Climate Investment Funds

FIP/SC.23/4
December 20, 2019

Meeting of the FIP Sub-Committee
Nairobi, Kenya
March 2020

Agenda Item 4

FIP RISK REPORT

PROPOSED DECISION

The FIP Sub-Committee reviewed the document, FIP/SC.23/4, *Risk Report of the FIP*, and welcomes the progress that has been made in advancing the work of FIP.

The FIP Sub-Committee requests the CIF Administrative Unit to continue to identify, assess, monitor and report the key risk exposures to the program.

Contents

1 Introduction

1. This report provides an update on assessments of the more significant risk exposures facing the Forest Investment Program (FIP). Data as of June 30, 2019 was used to flag projects for implementation risk and compare them with projects flagged in the previous FIP Risk Report (which was based on data as of December 31, 2018 for implementation risk), with certain projects using more updated information where indicated in the report. Data as of September 30, 2019 was used to assess the other risks and compare them with the assessments made in the previous FIP Risk Report (which was based on data as of March 31, 2018 for these risk assessments).

2. The following matrix summarizes FIP's key risk exposures.

Summary Risk Matrix as of September 30, 2019 - FIP			
Risk	**Likelihood**	**Severity**	**Risk Score**
Implementation Risk	Likely	Severe	High
Currency Risk	Very Likely	Severe	High
Resource Availability Risk	Possible	Moderate	Medium
Credit Risk	Possible	Moderate	Medium

3. Implementation risk for FIP increased to **High** from **Medium**, as six out of 39 projects representing USD 109 million (20 percent) of program funding have been flagged for this risk. The program's implementation risk score had been **Medium** for the previous four semiannual reporting cycles.

4. Currency risk for FIP remained **High** and the unrealized decline in the value of FIP's GBP 190 million uncashed promissory notes increased to USD 57 million from USD 43 million as reported in the previous reporting cycle. The program's currency risk score has been High for the last five semiannual reporting cycles.

5. Resource availability risk decreased to **Medium** from **High** during the reporting period. The shortfall in available grant resources declined to USD 28 million from USD 29 million, but FIP now has a USD 4 million surplus of capital resources rather than a USD 21 million shortfall as reported during the previous reporting cycle. The program's resource availability risk score had been **High** for the previous four semiannual reporting cycles.

6. Expected losses associated with committed loan portfolio are USD 15 million and the credit risk associated with the program is **Medium**.

2 Assessment of key risk exposures[1]

7. For FIP, the definition of risk is any threat to the achievement of FIP's objectives. This definition, along with the definition of FIP's objectives, establishes the context for appraising FIP's risk exposures.

2.1 Implementation risk

8. Implementation risk is the risk that a project, once effective, is not implemented in a timely manner. The CIF Administrative Unit has added an additional criterion for flagging projects for this risk to account for the heightened implementation risk of projects which extend their anticipated dates of final disbursement. The CIF Administrative Unit now flags a project for implementation risk if the project meets at least one of the following three criteria.

    I. The project has been effective for 36 months but has disbursed less than 20 percent of program funds.
    II. The project is within 15 months of the anticipated date of final disbursement but has disbursed less than 50 percent of program funds.
    III. The anticipated date of final disbursement for the project has been extended, and less than 50 percent of program funds have been disbursed.

9. The MDBs provide this information semi-annually, and the most recent information available is as of June 30, 2019. It is compared with projects flagged in the previous FIP Risk Report (using data as of December 31, 2018).

10. At the program-level, FIP's risk score for implementation risk increased to **High** from **Medium** as six projects representing USD 109 million of program funding have now been flagged for this risk (three of these projects representing USD 47 million were flagged due to the introduction of the third criterion).

11. Table 1 illustrates that one project representing USD 32 million of program funding has been flagged under the first criterion (vs. one project totaling USD 16 million as of December 31, 2018). While the project flagged in the previous reporting period has increased disbursements to above 20 percent of program funding (*Decentralized Forest and Woodland Management – Burkina Faso (World Bank)*), it remains flagged under the second criterion as it is now within 15 months of the

[1] Severity, in the risk scoring process, is determined (where possible) based on the estimated impact of a risk as a percentage of the program's total pledges and contributions.

