;
 - (c) The status of resources carried over from the contributions received for the support to the Transitional Committee for the design of the Green Climate Fund; and
 - (d) The financial report of the Green Climate Fund Trust Fund as at 31 December 2012, prepared by the Interim Trustee (presented in Annex II).
2. To provide an overview, a summary of all contributions received for allocation by the Green Climate Fund Board as at 31 December 2012 is provided in Annex I.

II. Reconciliation of the administrative budget for the period from 1 July 2012 to 31 October 2012

The activities of the Board, Interim Secretariat and Interim Trustee are supported through the administrative budget of the Fund approved by the Board. During the period from 1 July 2012 to 31 October 2012, the expenditures of the Fund amounted to US\$ 992,310. The expenditures were lower than the funds authorized by the Board, and any funds that have been advanced and not used will be returned to the Green Climate Fund Trust Fund. The expenditures are detailed in Table 1.

Table 1: Administrative budget for the period 1 July 2012 - 31 October 2012 (in US\$)

	<u>Approved budget</u> 1 Jul. 2012 -31 Oct. 2012 (4 months)	<u>Actual expenditures</u> 1 Jul. 2012 - 31 Oct. 2012 (4 months)
1. Board		
1.1 Board meetings	408,000	353,068
1.2 Board committees, panels and working groups	60,000	8,506
Sub-total: Board	<u>468,000</u>	<u>361,574</u>
2. Interim Secretariat		
2.1 Salaries, wages and consultancies	472,000	314,743
2.2 Travel	110,000	110,862
2.3 General operating and information technology costs	96,000	94,296
Sub-total: Interim Secretariat	<u>678,000</u>	<u>519,901</u>
3. Executive Director	-	-
4. Interim Trustee	<u>115,000</u>	<u>110,834</u>
GRAND TOTAL	<u><u>1,261,000</u></u>	<u><u>992,310</u></u>

III. Administrative budget update for the period from 1 November 2012 to 31 January 2013

3. At its second meeting in October 2012, in Songdo, Republic of Korea, the Board approved the administrative budget of the Fund for the period from 1 November 2012 to 31 December 2013 (paragraph 10 (a) of document GCF/B.02-12/12).

4. During the period from 1 November 2012 to 31 January 2013, expenditures of the Interim Secretariat amounted to US\$ 409,387. Board expenses were not incurred during this period. Costs and expenses of the Interim Trustee are estimated at US\$ 85,750. The expenditures are detailed in Table 2.

Table 2: Administrative budget for the period 1 Nov 2012 - 31 January 2013 (in US\$)

	Approved budget 1 Nov. 2012 - 31 Dec. 2013 (14 months)	Actual expenditures 1 Nov.2012 - 31 Jan. 2013 (3 months)
1. Board		
1.1 Board meetings	954,000	-
1.2 Board committees, panels and working groups	382,000	-
Sub-total: Board	<u>1,336,000</u>	-
2. Interim Secretariat		
2.1 Salaries, wages and consultancies	3,845,000	235,624
2.2 Travel	315,000	16,059
2.3 General operating and information technology costs	1,175,000	71,954
Sub-total: Interim Secretariat	<u>5,335,000</u>	<u>323,637</u>
3. Executive Director	<u>121,000</u>	-
4. Interim Trustee	<u>689,000</u>	<u>85,750</u>
GRAND TOTAL	<u><u>7,481,000</u></u>	<u><u>409,387</u></u>

5. It is expected that expenditures will be higher during the month of February 2013 in connection with preparations for the third Board meeting, resulting in a reduction of the balance of funds remaining for use.

6. It is also expected that expenditures for the Interim Secretariat in the area of salaries and wages will increase once more posts have been filled. Further information can be found in document GCF/B.01-13/06 *Staffing of the Interim Secretariat*.

7. The report on activities of the Interim Secretariat can be found in document GCF/B.01-13/Inf.05.

IV. Status of resources carried over from contributions received for the support to the Transitional Committee

8. Resources carried over from contributions made to the UNFCCC secretariat in support of the work of the Transitional Committee for the design of the Green Climate Fund amounted to US\$ 1,318,859. The full amount has now been exhausted, as shown in Table 3 below, and funds were spent in accordance with the administrative budgets approved by the Board. All further expenditure will be covered from the resources available in the Green Climate Fund Trust Fund.

Table 3. Status of resources carried over from contributions received for the support to the Transitional Committee (in US\$)

<u>1. Cumulative contributions</u>	
<i>Sub-total: Cumulative contributions</i>	<i>1,318,859</i>
<u>2. Cumulative expenditures</u>	
Actual expenditures (1 Jan. 12 - 30 Jun. 12)	380,923
Actual expenditures (1 Jul. 12 - 31 Oct. 12)	735,704
<i>Sub-total: Expenditure as at 31 Oct. 2012</i>	<i>1,116,627¹</i>
Use of resources to <u>partially</u> cover expenditures shown in Table 2 (1 Nov. 12 – 31 Jan. 13)	202,232
<i>3. Status of Transitional Committee resources</i>	<i>-</i>

V. Financial report of the Green Climate Fund Trust Fund as at 31 December 2012, prepared by the Interim Trustee

9. The financial report of the Green Climate Fund Trust Fund is presented in Annex II of this document.

¹ Covers the Interim Secretariat operations at the UNFCCC offices in Bonn, Germany.

