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October 8, 2010

LDCF/SCCF Council Meeting

**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 the least developed countries whose economic and geophysical characteristics make them especially vulnerable to the impact of global warming and climate change. **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. The GEF administers both the SCCF and LDCF and the World Bank acts as trustee for both funds.

I. LEAST DEVELOPED COUNTRIES FUND (LDCF)

A. Status of Pledges and Contributions

2. As of October 8, 2010, pledges had been received from 22 Contributing Participants: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and the United States. The total amount pledged to date is USD eq. 262 million. Annex 1 shows the details of the status of pledges, commitments and payments made to the LDCF since inception.

3. The Trustee has signed contribution agreements with the following countries since May 31, 2010 (the date of the last Trustee Report):

Countries	Currency	Amount
Australia	AUD	9,000,000
Finland	EUR	800,000
France	EUR	2,500,000
Germany	EUR	5,000,000
New Zealand	NZD	2,700,000

4. In addition, a pledge of DKK 80,000,000 was received from Denmark and an additional pledge of EUR 25,000,000 was received from Germany.

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

5. As of October 8, 2010, cumulative net funding decisions taken by the Council and the CEO amounted to USD 146 million, of which USD 130 million was for projects and project preparation activities, USD 13 million was for fees, and USD 3.7 million was for administrative expenses and corporate activities of the LDCF.

6. 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 85 million, of which USD 74 million relates to projects and project preparation activities, USD 7 million to fees, and USD 3.7 million to cover corporate activities and administrative expenses.

7. Cash transfers are made to Agencies on an as-needed basis to meet their projected disbursement requirements. As of October 8, 2010, out of total cumulative commitments of USD 85 million, the Agencies have requested and the Trustee has transferred USD 35 million. As a result, USD 50 million remains payable to Agencies, pending their requests. Details of funding approvals, commitments and cash transfers can be found in Annex 2.

C. Schedule of Funds Available

8. Current assets held in trust total USD eq. 195 million, comprising cash, investments and promissory notes. Of this amount, USD 114 million is set aside to cover funding approved by Council or the CEO pending transfer to Agencies. Consequently, net funds available for approval by the Council or the CEO amounts to USD eq. 81 million. Details on the funds available for Council or CEO approval as of October 8, 2010, can be found in Annex 3.

D. Investment Income

9. Donor contributions to LDCF are held in trust by the World Bank and maintained in a commingled investment portfolio for all trust funds administered by the World Bank. The assets in the Pool are managed in accordance with the investment strategy established for all of the trust funds administered by the World Bank. The LDCF had investment returns of approximately 0.4% from June through September 2010 (USD eq. 742,862.79 on an average fund balance of USD eq. 155 million).

II. SPECIAL CLIMATE CHANGE FUND (SCCF)

A. Status of Pledges and Contributions

10. As of October 8, 2010, pledges had been received from 14 Contributing Participants: Canada, Denmark, Finland, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and United States. The total amount pledged to date is USD eq. 149 million. Annex 4 shows details of the status of pledges, commitments¹ and payments made to the SCCF since its inception; Annex 5 presents this information broken down by program.

11. The Trustee has signed contribution agreements with the following countries since May 31, 2010 (the date of the last Trustee Report):

¹ Represents the amounts for which contributing participants have signed trust fund administration agreements.

Countries	Currency	Amount
Finland	EUR	500,000
Germany	EUR	2,000,000

12. Additionally, a pledge of EUR 15,017,000 was received from Germany.

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

13. As of October 8, 2010, cumulative net funding decisions taken by the Council and the CEO amounted to USD 109 million, of which USD 97 million was for projects and project preparation activities, USD 9 million was for fees, and USD 2.7 million was for administrative expenses and corporate activities of the SCCF. Details are presented in Annex 7.

14. 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 109 million, the Trustee has committed USD 85 million, of which USD 76 million relates to projects and project preparation activities, USD 7 million to fees, and USD 2.3 million to cover corporate activities and administrative expenses.

15. The Trustee transfers funds to Agencies on an as-needed basis to meet the projected disbursement requirements of the Agencies. As of October 8, 2010, out of total cumulative commitments of USD 85 million, the Agencies have requested and the Trustee has transferred USD 34 million. As a result, USD 51 million remains payable to Agencies, pending their request. Details of funding approvals, commitments and cash transfers can be found in Annex 6.

C. Schedule of Funds Available

16. Current assets, comprising cash and investments held in trust, total USD eq. 111.7 million (for both the Adaptation program and Transfer of Technology program). Of this amount, USD 77 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 USD eq. 35 million. Details on the funds available for Council or CEO approval as of October 8, 2010 can be found in Annex 7, which shows the funding status by program.

D. Investment Income

17. The SCCF shares the same investment management as the LDCF. Its overall investment return is approximately 0.4% from June through September 2010 (USD eq. 478,164.47 on an average fund balance of USD eq. 104 million).