- Severe represents an estimated potential impact > 5% of the program's total pledges and contributions.
- Moderate represents an estimated potential impact 1% - 5% of total pledges and contributions.
- Minimal represents an estimated potential impact < 1% of total pledges and contributions.

However, because the impact on funds exposed to implementation risk may simply be delays in the implementation of projects which are ultimately successful (vs. a complete loss of funding for projects as is the case with currency), the following ranges are used to classify implementation risk severity.

- Severe represents an estimated potential impact > 10% of the program's total pledges and contributions.
- Moderate represents an estimated potential impact 5% - 10% of total pledges and contributions.
- Minimal represents an estimated potential impact < 5% of total pledges and contributions.

anticipated date of final disbursement but has disbursed only 26 percent of approved funds.

Table 1. FIP projects effective for 36 months with less than 20 percent of approved funds disbursed

COUNTRY	PROJECT TITLE	MDB	FIP Funding (USD million)	Disbursement as of June 30, 2019 (USD million)	Disbursement Ratio	Effectiveness Date	Months Since Effectiveness Date	MDB Co-financing (USD Millions)
Brazil	Environmental Regularization of Rural Lands in the Cerrado of Brazil	IBRD	32.5	1.8	5%	3/16/2016	40.0	0

12. **Environmental Regularization of Rural Lands in the Cerrado of Brazil (World Bank)**

a. *Reason(s) for delay:* The annual spending cap and budget constraints imposed by the government continues to limit disbursements. The National Budget Freeze put in place by the federal government stipulates that no agency can increase their budget over the next 20 years. The government and the WB teams are working on resolving this situation. Additionally, the restructuring of the project management unit with a transition of responsibilities from the Ministry of Environment (MMA) to the Ministry of Agriculture (MAPA) created delays. Also, the BRL/USD exchange rate is a key consideration not only for procurement activities, but also for the overall disbursement rate. The exchange rate adopted at appraisal was BRL 2.9 per USD, whereas the actual exchange rates used for disbursement was around BRL 3.85 per USD, suggesting that greater implementation is being achieved than indicated by the level of disbursed funds.

b. *Measures underway to accelerate implementation:* The project was restructured and partially cancelled. The Amendment and Restatement of the Loan Agreement was signed in late September by the World Bank Brazil Country Management Unit Director, but it has not yet been countersigned.

c. *Estimated timeframe within which project will have disbursed 20% of FIP funds:* Although the World Bank planned to provide an estimated timeframe during this reporting cycle, they have been unable to do so as they are still trying to resolve the challenges associated with the national budget constraints.

13. Table 2 illustrates that three projects representing USD 62 million of approved funding have been flagged under the second criterion (vs. three representing USD 66 million as flagged in the previous FIP Risk Report). As it has obtained an extension, *Forest Information to Support Public and Private Sectors in Management Initiatives – Brazil (IDB)* is no longer flagged under this criterion, but is now flagged under the third criterion (see Table 3).

Table 2. FIP projects within 15 months of closing with less than 50 percent of approved funds disbursed

COUNTRY	PROJECT TITLE	MDB	FIP Funding (USD million)	MDB Board Approval Date	Cumulative Disb. As of June 30, 2019 (USD million)	Disbursement Ratio	Anticipated Date of Final Disbursement	Months Before Anticipated Date of Final Disbursement	MDB Co-financing (USD million)
Burkina Faso	Decentralized Forest and Woodland Management	IBRD	16.5	1/23/2014	4.3	**26%**	12/31/2019	**6**	0
Brazil	Environmental Regularization of Rural Lands in the Cerrado of Brazil	IBRD	32.5	7/21/2015	1.8	**5%**	2/28/2020	**8**	0
Lao	PDR: Protecting Forest Ecosystem Services	ADB	12.8	8/9/2016	4.2	33%	6/30/2020	**12**	20

14. **Decentralized Forest and Woodland Management – Burkina Faso (World Bank)**

a. _Reason(s) for delay:_ The project is financed by two grants: FIP (USD 16.5 million) and European Union (USD 7 million). The EU grant was prioritized over the FIP grant due to its earlier closing date, set for August 31, 2018. The EU grant was entirely disbursed as of September 1, 2018.

