



GREEN
CLIMATE
FUND

Status of the Initial Resource Mobilization Process

GCF/B.10/Inf.09

16 June 2015

Meeting of the Board

6 – 9 July 2015

Songdo, Republic of Korea

Provisional Agenda item 20*

* The agenda item number will be determined when the final sequence of items in the provisional agenda is confirmed by the Co-Chairs.

Status of the Initial Resource Mobilization Process

I. Introduction

1. During the ninth meeting of the Board, the Secretariat reported to the Board that 11 countries had already signed the contribution agreements totalling approximately US\$ 135 million equivalent which accounts for around 1.3 per cent of the total pledge of US\$ 10.2 billion equivalent.

II. Status of Contributions

2.1 Status of Contributions

2. According to the Green Climate Fund's (the Fund) Policies for Contributions (see document GCF/B.08/16), the Fund's commitment authority will become effective when 50 per cent of contributions pledged by the November 2014 Pledging Conference are reflected in fully executed contribution agreements/arrangements, received by the Secretariat no later than 30 April 2015.

3. As of 30 April, 19 countries had signed contribution agreements for part or all of their pledge since the 2014 Pledging Conference, bringing the total to approximately US\$ 3.97 billion equivalent, accounting for 42.5 per cent. The 19 countries were Austria, Belgium, Chile, Czech Republic, Denmark, France, Germany, Iceland, Latvia, Lichtenstein, Luxemburg, Netherlands, New Zealand, Norway, Panama, Poland, Sweden, Switzerland and the United Kingdom.

4. The Fund was able to reach effectiveness on 21 May 2015 when Japan's Contribution Arrangement was signed, taking signed contributions to approximately US\$ 5.47 billion equivalent.

5. The Secretariat continues to work expeditiously with all remaining contributors to discuss and finalize the necessary documents to turn all remaining pledges into contributions.

6. As of 16 June, an additional five countries have signed contribution agreements/arrangements, totalling approximately US\$ 5.75 billion equivalent. The five countries are Australia, Czech Republic, Malta, Monaco and Republic of Korea.

2.2 Forecast of Available Resources

7. Based on the signed contribution agreements/arrangements as of 16 June, the forecast of available resources for funding decisions and disbursements are shown in the following tables. The tables show the cash and promissory notes already forecasted to be received at the end of each calendar year. Table 1 illustrates the level of resources available for funding decisions by the Board based on the amount of cash and promissory notes to be received. Table 2 represents the schedule of cash payments and the encashment of promissory notes, which illustrates the maximum possible disbursement levels for each year.

8. It should be pointed out that these forecasted amounts are based on the reference exchange rates established for the High-Level Pledging Conference for comparison with the pledges made. Since many of the actual payments received will be converted into dollars, the actual amount of cash deposited could be impacted significantly by the fluctuations in the

exchange rate. Foreign exchange risk management will form part of the Fund's Risk Appetite work.

Table 1: Signed Contributions Schedule of Cash and PN (Forecast as of 31 December)

(Million US\$ Equivalent*)

Calendar Year	2015	2016	2017	2018
Cash Contributions	270.01	327.27	315.65	341.87
PN Deposits	1,610.67	1,029.48	1,029.48	739.66
Total	1,880.68	1,356.75	1,345.13	1,081.53

* US\$ equivalent, based on the reference exchange rates established for the High Level Conference (GCF/BM-2015/inf.01)

Table 2: Signed Contributions Encashment Schedule of Cash and PN (Forecast as of 31 December)

(Million US\$ Equivalent*)

Calendar Year	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cash Contributions	270.01	327.27	315.65	341.87	-	-	-	-	-
PN Encashments	292.45	492.69	660.79	544.03	550.28	532.85	503.95	464.41	367.85
Total Available	562.46	819.96	976.44	885.90	550.28	532.85	503.95	464.41	367.85

* US\$ equivalent, based on the reference exchange rates established for the High Level Conference (GCF/BM-2015/inf.01)

III. Legal Documentation Process

9. At the first meeting of contributors interested in the Fund's Initial Resource Mobilization process, held in Oslo, Norway from 30 June to 1 July 2014, a draft amended and restated trust fund agreement, an initial draft template contribution agreement/arrangement and draft standard provisions were prepared by the Secretariat and the Interim Trustee based on practice in other funds for review by interested contributors.