Least Developed Countries Fund

Status of Pledges and Contributions

as of October 8, 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	USD eq.	Amount	USD eq. ^{b/}	Total Contributions	Amount Paid in Currency	USD eq. ^{a/}	Amount Due in Currency	USD eq. ^{b/}
Australia	AUD	16,500,000	14,267,850	0	0	16,500,000	16,500,000	14,267,850	0	0
Austria	EUR	400,000	580,400	0	0	400,000	400,000	580,400	0	0
Belgium	EUR	10,440,000	14,608,968	0	0	10,440,000	440,000	638,000	10,000,000	13,882,526
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	25,454	0	0	18,000	18,000	25,454	0	0
Denmark	DKK	170,400,000	30,958,424	80,000,000	14,894,528	90,400,000	90,400,000	15,967,606	0	0
Finland	EUR	7,700,000	10,454,990	0	0	7,700,000	7,700,000	10,454,990	0	0
France	EUR	10,850,000	14,617,380	0	0	10,850,000	10,850,000	14,617,380	0	0
Germany	EUR	40,000,000	55,237,118	25,000,000	34,706,315	40,000,000	30,000,000	41,266,150	10,000,000 ^{c/}	13,882,526
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	10,200,000	14,242,601	0	0	10,200,000	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	8,100,000	5,808,840	0	0	8,100,000	8,100,000	5,808,840	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 ^{d/}	0	0
United States	USD	30,000,000	30,000,000	0	0	30,000,000.00	30,000,000.00	30,000,000	0	0
			262,293,798		49,600,843			219,361,020		27,765,052

a/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) the October 8, 2010 value of unencashed promissory notes and amounts due.

b/ Valued at exchange rates on October 8, 2010.

c/ This amount is payable in two equal installments of EUR 5m each in July 2011 and July 2012.

d/ This contribution has been paid by way of a promissory note. The encashment request is being followed up with the Bank of England.

Least Developed Countries Fund
Summary of Allocations, Commitments and Disbursements
as of October 8, 2010
(in USD)

<u>Entity</u>	<u>Cumulative Net Amounts</u>			
	<u>Approved</u>	<u>Commitments</u>	<u>Disbursements</u>	<u>Amount</u>
	<u>Allocations</u>			<u>Due</u>
	(1)	(2)	(3)	(4) = (2) - (3)
<u>Projects</u>				
AfDB	400,085	400,085	274,475	125,610
FAO	2,181,818	75,000	75,000	0
IBRD	14,159,772	832,500	806,554	25,946
IFAD	11,464,800	320,000	200,000	120,000
UNDP	85,226,549	64,089,105	16,520,664	47,568,441
UNEP	16,229,555	7,994,555	6,874,555	1,120,000
<i>Sub-total</i>	129,662,579	73,711,245	24,751,248	48,959,997
<u>Fees</u>				
AfDB	12,561	12,561	0	12,561
FAO	218,182	7,500	7,500	0
IBRD	1,404,977	72,250	44,000	28,250
IFAD	1,146,480	32,000	20,000	12,000
UNDP	8,655,568	6,438,334	5,859,734	578,600
UNEP	1,656,201	832,701	832,701	0
<i>Sub-total</i>	13,093,969	7,395,346	6,763,935	631,411
<u>Corporate Budget and Workshop ^{a/}</u>				
Secretariat ^{b/}	2,738,303	2,738,303	2,738,303	0
Trustee	936,400	936,400	936,400	0
<i>Sub-total</i>	3,674,703	3,674,703	3,674,703	0
Total for LDCF	146,431,251	84,781,294	35,189,886	49,591,408

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

b/ USD 700,000 loan from the LDCF Trust Fund to the Adaptation Fund Secretariat Trust Fund has been reimbursed and is included in Secretariat amounts

Least Developed Countries Fund for Climate Change
Schedule of Funds Available
Updated as of October 8, 2010
(in USD eq.)

		<u>USD eq.</u>
<u>1. Funds held in Trust</u>		194,711,726
Cash and investments	175,670,152	
Promissory notes	19,041,574	
<u>2. Restricted Funds</u>		0
Reserve to cover foreign exchange rate fluctuations	0	
3. Funds held in Trust with no restrictions (3 = 1 - 2)		194,711,726
<u>4. Approved Amounts pending disbursement</u>		113,872,856
Amounts Committed By Trustee	49,591,408	
Amounts Allocated by Council but not yet CEO Endorsed	64,281,448	
Monthly approvals pending for processing	0	
5. Funds Available for Council Allocation or CEO Approval (5 = 3 - 4)		<u><u>80,838,870</u></u>

Annex 4

Special Climate Change Fund Status of Pledges and Contributions as of October 8, 2010

Total Pledges Outstanding and Contributions Finalized ^{a/}				Pledges Outstanding		Contribution Agreements Finalized				
						Paid (Receipts)			Unpaid	
1	2	3 = 5+7	4 = 6+9+11	5	6	7 = 8+10	8	9	10	11
Contributing Participant	Currency	Total Contribution	USD eq.	Amount	USD eq. ^{b/}	Total Contribution	Amount Paid in Currency	USD eq.	Amount Due in Currency	USD eq. ^{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	3,970,000	5,496,573	0	0	3,970,000	3,970,000	5,496,573	0	0
Germany	EUR	20,000,000	27,684,060	15,017,000	20,847,389	20,000,000	12,400,000	17,133,340	7,600,000 ^{c/}	10,550,720
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	399,973	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
United States	USD	20,000,000	20,000,000	0	0	20,000,000	20,000,000	20,000,000	0	0
			<u>149,291,072</u>		<u>20,847,389</u>			<u>133,740,352</u>		<u>15,550,720</u>

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

b/ Valued at exchange rates on October 8, 2010.

c/ This amount is payable in installments: EUR 3.0m in July 2011 & July 2012 and EUR 1.6m in July 2013

d/ This amount was due in February 2008.

