

Green Climate Fund

Green Climate Fund Trust
Fund Financial Report – Status
as at 31 December 2013¹

GCF/B.06/Inf.04

14 February 2014

Meeting of the Board

19-21 February 2014

Bali, Indonesia

Agenda item 17

¹ Reproduced as received by the Interim Trustee.

I. Introduction

1. The financial report of the Green Climate Fund Trust Fund is presented in the Annex to this document. The report was prepared by the World Bank in its capacity as the Interim Trustee of the Fund, with financial information as at 31 December 2013.
2. As at 31 December 2013, cumulative funding approvals made by the Board amounted to USD 54.82 million² and cumulative resources received amounted to USD 33.83 million.
3. Cumulative funding approvals, as reported by the Interim Trustee, include indicative budget costs of US\$ 27.57 million toward the Secretariat's administrative budgets relating to the cost of salaries and emoluments for the three-year contract period 2015-2017, to enable the Secretariat to begin its recruitment processes. This approval may be reviewed by the Board in the context of the respective annual administrative budgets, and does not limit the Board's ability to make additional funding decisions from resources available or to be made available in the Green Climate Fund Trust Fund.

² Will be further clarified during Board discussions.

Annex: Green Climate Fund Trust Fund financial report

Green Climate Fund Trust Fund

Financial Report

Prepared by the Interim Trustee

(The World Bank)

As of December 31, 2013

Green Climate Fund Trust Fund Summary as of December 31, 2013

This report covers the financial status of the Green Climate Fund (GCF) Trust Fund, for which the World Bank serves as Interim Trustee¹.

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.²

As of December 31, 2013, the total amount of pledges and contributions to the GCF Trust Fund amounted to USDeq. 35.83million. Of this amount, twelve contributors have deposited a total amount of USDeq. 33.78 million in the GCF Trust Fund.

Funding Decisions:

As of December 31, 2013, the GCF Board had approved funding from the GCF Trust Fund totaling USD 54.82 million, in respect of administrative budgets of the GCF to support the activities of the GCF Board, Secretariat and Interim Trustee; 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 Agreement on the Terms and Conditions for the Administration of the GCF Trust Fund dated October 15, 2013 between the GCF and the Interim Trustee, as approved by the GCF Board, the Interim Trustee has transferred a total of USD 5.68 million up to December 31, 2013 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 Trust³ reflects 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, 2013 amounted to USD 28.13 million.

Funds available to support new GCF Board funding decisions:

As of December 31, 2013, there were no funds available to support additional GCF Board funding decisions.

¹ This report does not include financial information related to other trust funds outside the World Bank; e.g. at the UNFCCC Secretariat.

² In accordance with the Agreement on the Terms and Conditions for the Administration of the GCF Trust Fund dated October 15, 2013 between the GCF and the Interim Trustee, as approved by the GCF Board, such Agreements/Arrangements will also be countersigned by the GCF.

³ 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, 2013

*In USD thousands**

	Total	% of Total
<u>Pledges and Contributions</u>		
Contributions	33,789	94%
Pledges	2,041	6%
Total Pledges and Contributions	35,830	100%

<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	33,789	94%
Investment Income earned	36	0%
Total Resources Received	33,825	94%
<u>Resources not yet received</u>		
Contributions not yet received	-	0%
Pledges	2,041	6%
Total resources not yet received	2,041	6%
Total Potential Resources (A)	35,866	100%

<u>Cumulative Funding Decisions</u>		
<u>Operational Expenses</u>		
Approved Administrative budget a/	54,817	100%
Total Funding Decisions Net of Cancellations (B)	54,817	100%
Total Potential Resources Net of Funding Decisions (A) - (B) b/	(18,951)	

<u>Funds Available</u>		
Funds Held in Trust with no restrictions	28,138	
Approved Amounts Pending Cash Transfer c/	28,138	
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 – as of December 31, 2013*In thousands*

<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
Czech Republic	USD	300	300	300	300	300
Denmark b/	DKK	7,080	1,272	3,480	3,480	608
Finland	EUR	500	648	500	500	648
France	EUR	250	326	250	250	326
Germany c/	EUR	17,785	24,456	17,785	16,785	23,079
Japan	USD	500	500	500	500	500
Korea, Rep of	KRW	3,480,000	3,158	3,480,000	3,480,000	3,158
Netherlands	USD	286	286	286	286	286
Netherlands d/	EUR	500	688	500	500	688
Norway	NOK	8,600	1,402	8,600	8,600	1,402
Sweden	SEK	10,000	1,511	10,000	10,000	1,511
United Kingdom	GBP	500	770	500	500	770
Total			35,830			33,788.55

a/ Represents actual USD receipts.