10. In decision B.08/15, the Board:

- (a) Approved the Amended and Restated Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund (the Amended and Restated Interim GCF Trust Fund Agreement);
- (b) Authorized the Executive Director to finalize with the Interim Trustee the terms and conditions of the annexes and attachments to the Amended and Restated Interim GCF Trust Fund Agreement, as well as the templates for contribution agreements/arrangements reflecting the Policies for Contributions, and
- (c) Authorized the Executive Director to execute on behalf of the Fund the Amended and Restated Interim GCF Trust Fund Agreement and any contribution agreements/arrangements to be entered into with the Interim Trustee and a Contributor.

3.1 Amended and Restated Interim Green Climate Fund Trust Fund Agreement

11. The Amended and Restated Interim GCF Trust Fund Agreement provides for two annexes:
 - (a) The Standard Provisions Applicable to the Contributions to the GCF Trust Fund (Standard Provisions); and
 - (b) Holding currencies.
12. The policies for contributions endorsed by the Board in decisions B.08/13 (Policies for Contribution) were used as a reference during finalization of the Standard Provisions, in close dialogue with the Interim Trustee and the contributors. All parties managed to agree on the final text for the Standard Provisions, which complies with the Policies for Contribution and follows market practice in other funds with deviations to reflect the specifics of the Fund.
13. The Fund will initially have the US Dollar, the Japanese Yen, the British Pound Sterling and the Euro as the holding currencies of the GCF Trust Fund.
14. On 22 April 2015, the Interim Trustee and the Fund entered into the Amended and Restated Interim GCF Trust Fund Agreement, which is available on the Fund's website.

3.2 Templates for contribution agreements/arrangements

15. As the Standard Provisions were finalized, the templates for contribution agreements/arrangements were further developed, reflecting the Policies for Contributions, in close dialogue with the Interim Trustee and the contributors. Priority was given to the development of templates for the making of grant or capital contributions.

3.3 Individual contribution agreements/arrangements

16. On the basis of the templates, the Fund, the Interim Trustee and individual contributors finalized contributor-specific contribution agreements/arrangements, reflecting the specific terms and conditions applicable to each contributor. All executed contribution agreements/arrangements, as well as any additional documentation requested by certain contributors, fall within the scope of the Policies for Contribution and have been published on the Fund's website.
17. The Secretariat is grateful for the valuable input by the Interim Trustee, which enabled the Fund to capitalize on the World Bank's broad experience in other funds, whose practices inspired to a significant extent the IRM documentation process.

IV. Next Steps

4.1 Remaining Pledges

18. The Secretariat is working with all remaining contributors to swiftly convert all pledges into actual contributions. It is important that ALL pledges made in 2014 be signed as contribution agreements before the end of 2015.

4.2 New Pledges

19. The Fund will continue to raise additional contributions on an ongoing basis throughout the IRM period.
20. In terms of additional contributions from public sources, the Fund will approach and invite the following sources, inter alia:
 - (a) Other developed countries;
 - (b) Developing countries that may be willing to contribute,
 - (c) Sub-sovereign entities/local governments in mostly developed countries, and
 - (d) State-owned entities mostly in developed countries.
21. In terms of contributions from philanthropic foundations and other non-public and alternative resources, the Secretariat will present the policies and procedures for accepting contributions from these sources to the Board in early 2016.
22. The Fund will also identify potential non-public contributors during this process in order to receive additional funding during the IRM period.
23. To broaden engagement with and expand the contributor base of public sources, philanthropic foundations and other non-public and alternative resources, the Fund will reach out significantly.

Annex I: Pledge Tracker (as of 16 June 2015)

PLEDGE TRACKER



Status of Pledges and Contributions made to the Green Climate Fund

Status Date: **16 June 2015**

A total of 34 governments have made a pledge to the Green Climate Fund (GCF) to date, including 8 representing developing countries. The objective is for all pledges to be converted into contribution agreements within one year from the time at which they are made. The combined pledges and contributions made to the Fund are indicated in the table below.

GCF's initial resource mobilization (IRM) period continues to be in progress, and the Fund accepts new pledges on an ongoing basis.

Total amount pledged to date	USD 10.2 billion *
Total amount in contributions signed	USD 5.8 billion *
In percent	61.5% **

* Amounts indicated are in United States dollars equivalent (USD eq.).

** Percentage is based on the amount in signed contributions divided by the total amount of USD 9.35 billion pledged up until GCF's High-Level Pledging Conference in Berlin in November 2014.

A detailed overview of pledges and contributions by country is shown on the reverse side.