Annex I: Contributions received for allocation by the Green Climate Fund Board as at 31 December 2012

all figures in '000s								
<u>Green Climate Fund Trust Fund</u>							UNFCCC Trust Fund a/	
<u>Contributor</u>	<u>Currency</u>	<u>Pledge in Currency of Contribution</u>	<u>Pledge in USDeq.</u>	<u>Effective (or signed) Contribution in Currency of Contribution</u>	<u>Receipts in Currency of Contribution</u>	<u>Receipts in USD eq. b/</u>	<u>Receipts in USD eq. a/ b/</u>	<u>Total Receipts in USD eq. b/</u>
Australia	AUD	500	513	500	500	513	-	513
Denmark	DKK	3,480	608	3,480	3,480	608	254	862
Finland	EUR	500	648	500	500	648	-	648
France	EUR	250	326	250	250	326	-	326
Japan	USD	500	500	500	500	500	-	500
Germany	EUR	785	1,035	785	-	-	282	282
Korea	KRW	2,350,000	2,099	2,350,000	2,350,000	2,099	-	2,099
Netherlands	USD	286	286	286	286	286	-	286
Norway c/			700				337	337
Spain		-	-	-	-	-	92	92
Sweden	SEK	5,000	752	5,000	5,000	752	-	752
Switzerland		-	-	-	-	-	80	80
United States		-	-	-	-	-	275	275
United Kingdom c/	GBP	400	647	-	-	-	-	-
Total			8,113			5,731	1,319	7,050

a/ Additional contributions administered solely by UNFCCC Secretariat, a: reported by same
b/ Represents actual USD receipts.
c/ Revalued based on 12/31/2012 currency exchange rates.

ANNEX II: Financial Report of the Green Climate Fund Trust Fund as
31 December 2012, prepared by the Interim Trustee

Green Climate Fund Trust Fund

Financial Report

Prepared by the Interim Trustee

(The World Bank)

As of December 31, 2012

Green Climate Fund Trust Fund Summary as of December 31, 2012

This report covers only the financial status of the Green Climate Fund (GCF) Trust Fund, for which the World Bank serves as interim trustee.

Pledges and Contributions:

A pledge represents a contributor's expression of intent to make a contribution. Pledges are converted to contributions by way of a countersigned Contribution Agreement/Arrangement between the contributor and the interim trustee.

As of December 31, 2012, the total amount of pledges and contributions to the GCF Trust Fund amounted to USDeq. 8.11 million. Of this amount, eight contributors have deposited a total amount of USDeq. 5.7 million into the GCF Trust Fund.

Funding Decisions:

As of December 31, 2012 the GCF Board had approved funding from the GCF Trust Fund totaling USD 8.3 million, in respect of administrative budgets of the GCF to support the activities of the GCF Board, interim secretariat and interim trustee from January 1, 2012 to December 31, 2013; provided that funds would be committed and transferred by the interim trustee only to the extent that cash was available in the GCF Trust Fund.

Cash Transfers:

Based on the Standard Provisions applicable to the GCF Trust Fund and the Transfer Agreement between the UNFCCC secretariat and the interim trustee, as approved by the GCF Board, the interim trustee has transferred a total of USD 3.37 million up to December 31, 2012 to cover administrative costs of the GCF Board, interim secretariat (i.e. UNFCCC secretariat and GEF secretariat), and interim trustee.

Funds Held in Trust:

Funds Held in Trust¹ reflect proceeds from contributors' payments and investment income earned by the interim trustee, less the amount of cash transfers. Funds Held in Trust as of December 31, 2012 amounted to USDeq. 2.37 million.

Funds available to support new GCF Board funding decisions:

As of December 31, 2012, there were no funds available to support additional GCF Board funding decisions, as the full amount of contributions received to date, anticipated pledges, and investment income had been allocated by the GCF Board for administrative budgets to December 31, 2013, to be committed and transferred as and when funds are made available by contributors (Decision B.02-12/06).

As shown in Table 1, receipt of the full amount of outstanding pledges amounting to USD 2.382 million, and an additional amount of USD 147 thousand, is required to fully support the GCF Board funding decisions made to date.

¹ Funds Held in Trust represents balance of cash, investments and unencashed promissory notes (if any) as of the reporting date.

1. GCF Trust Fund Summary – Inception through December 31, 2012

*In USD thousands**

<u>Pledges and Contributions</u>		
Contributions	6,766	83%
Pledges	1,347	17%
Total Pledges and Contributions	8,113	100%

<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	5,731	70%
Investment Income earned	19	0%
Total Resources Received	5,751	71%
<u>Resources not yet received</u>		
Contributions not yet received	1,035	13%
Pledges	1,347	17%
Total resources not yet received	2,382	29%
Total Potential Resources (A)	8,132	100%

<u>Cumulative Funding Decisions</u>		
<u>Operational Expenses</u>		
Approved Administrative budget a/	8,279	100%
Total Funding Decisions Net of Cancellations (B)	8,279	100%
Total Potential Resources Net of Funding Decisions (A) - (B) b/	(147)	

<u>Funds Available</u>		
Funds Held in Trust with no restrictions	2,376	
Approved Amounts Pending Cash Transfer c/	2,376	
Total Funds Available to Support GCF Board Funding Decisions	-	

*Due to rounding, figures presented may not add up to total/s provided

a/ Includes funding decisions subject to the availability of resources.

b/ Assumes outstanding pledges are paid.

c/ Does not include funding decisions subject to the availability of resources.

