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LDCF/SCCF Financing Meeting
March 10, 2010
Rome, Italy

**STATUS REPORT ON THE LEAST DEVELOPED COUNTRIES FUND AND
THE SPECIAL CLIMATE CHANGE FUND**

(PREPARED BY THE WORLD BANK AS TRUSTEE)

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STATUS REPORT ON THE LEAST DEVELOPED COUNTRIES FUND AND THE SPECIAL CLIMATE CHANGE FUND

1. **The Least Developed Countries Fund for Climate Change (LDCF)** was established in November 2002 to address the needs of least developed countries whose economic and geophysical characteristics make them especially vulnerable to the impact of global warming and climate change. The GEF administers both the SCCF and LDCF and the World Bank acts as trustee for both funds. **The Special Climate Change Fund (SCCF)** was established in November 2004 to finance activities, programs and measures relating to climate change that are complementary to those funded by resources from the GEF Trust Fund and with bilateral and multilateral funding.

I. LEAST DEVELOPED COUNTRIES FUND (LDCF)

A. Status of Pledges and Contributions

2. As of January 25, 2010, pledges had been received from 21 Contributing Participants: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom. The total amount pledged to date is USDeq. 195 million. Annex 1 shows the details of the status of pledges, commitments and payments made to the LDCF since inception.

3. The following key financial events impacted the LDCF between September 30, 2009 (the date of the last Trustee Report) and January 25, 2010:

- a. Payments Received against Signed Administration Agreements: The Trustee received additional contributions from Belgium (EUR 440,000), Switzerland (CHF 1,000,000), Czech Republic (EUR 18,000), Spain (EUR 191,015), Finland (EUR 800,000), Norway (NOK 10,000,000) and Sweden (SEK 65,000,000).
- b. As of the date of this report, there are no outstanding pledges due to the LDCF.

B. Summary of Funding Approvals, Trustee Commitments and Cash Transfers

4. As of January 25, 2010, cumulative net funding decisions taken by the Council and the CEO amounted to USD 131 million, of which USD 116 million was for projects and project preparation activities, USD 12 million was for fees, and USD 3.3 million was for administrative expenses and corporate activities of the LDCF.

5. Funding approved by the Council and the CEO is committed by the Trustee and transferred following established procedures for all financial transactions as agreed between the Trustee and the Agencies. The Trustee has committed a total approved amount of

USD 67 million, of which USD 58 million relates to projects and project preparation activities, USD 6 million to fees, and USD 3 million¹ to cover corporate activities and administrative expenses.

6. Cash transfers are made to Agencies on an as-needed basis to meet their projected disbursement requirements. As of January 25, 2010, out of total cumulative commitments of USD 67 million, the Trustee has transferred USD 24 million. As a result, USD 43 million remains payable to Agencies. Details of funding approvals, commitments and cash transfers can be found in Annex 2.

C. Schedule of Funds Available

7. Current assets held in trust total USDeq. 156 million, comprising cash and investments. Of this amount, USD 109 million is set aside to cover funding approved by Council and the CEO pending transfer to Agencies. Consequently, net funds available for approval by the Council or the CEO amounts to USDeq. 47 million. Details on the funds available for Council or CEO approval as of January 25, 2010, can be found in Annex 3.

D. Investment Income

8. The LDCF had investment returns of approximately 0.09% from October through December 2009 (USDeq. 104,000 on an average fund balance of USDeq. 130 million).

II. SPECIAL CLIMATE CHANGE FUND (SCCF)

A. Status of Pledges and Contributions

9. As of January 25, 2010, pledges had been received from 13 Contributing Participants: Canada, Denmark, Finland, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. The total amount pledged to date is USDeq. 129 million. Annex 4 shows details of the status of pledges, commitments² and payments made to the SCCF since its inception.

10. The following key financial events impacted the SCCF between September 30, 2009 and January 25, 2010:

- a. Payments Received against Signed Administration Agreements: The Trustee received payments from Finland (EUR 400,000), Norway (NOK 30,000,000) and Switzerland (CHF 575,000).
- b. As of the date of this report, USDeq. 5 million has not been received from Italy. Full details of the status of contributions by program under the SCCF can be found in Annex 4.

¹ Includes \$700,000 for expenses used for the Multi-donor Trust Fund for the Secretariat for the Adaptation Fund Board which has been reimbursed to the LDCF.