Status of Pledges for GCF's Initial Resource Mobilization (IRM) as of 16 June 2015

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

(In millions)

Contributor	Pledges				Grant Equivalent ¹		
	Announced		Signed	Announced Pledge Per Capita	of Pledged Amount	of Signed Amount	
	In Currency	USD eq. ²	USD eq. ²	USD eq. ²	USD eq. ²	USD eq. ²	
Australia	AUD	200.0	186.9	186.9	7.9	186.9	186.9
Austria ³	USD	25.0	25.0	26.8	2.9	25.0	26.8
Belgium	EUR	51.6	69.0	54.3	6.2	69.0	54.3
Canada (Grant) ⁴	CAD	168.0	155.1	-	-	155.1	-
Canada (Loan)	CAD	110.0	101.6	-	7.8	20.0	-
Canada (Cushion)	CAD	22.0	20.3	-	-	-	-
Chile	USD	0.3	0.3	0.3	0.0	0.3	0.3
Colombia	USD	6.0	6.0	-	0.1	6.0	-
Czech Republic	CZK	110.0	5.3	5.3	5.3	5.3	5.3
Denmark	DKK	400.0	71.8	71.8	12.8	71.8	71.8
Finland	EUR	80.0	107.0	-	19.8	107.0	-
France (Grant)	EUR	432.0	577.9	577.9	-	577.9	577.9
France (Loan)	EUR	285.0	381.3	-	16.0	105.1	-
France (Cushion)	EUR	57.0	76.3	-	-	-	-
Germany	EUR	750.0	1,003.3	1,003.3	12.1	1,003.3	1,003.3
Iceland	USD	0.2	0.2	0.2	0.5	0.2	0.2
Indonesia ⁵	USD	0.3	0.3	0.3	0.0	0.3	0.3
Italy	EUR	250.0	334.4	-	5.5	334.4	-
Japan	JPY	154,028.7	1,500.0	1,500.0	11.8	1,500.0	1,500.0
Latvia	EUR	0.4	0.5	0.5	0.2	0.5	0.5
Liechtenstein	CHF	0.1	0.1	0.1	1.5	0.1	0.1
Luxembourg	EUR	5.0	6.7	6.7	13.4	6.7	6.7
Malta	EUR	0.1	0.1	0.1	0.2	0.1	0.1
Mexico	USD	10.0	10.0	-	0.1	10.0	-
Monaco	EUR	0.3	0.3	0.3	8.8	0.3	0.3
Mongolia	MNT	90.0	0.0	-	0.0	0.0	-
Netherlands	EUR	100.0	133.8	133.8	8.0	133.8	133.8
New Zealand	NZD	3.0	2.6	2.6	0.6	2.6	2.6
Norway	NOK	1,600.0	257.9	257.9	50.6	257.9	257.9
Panama	USD	1.0	1.0	0.5	0.3	1.0	0.5
Peru	USD	6.0	6.0	-	0.2	6.0	-
Poland	PLN	0.4	0.1	0.1	0.0	0.1	0.1
Republic of Korea ⁶	USD	100.0	100.0	100.0	2.0	100.0	100.0
Spain	EUR	120.0	160.5	-	3.4	160.5	-
Sweden	SEK	4,000.0	581.2	581.2	60.5	581.2	581.2
Switzerland ⁶	USD	100.0	100.0	30.0	12.2	100.0	30.0
United Kingdom (Capital)	GBP	576.0	968.8	968.8	19.1	968.8	968.8
United Kingdom (Grant)	GBP	144.0	242.2	242.2	-	242.2	242.2
United States of America	USD	3,000.0	3,000.0	-	9.3	3,000.0	-
Total			10,193.6	5,751.6		9,739.3	5,751.6
EU Member States (Total)	USD		4,745.1	3,672.6		4,392.7	3,672.6

Notes:
¹ Grant equivalent is calculated based on the terms in Policies for Contributions.

² 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).

³ The pledge from Austria was announced in USD but signed in EUR (20 million). The amount shown as signed is calculated in accordance with ⁴.

⁴ Type of pledge is indicative. A portion of a grant may be provided as a loan and/or capital.

⁵ Signed amount includes contributions made prior to GCF's High-Level Pledging Conference.

⁶ Switzerland intends to sign the remainder of its USD 100 million pledge upon confirmation that GCF's effectiveness has been reached (i.e., when 50% of the USD 9.35 billion pledged by GCF's High-Level Pledging Conference has been signed).