The foreseen increase in FIP-level disbursements to 25 percent before the end of 2018 did not materialize. In December, the World Bank explained that during the FIP investment plan phase, land use planning, land tenure, and land governance were identified as the main indirect causes of deforestation. Therefore, it was important for this project to focus on these issues through a stakeholder participatory approach that called for multiple consultations with decentralized authorities (*communes*) to ensure their ownership. These consultations had taken more time than expected. The innovative nature of the participatory approach (Phase 1), as well as the political situation in 2015-2016, have delayed the implementation by 12 to 18 months.

b. _Measures underway to accelerate implementation:_ Every three months, the World Bank conducts field missions to monitor the *communes* and accelerate implementation. Twenty *communes* out of 32 are performing well and have requested the subsequent tranches of financing. Five *communes* have been delayed because of~~y~~ safeguards work and are catching up. Overall ownership and execution are good.

As the implementation by the *communes* is moving forward adequately, the government is preparing a request for a 12-month extension to allow the *communes* to complete their local investment plans. Extra investment is possible and will be discussed for the best-performing *communes*.

c. _Estimated timeframe within which the project will have disbursed 50% of FIP funds_: June 30, 2020.

15. **Environmental Regularization of Rural Lands in the Cerrado of Brazil (World Bank)** was also flagged under the first criterion (see Paragraph 12).

16. **PDR: Protecting Forest Ecosystem Services – Lao (ADB)**

   a. *<u>Reason(s) for delay:</u>* Adjustments in administrative procedures and staff changes contributed to significant delays. Additionally, late mobilization of service providers delayed implementation of field activities, particularly the livelihoods program which has the largest contract value of USD 4.0 million.

   b. *<u>Measures underway to accelerate implementation:</u>* These problems have been resolved and the service providers were onboard by July 2019, with all activities under their contracts having started.

   c. *<u>Estimated timeframe within which the project will have disbursed 50% of FIP funds</u>*: To enable all activities to be carried out, a minimum three-year implementation period is required. The project's closing date has been extended to June 30, 2022.

17. Table 3 illustrates that three projects representing USD 48 million of program funding have been flagged under the third criterion.

Table 3. FIP projects with extended anticipated dates of final disbursement, and less than 50 percent of approved funds disbursed

COUNTRY	PROJECT TITLE	MDB	FIP Funding (USD million)	Cumulative Disb. As of June 30, 2019 (USD million)	Disbursement Ratio	MDB Board Approval Date	Effectiveness Date	Months Since Effectiveness Date	*Initial* Anticipated Date of Final Disbursement	*Extended* Anticipated Date of Final Disbursement	MDB Co-financing (USD million)
Brazil	Development of systems to prevent forest fires and monitor vegetation cover in the Brazilian Cerrado	IBRD	9.3	3.6	39%	3/28/2016	5/16/2016	38	5/29/2020	3/29/2021	0
DRC	REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins	AfDB	21.5	6.5	30%	9/11/2013	2/20/2015	53	6/30/2019	6/30/2021	0
Brazil	Brazil Forest Information to Support Public and Private Sectors in Management Initiatives	IDB	16.5	4.6	28%	12/13/2013	6/10/2014	62	5/29/2020	3/29/2021	0

18. **Development of systems to prevent forest fires and monitor vegetation cover in the Brazilian Cerrado (World Bank)**

   a. *<u>Reason(s) for delay:</u>* Reduced disbursements was caused in part from the devaluation of the Brazilian Real, and in part from the budgetary freeze and spending cap imposed by the federal government.

   b. *<u>Measures underway to accelerate implementation:</u>* Disbursements have accelerated, reaching 46 percent as of September 30, 2019.

   c. *<u>Estimated timeframe within which project will have disbursed ≥ 50% of FIP funds:</u>* The project has been restructured and its closing date was extended to March 29, 2021.