Special Climate Change Fund
Status of Contributions by Program
as of October 8, 2010

Contributing Participant	Currency	Total Contribution	Contribution Agreements Finalized			
			Amount Paid in Currency	USD eq. ^{a/}	Amount Due in Currency	USD eq. ^{b/}
<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	3,620,000	3,620,000	5,075,208	0	0
Finland	USD	367,592	367,592	367,592	0	0
Germany	EUR	20,000,000	12,400,000	27,684,060	7,600,000 ^{c/}	10,550,720
Ireland	USD	1,275,000	1,275,000	1,275,000	0	0
Italy	USD	5,000,000	0	5,000,000	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
United States	USD	20,000,000	20,000,000	20,000,000	0	0
				132,839,703		15,550,720
<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				149,291,072		15,550,720

a/ Represents actual US dollar value of paid-in cash contributions.

b/ Valued at exchange rates on October 8, 2010.

c/ This amount is payable in installments: EUR 3.0m in July 2011 & July 2012 and EUR 1.6m in July 2013

d/ This amount was due in February 2008.

Special Climate Change Fund
Summary of Allocations, Commitments and Disbursements
as of October 8, 2010
(in USD)

<u>Entity</u>	<u>Cumulative Net Amounts</u>			
	<u>Approved</u>	<u>Commitments</u>	<u>Disbursements</u>	<u>Amount Due</u>
	<u>Allocations</u>			
	(1)	(2)	(3)	(4) = (2) - (3)
<u>Projects</u>				
ADB	2,230,200	50,000	50,000	0
IBRD	36,998,454	33,693,000	10,579,000	23,114,000
IFAD	6,502,000	375,000	375,000	0
UNDP	42,308,836	32,469,454	9,669,503	22,799,951
UNEP	9,206,818	9,206,818	5,025,000	4,181,818
<i>Sub-total</i>	97,246,308	75,794,272	25,698,503	50,095,769
<u>Fees</u>				
ADB	223,020	5,000	5,000	0
IBRD	3,529,045	3,188,100	1,537,200	1,650,900
IFAD	650,200	37,500	37,500	0
UNDP	4,113,022	3,139,084	3,052,175	86,909
UNEP	918,182	918,182	918,182	0
<i>Sub-total</i>	9,433,469	7,287,866	5,550,057	1,737,809
<u>Corporate Budget</u> ^{a/}				
Secretariat	1,722,457	1,333,713	1,333,713	0
Trustee	1,002,200	1,002,200	972,200	30,000
<i>Sub-total</i>	2,724,657	2,335,913	2,305,913	30,000
Total for SCCF	109,404,434	85,418,051	33,554,473	51,863,578

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

Special Climate Change Fund		<u>USD eq.</u>
Schedule of Funds Available		
Updated as of October 8, 2010		
(in USD eq.)		
<u>Program for Adaptation</u>		
<u>1. Funds held in Trust</u>		98,514,581
Cash and investments	98,514,581	
Promissory notes	0	
<u>2. Restricted Funds</u>		0
Reserve to cover foreign exchange rate fluctuations	0	
3. Funds held in Trust with no restrictions (3 = 1 - 2)		98,514,581
<u>4. Approved Amounts pending disbursement</u>		66,445,099
Amounts Committed By Trustee	47,605,360	
Amounts Allocated by Council but not yet CEO Endorsed	18,839,739	
Amount pending confirmation and/or Intersessional Work Programm	0	
5. Funds Available for Council Allocation or CEO Approval (5 = 3 - 4)		32,069,482
<u>Program for Transfer of Technology</u>		
<u>6. Funds held in Trust</u>		13,235,263
Cash and investments	13,235,263	
Promissory notes	0	
<u>7. Restricted Funds</u>		0
Reserve to cover foreign exchange rate fluctuations	0	
8. Funds held in Trust with no restrictions (8 = 6 - 7)		13,235,263
<u>9. Approved Amounts pending disbursement</u>		10,159,718
Amounts Committed By Trustee	4,258,218	
Amounts Allocated by Council but not yet CEO Endorsed	5,115,000	
Intersessional projects not yet approved.	786,500	
10. Funds Available for Council Allocation or CEO Approval (10 = 8 - 9)		3,075,545
Total SCCF Funds Available for Council Allocation or CEO Approval (5 + 10)		35,145,028