² Represents the amounts for which contributing participants have signed trust fund administration agreements.

B. Summary of Funding Approvals, Trustee Commitments and Cash Transfers

11. As of January 25, 2010, cumulative net funding decisions taken by the Council and the CEO amounted to USD 108 million, of which USD 97 million was for projects and project preparation activities, USD 9.4 million was for fees, and USD 1.9 million was for administrative expenses and corporate activities of the SCCF.

12. Funding approved by the Council and CEO is committed by the Trustee and transferred following established procedures for all financial transactions as agreed between the Trustee and the Agencies. Out of total funding approvals of USD 108 million, the Trustee has committed USD 78 million, of which USD 69.6 million relates to projects and project preparation activities, USD 6.6 million to fees, and USD 1.8 million to cover corporate activities and administrative expenses. As a result, USD 30 million remains to be committed by the Trustee to Agencies.

13. The Trustee transfers funds to Agencies on an as-needed basis to meet the projected disbursement requirements of the Agencies. As of January 25, 2010, out of total cumulative commitments of USD 78 million, the Trustee has transferred USD 28 million. As a result, USD 49.8 million remains payable to Agencies. Details of funding approvals, commitments and cash transfers can be found in Annex 6.

C. Schedule of Funds Available

14. Current assets, comprising cash and investments held in trust, total USDeq. 93 million (for both the Adaptation program and Transfer of Technology program). Of this amount, USD 81 million is set aside to cover Council approved funding pending transfer to Agencies. Consequently, net funds available for approval by the Council or the CEO amount to USDeq. 12 million. Details on the funds available for Council or CEO approval as of January 25, 2010 can be found in Annex 7, which shows the funding status by program.

D. Investment Income

15. The SCCF shares the same investment management as the LDCF. Its overall investment return is approximately 0.09% from October through December 2009 (USDeq. 76,000 on an average fund balance of USDeq. 90 million).

Annex 1

Least Developed Countries Fund Status of Pledges and Contributions as of January 14, 2010

Total Pledges Outstanding and Contributions Finalized				Pledges Outstanding		Contribution Agreements Finalized				
1	2	3 = 5+7	4 = 6+9+11	5	6	7 = 8+10	Paid (Receipts)		Unpaid	
Contributing Participant	Currency	Amount	USDeq. a/	Amount	USDeq. b/	Total Contributions	Amount Paid in Currency	USDeq. c/	Amount Due in Currency	USDeq. b/
Australia	AUD	7,500,000	6,600,750	0	0	7,500,000	7,500,000	6,600,750	0	0
Austria	EUR	400,000	580,400	0	0	400,000	400,000	580,400	0	0
Belgium	EUR	440,000	638,000	0	0	440,000	440,000	638,000	0	0
Canada	CAD	10,000,000	6,518,366	0	0	10,000,000	10,000,000	6,518,366	0	0
Czech Republic	EUR	18,000	26,155	0	0	18,000	18,000	26,155	0	0
Denmark	DKK	90,400,000	15,967,606	0	0	90,400,000	90,400,000	15,967,606	0	0
Finland	EUR	6,100,000	9,474,030	0	0	6,100,000	6,900,000	9,474,030	0	0
France	EUR	10,850,000	15,255,531	0	0	10,850,000	8,350,000	11,633,130	2,500,000 d/	3,622,401
Germany	EUR	40,000,000	56,403,056	0	0	40,000,000	25,000,000	34,668,650	15,000,000 e/	21,734,406
Ireland	USD	8,000,000	8,000,000	0	0	8,000,000	8,000,000	8,000,000	0	0
Ireland	EUR	1,384,869	1,749,794	0	0	1,384,869	1,384,869	1,749,794	0	0
Italy	USD	1,000,000	1,000,000	0	0	1,000,000	1,000,000	1,000,000	0	0
Japan	USD	250,000	250,000	0	0	250,000	250,000	250,000	0	0
Luxembourg	EUR	1,000,000	1,582,900	0	0	1,000,000	1,000,000	1,582,900	0	0
Luxembourg	USD	4,120,000	4,120,000	0	0	4,120,000	4,120,000	4,120,000	0	0
Netherlands	EUR	10,199,984	14,242,578	0	0	10,199,984	10,199,984	14,242,578	0	0
Netherlands	USD	2,100,000	2,100,000	0	0	2,100,000	2,100,000	2,100,000	0	0
New Zealand	NZD	5,400,000	3,868,560	0	0	5,400,000	5,400,000	3,868,560	0	0
Norway	USD	2,000,000	2,001,658	0	0	2,000,000	2,000,000	2,001,658	0	0
Norway	NOK	38,000,000	6,419,406	0	0	38,000,000	38,000,000	6,419,406	0	0
Portugal	EUR	50,000	64,065	0	0	50,000	50,000	64,065	0	0
Spain	EUR	1,162,185	1,520,781	0	0	1,162,185	1,162,185	1,520,781	0	0
Sweden	SEK	72,000,000	9,912,143	0	0	72,000,000	72,000,000	9,912,143	0	0
Switzerland	CHF	4,800,000	4,231,686	0	0	4,800,000	4,800,000	4,231,686	0	0
United Kingdom	GBP	12,000,000	22,020,974	0	0	12,000,000	12,000,000	22,020,974 f/	0	0
			194,548,438			0			169,191,631	25,356,806