2. Contributions

all figures in '000s

Green Climate Fund Trust Fund

<u>Contributor</u>	<u>Currency</u>	<u>Pledge in Currency of Contribution</u>	<u>Pledge in USDeq.</u>	<u>Effective (or signed) Contribution in Currency of Contribution</u>	<u>Receipts in Currency of Contribution</u>	<u>Receipts in USD eq. a/</u>
Australia	AUD	500	513	500	500	513
Denmark	DKK	3,480	608	3,480	3,480	608
Finland	EUR	500	648	500	500	648
France	EUR	250	326	250	250	326
Japan	USD	500	500	500	500	500
Germany	EUR	785	1,035	785	-	-
Korea	KRW	2,350,000	2,099	2,350,000	2,350,000	2,099
Netherlands	USD	286	286	286	286	286
Norway b/ Spain		-	700	-	-	-
Sweden	SEK	5,000	752	5,000	5,000	752
Switzerland		-	-	-	-	-
United States		-	-	-	-	-
United Kingdom b/	GBP	400	647	-	-	-
Total			8,113			5,731

a/ Represents actual USD receipts.

b/ Revalued based on 12/31/2012 currency exchange rates.

HIGHLIGHTS FOR THE PERIOD OCTOBER 1, 2012 THROUGH DECEMBER 31, 2012:

- The interim trustee executed contribution agreements with Germany, Sweden, France, Denmark and Japan for a total amount of USDeq. 3.2 million.
- As of December 31, 2012, the total contribution receipts amounted to USDeq. 5.7 million, an increase of USD 2.8 million since September 30, 2012.

3. Cumulative Funding Decisions

In USD thousands

Activity	From inception to December 31, 2012
Operational Expenses a/	
Administrative Budget - Interim Secretariat	7,201
Approved at 1st Board Meeting b/	409
Approved at 2nd Board Meeting:	
Board	1,336
Executive Director	121
Interim Secretariat	5,335
Administrative Budget - Interim Trustee	1,078
Approved at 1st Board Meeting	389
Approved at 2nd Board Meeting	689
Total Funding Decisions	8,279
<i>of which subject to availability of resources</i>	<i>2,528</i>
<p>a/ represents approved budget through December 31, 2013 from GCF Trust Fund resources b/ excludes US\$ 1.3 million approved for the Interim Secretariat, funded from the UNFCCC Secretariat Transitional Committee trust fund.</p>	

Highlights for the period October 1, 2012 through December 31, 2012:

- As of December 31, 2012 the GCF Board had approved funding from the GCF Trust Fund totaling USD 8.3 million, in respect of the administrative budgets for the GCF Board, interim secretariat and interim trustee from January 1, 2012 to December 31, 2013.
- The funding for administrative budgets was approved subject to the availability of resources, meaning that the funds would be committed and transferred by the interim trustee only as and when they are made available by contributors.
- As of December 31, 2012, receipt of the full amount of outstanding pledges amounting to USD 2.382 million, and an additional amount of USD 147 thousand is required to fully support GCF Board funding decisions made to date.

4. Funds Available

In USD thousands

	As of December 31, 2012 (a)	As of September 30, 2012 (b)	Change (a) - (b)
1. Cumulative Receipts	5,750.7	2,899	2,851.7
a. Cash receipts from Contributors	5,731.5	2,898	2,833.5
b. Investment Income earned on undisbursed balances	19.2	2	17.2
2. Cumulative Cash Transfers	3,375.0	200	3,175.0
a. Interim Secretariat	2,710.7	200	2,510.7
b. Interim Trustee	664.3	-	664.3
3. Funds Held in Trust with no Restrictions (3 = 1 - 2)	2,375.7	2,699	(323.3)
4. Funding Decisions Pending Cash Transfer a/	2,375.7	598.3	1,777.4
5. Funds available to support GCF Board funding decisions (5 = 3 - 4)	-	2,100.8	(2,100.8)

a/ Does not include funding decisions subject to the availability of resources.

HIGHLIGHTS FOR THE PERIOD OCTOBER 1, 2012 THROUGH DECEMBER 31, 2012:

- **Funds Held in Trust** decreased by USD eq. 323 thousand due to cash transfers made to the interim secretariat and the interim trustee (net of investment income earned and cash received from Contributors during the period).
- **Funding Availability** as of December 31, 2012, there were no funds available to support additional GCF Board funding decisions, as the full amount of contributions received to date and anticipated pledges had been allocated by the Board for administrative budgets to December 31, 2013, to be transferred as and when funds are made available by contributors (Decision B.02-12/06).