b/ Supplementary contribution of DKK 3.46 million revalued based on December 31, 2013 exchange rates

c/ Supplementary contribution of EUR 17 million revalued based on December 31, 2013 exchange rates

d/ Contribution of EUR 500 thousand revalued based on December 31, 2013 exchange rates

HIGHLIGHTS FOR THE PERIOD OCTOBER 1, 2013 THROUGH DECEMBER 31, 2013:

- The Interim Trustee executed supplemental contribution amendments with Germany and the Netherlands for their contributions of EUR 17 million and EUR 500 thousand, respectively, while a supplemental contribution amendment with Denmark for DKK 3.6 million is in the process of being finalized.
- Additionally, new contribution agreements with Norway for NOK 8.6 million and the Czech Republic for USD 300 thousand were executed and contributions were received during the period.
- As of December 31, 2013, the total contribution receipts amounted to USD 33.78 million, representing an increase of USD 25.4 million since September 30, 2013.
- Subsequent to the entry into force of the Headquarters Agreement between the GCF and the Republic of Korea, the Interim Trustee has:
 - i) entered into the Agreement on the Terms and Conditions for the Administration of the GCF Trust Fund, directly with the GCF,

- ii) worked with the contributors and the GCF to amend the existing contribution agreements to add the GCF as a signatory, and
- iii) extended the expiry date of the Transfer Agreement with the UNFCCC Secretariat to facilitate winding up of the operations of the interim Secretariat. The GCF and the Interim Trustee have also agreed on the procedures for making commitment and funds transfers to the permanent Secretariat.

3. Cumulative Funding Decisions

In USD thousands

Activity	From inception to September 30, 2013
Operational Expenses a/	
Administrative Budget - Interim Secretariat	53,296
Approved at 1st Board Meeting b/	409
Approved at 2nd Board Meeting:	
Board	1,336
Executive Director	121
Interim Secretariat	5,335
Approved at 3rd Board Meeting	150
Approved at 5th Board Meeting	
Board (for year 2014)	1,245
Secretariat (for year 2014)	17,131
Secretariat (for year 2015 - 17)	27,570
Administrative Budget - Interim Trustee	1,520
Approved at 1st Board Meeting	389
Approved at 2nd Board Meeting:	689
Approved at 5th Board Meeting	442
Total Funding Decisions	54,817
<i>of which subject to availability of resources</i>	<i>20,992</i>
<p>a/ represents approved budget through December 31, 2013 from GCF Trust Fund resources b/ excludes USD 1.3 million approved for the Interim Secretariat, funded from the UNFCCC Secretariat Transitional Committee trust fund.</p>	

SNAPSHOT OF FUNDING DECISIONS:

- The cumulative funding decisions made by the GCF Board up to December 31, 2013 amount to USD 54.82 million. This includes an allocation of USD 18.82 million for the administrative budget of the Board, Secretariat and Interim Trustee for the period January 1 to December 31, 2014. The Board also approved an additional amount of USD 27.57 million towards the Secretariat's administrative budgets in relation to the cost of staff salaries and emoluments for the three-year contract period for 2015 through 2017.

- As of December 31, 2013, receipt of the full amount of outstanding pledges of USD 2.04 million, and an additional amount of USD 18.95 million is required to fully support funding decisions made to date.

4. Funds Available

In USD thousands

	As of December 31, 2013 (a)	As of September 30, 2013 (b)	Change since last report (a) - (b)
1. Cumulative Receipts	33,824.80	8,341.73	25,483.07
a. Cash receipts from Contributors	33,788.55	8,312.80	25,475.75
b. Investment Income earned on undisbursed balances	36.26	28.93	7.33
2. Cumulative Cash Transfers	5,687.07	5,687.07	(0.00)
a. Operational Expense Interim Secretariat	5,022.77	5,022.77	0.00
b. Operational Expense Interim Trustee	664.30	664.30	(0.00)
3. Funds Held in Trust with no Restrictions (3 = 1 - 2)	28,137.74	2,654.66	25,483.08
4. Operational Reserve	-	-	-
4. Funding Decisions Pending Cash Transfer a/	28,137.74	2,654.66	25,483.08
5. Funds available to support GCF Board funding decisions (5 = 3 - 4)	-	-	-

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

HIGHLIGHTS FOR THE PERIOD OCTOBER 1, 2013 THROUGH DECEMBER 31, 2013:

- Funds Held in Trust** increased by USD 25.48 million.