a/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) the January 14, 2010 value of unencashed promissory notes and amounts due.

b/ Valued at exchange rates available on January 14, 2010.

c/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) the January 14, 2010 value of unencashed promissory notes, if any.

d/ This amount is payable in June 2010.

e/ This amount is payable in three equal installments of EUR 5.0 million each in July 2010, July 2011 and July 2012.

f/ This contribution has been paid by way of a promissory note which will be encashed in 2009.

Least Developed Countries Fund
Summary of Allocations, Commitments and Disbursements
as of January 25, 2010
(in USD)

<u>Entity</u>	<u>Cumulative Net Amounts</u>			
	<u>Approved Allocations</u>	<u>Commitments</u>	<u>Disbursements</u>	<u>Amount Due</u>
	(1)	(2)	(3)	(4) = (2) - (3)
<u>Projects</u>				
AfDB	274,475	274,475	274,475	0
FAO	2,181,818	75,000	0	75,000
IBRD	14,159,772	832,500	806,554	25,946
IFAD	6,344,800	200,000	200,000	0
UNDP	76,911,164	53,430,605	11,520,664	41,909,941
UNEP	16,129,555	3,309,555	3,309,555	0
<i>Sub-total</i>	116,001,584	58,122,135	16,111,248	42,010,887
<u>Fees</u>				
FAO	218,182	7,500	0	7,500
IBRD	1,404,977	72,250	44,000	28,250
IFAD	634,480	20,000	20,000	0
UNDP	7,824,029	5,374,484	4,362,984	1,011,500
UNEP	1,646,201	356,701	356,701	0
<i>Sub-total</i>	11,727,869	5,830,935	4,783,685	1,047,250
<u>Corporate Budget and Workshop a/</u>				
Secretariat	2,531,532	2,217,925	2,217,925	0
Trustee	773,000	773,000	773,000	0
<i>Sub-total</i>	3,304,532	2,990,925	2,990,925	0
Total for LDCF	131,033,985	66,943,995	23,885,858	43,058,137

a/ Includes amounts allocated to cover administrative expenses to manage the LDCF and Corporate Activities.

Least Developed Countries Fund for Climate Change
Schedule of Funds Available
Updated as of January 25, 2010
(in USDeq.)

		<u>USDeq.</u>
1. <u>Funds held in Trust</u>		155,767,862
Cash and investments	136,389,582	
Promissory notes	19,378,280	
2. <u>Restricted Funds</u>		0
Reserve to cover foreign exchange rate fluctuations	0	
3. <u>Funds held in Trust with no restrictions (3 = 1 - 2)</u>		155,767,862
4. <u>Approved Amounts pending disbursement</u>		108,707,411
Amounts Trustee Committed	43,058,137	
Amount Council Allocated not yet CEO Endorsed	65,649,274	
Monthly approvals for processing	0	
5. <u>Funds Available for Council Allocation or CEO Approval (5 = 3 - 4)</u>		47,060,451

Annex 4

**Special Climate Change Fund
Status of Pledges and Contributions
as of January 14, 2010**

1	Total Pledges Outstanding and Contributions Finalized a/			Pledges Outstanding		Contribution Agreements Finalized				
	2	3 = 5+7	4 = 6+9+11	5	6	Paid (Receipts)			Unpaid	
						7 = 8+10	8	9	10	11
Contributing Participant	Currency	Total Contribution	USDeq.	Amount	USDeq. b/	Total Contribution	Amount Paid in Currency	USDeq.	Amount Due in Currency	USDeq. b/
Canada	CAD	13,500,000	12,894,703	0	0	13,500,000	13,500,000	12,894,703	0	0
Denmark	DKK	50,000,000	9,041,885	0	0	50,000,000	50,000,000	9,041,885	0	0
Finland	USD	367,592	367,592	0	0	367,592	367,592	367,592	0	0
Finland	EUR	3,470,000	4,883,473	0	0	3,470,000	3,470,000	4,883,473	0	0
Germany	EUR	20,000,000	28,404,360	0	0	20,000,000	10,400,000	14,494,340	9,600,000 c/	13,910,020
Ireland	USD	2,125,000	2,125,000	0	0	2,125,000	2,125,000	2,125,000	0	0
Italy	USD	10,000,000	10,000,000	0	0	10,000,000	5,000,000	5,000,000	5,000,000 d/	5,000,000
Netherlands	EUR	2,400,000	3,128,880	0	0	2,400,000	2,400,000	3,128,880	0	0
Norway	NOK	121,000,000	21,676,866	0	0	121,000,000	121,000,000	21,676,866	0	0
Portugal	EUR	1,070,000	1,299,099	0	0	1,070,000	1,070,000	1,299,099	0	0
Spain	EUR	5,000,000	6,861,900	0	0	5,000,000	5,000,000	6,861,900	0	0
Sweden	SEK	40,000,000	6,120,153	0	0	40,000,000	40,000,000	6,120,153	0	0
Switzerland	CHF	4,275,000	3,591,221	0	0	4,275,000	4,275,000	3,591,221	0	0
Switzerland	USD	400,000	400,000	0	0	400,000	400,000	399,973	0	0
United Kingdom	GBP	10,000,000	18,603,167	0	0	10,000,000	10,000,000	18,603,167	0	0
			129,398,299		0			110,488,252		18,910,020

a/ Pledged contributions are made towards the Programs for Adaptation and for the Transfer of Technology.

b/ Valued at exchange rates available on January 14, 2010.

c/ This amount is payable in installments: EUR 2.0m in 07/2010, EUR 3.0m in 07/2011 & 07/2012 and EUR 1.6m in 07/2013.

d/ This amount was due in February 2008.

**Special Climate Change Fund
Status of Contributions by Program
as of January 14, 2010**

<u>Contribution Agreements Finalized</u>						
<u>Contributing Participant</u>	<u>Currency</u>	<u>Total Contribution</u>	<u>Amount Paid in Currency</u>	<u>USDeq. a/</u>	<u>Amount Due in Currency</u>	<u>USDeq. b/</u>
<u>I. Program for Adaptation</u>						
Canada	CAD	11,000,000	11,000,000	10,342,172	0	0
Denmark	DKK	40,000,000	40,000,000	7,233,508	0	0
Finland	EUR	3,120,000	3,120,000	4,462,108	0	0
Finland	USD	367,592	367,592	367,592	0	0
Germany	EUR	20,000,000	10,400,000	14,494,340	9,600,000 c/	13,910,020
Ireland	USD	1,275,000	1,275,000	1,275,000	0	0
Italy	USD	5,000,000	0	0	5,000,000 d/	5,000,000
Netherlands	EUR	2,400,000	2,400,000	3,128,880	0	0
Norway	NOK	104,500,000	104,500,000	18,675,328	0	0
Portugal	EUR	1,070,000	1,070,000	1,299,099	0	0
Spain	EUR	4,000,000	4,000,000	5,562,900	0	0
Sweden	SEK	37,000,000	37,000,000	5,690,107	0	0
Switzerland	CHF	2,925,000	2,925,000	2,502,709	0	0
Switzerland	USD	400,000	400,000	399,973	0	0
United Kingdom	GBP	10,000,000	10,000,000	18,603,167	0	0
				94,036,883		18,910,020
<u>II. Program for Technology Transfer</u>						
Canada	CAD	2,500,000	2,500,000	2,552,531	0	0
Denmark	DKK	10,000,000	10,000,000	1,808,377	0	0
Finland	EUR	350,000	350,000	421,365	0	0
Ireland	USD	850,000	850,000	850,000	0	0
Italy	USD	5,000,000	5,000,000	5,000,000	0	0
Norway	NOK	16,500,000	16,500,000	3,001,539	0	0
Spain	EUR	1,000,000	1,000,000	1,299,000	0	0
Sweden	SEK	3,000,000	3,000,000	430,046	0	0
Switzerland	CHF	1,350,000	1,350,000	1,088,512	0	0
				16,451,369		0
Total for SCCF				110,488,252		18,910,020

a/ Represents (1) the actual US dollar value of paid-in cash contributions; and (2) the September 30, 2009 value of uncashed promissory notes.

b/ Valued at exchange rates available on January 14, 2010.

c/ This amount is payable in installments: EUR 2m in 07/2010, EUR 3m in 07/2011 & 07/2012 and EUR 1.6m in 07/2013.

d/ This amount was due in February 2008.

Special Climate Change Fund
Summary of Allocations, Commitments and Disbursements
as of January 25, 2010
(in USD)

<u>Entity</u>	<u>Cumulative Net Amounts</u>			
	<u>Approved Allocations</u>	<u>Commitments</u>	<u>Disbursements</u>	<u>Amount Due</u>
	(1)	(2)	(3)	(4) = (2) - (3)
<u>Projects</u>				
ADB	2,230,200	50,000	0	50,000
IBRD	36,998,454	28,719,000	10,579,000	18,140,000
IFAD	6,352,000	225,000	225,000	0
UNDP	42,157,336	31,448,863	5,169,503	26,279,360
UNEP	9,206,818	9,206,818	5,025,000	4,181,818
<i>Sub-total</i>	96,944,808	69,649,681	20,998,503	48,651,178
<u>Fees</u>				
ADB	223,020	5,000	0	5,000
IBRD	3,529,045	2,662,400	1,537,200	1,125,200
IFAD	635,200	22,500	22,500	0
UNDP	4,097,872	3,037,025	3,037,025	0
UNEP	918,182	918,182	918,182	0
<i>Sub-total</i>	9,403,319	6,645,107	5,514,907	1,130,200
<u>Corporate Budget</u> a/				
Secretariat	1,170,998	949,537	949,537	0
Trustee	804,000	804,000	774,000	30,000
<i>Sub-total</i>	1,974,998	1,753,537	1,723,537	30,000
Total for SCCF	108,323,125	78,048,325	28,236,947	49,811,378

a/ Includes amounts allocated to cover administrative expenses to manage the SCCF and Corporate activities, including annual audit.

Special Climate Change Fund		
Schedule of Funds Available		
Updated as January 25, 2010		
(in USDeq.)		
		<u>USDeq.</u>
<u>Program for Adaptation</u>		
1. <u>Funds held in Trust</u>		79,772,528
Cash and investments	79,772,528	
Promissory notes	0	
2. <u>Restricted Funds</u>		0
Reserve to cover foreign exchange rate fluctuations	0	
3. Funds held in Trust with no restrictions (3 = 1 - 2)		79,772,528
4. <u>Approved Amounts pending disbursement</u>		70,848,599
Amounts Trustee Committed	45,553,160	
Amount Council Allocated not yet CEO Endorsed	25,295,439	
Amount pending confirmation and/or Intersessional Work Programm		
5. Funds Available for Council Allocation or CEO Approval (5 = 3 - 4)		8,923,929
<u>Program for Transfer of Technology</u>		
6. <u>Funds held in Trust</u>		13,297,957
Cash and investments	13,297,957	
Promissory notes	0	
7. <u>Restricted Funds</u>		0.0
Reserve to cover foreign exchange rate fluctuations	0	
8. Funds held in Trust with no restrictions (8 = 6 - 7)		13,297,957
9. <u>Approved Amounts pending disbursement</u>		10,159,718
Amounts Trustee Committed	4,258,218	
Amount Council Allocated not yet CEO Endorsed	5,901,500	
Intersessional projects not yet approved.	0	
10. Funds Available for Council Allocation or CEO Approval (10 = 8 - 9)		3,138,239
<hr/>		
Total SCCF Funds Available for Council Allocation of CEO Approval (5 + 10)		12,062,168