19. **REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins – DRC (AfDB)**

   a. _Reason(s) for delay:_ This project was flagged two reporting cycles ago due to an investigation by AfDB's Anti-corruption and Fraud Unit regarding concerns pertaining to the procurement bidding process. As FIP and AfDB have zero tolerance for potential fraud and corruption, it was prudent to delay project implementation, and request an extension pending the outcome of the investigation.

   b. _Measures underway to accelerate implementation:_ The investigation found no issues and implementation is now progressing satisfactorily.

   c. _Estimated timeframe within which project will have disbursed ≥ 50% of FIP funds:_ December 2020.

20. **Brazil Forest Information to Support Public and Private Sectors in Management Initiatives (IDB)**

   a. _Reason(s) for delay:_ The ratification process by the government took longer than expected. Signature by the Ministry of Finance took place in September 2015 and execution started in January 2016, more than three years after FIP approval (December 2013). Additionally, the decision by the Ministry of the Environment (MMA) to execute the project directly brought some operational constraints and the obligation to apply specific procurement rules. Finally, in December 2016, a constitutional amendment established a ceiling for public spending by all entities of the federal government. The cap established for MMA (BRL 6 million, or approximately USD 1.5 million per year) made the original spending projections unfeasible. IDB and the MMA worked together to overcome this challenge and the project was re-programmed according to the government annual budget limit.

   During 2017, execution of the project accelerated significantly following the implementation plan agreed by IDB and the MMA, albeit under the restrictions imposed by the budget cap.

   b. _Measures underway to accelerate implementation:_ In May 2019, it was decided that part of the project's execution would be transferred to an agency outside the government. By doing so, implementation of the project will no longer be subject to the government's budget ceiling and procurement rules, and execution should accelerate. IDB and the government are currently assessing a strategy to make this change.

   c. _Estimated timeframe within which project will have disbursed ≥ 50% of FIP funds:_ Second semester of 2021.

2.1.1 MDB cancellation guidelines and criteria

21. During the December 2017 CIF Trust Fund Committees' and Sub-Committees' meetings, members expressed interest in receiving information pertaining to MDBs' potential decisions to cancel projects. Some MDBs have provided the following links to their guidelines.

- ADB – Project Administration Instructions: Suspension and Cancellation of Loans
- ADB – Externally Financed Grant Regulations Applicable to Grants Financed from a Trust Fund or Other External Sources and Administered by ADB
- AfDB – Revised Guidelines on Cancellation of Approved Loans, Grants and Guarantees
- IBRD - Trust Fund Handbook (see Section 5.9)

2.2 Currency risk via promissory notes

22. Currency risk via promissory notes is the risk that fluctuations in currency exchange rates will cause the value of the foreign currency in which a promissory note is denominated to decline. FIP's exposure to currency risk remains **High**. There have been no further encashments since March 31, 2019, and GBP 180 million of promissory notes remained outstanding as of September 30, 2019. Between March 31, 2019 and September 30, 2019, the unrealized decline in the value of the outstanding promissory notes increased from USD 43 million to USD 57 million due to the 5.9 percent depreciation of the GBP.

23. Table 4 illustrates that it is very likely that FIP will realize a severe decline (relative to the size of the program) in available resources due to the currency risk exposures via GBP-denominated promissory notes.

Table 4: FIP currency risk exposure summary

Currency Risk Exposure (Millions) as of September 30, 2019							
Program	Amount Pledged/ Received	Pledged Amount Outstanding/ Unencashed	Realized Currency Gain/ (Loss)	Unrealized Currency Gain/ (Loss)	Risk Likelihood	Risk Severity	Risk Score
FIP	£223.0	£179.6	**$1.5**	**($56.7)**	Very Likely	Severe	**High**

2.3 Resource availability risk[2]

24. Resource availability risk is the risk that the Trustee will not have sufficient resources, under a respective CIF program, to commit to fund all projects in the program's pipeline. Table 5 illustrates that, as of September 30, 2019, FIP was experiencing a deficit in available grant

[2] Available Resources excludes Currency Reserves as these reserves are not available for the Trustee to commit for programming. Additionally, if, before the remaining promissory notes are encashed, the GBP declines against the USD, some or all of the current amount of the Currency Reserves may never become Available Resources to commit for programming.

resources of USD 28 million and a surplus of capital resources of USD 4 million (see also Annex A). The risk that the Trustee will not have sufficient resources to commit to fund all projects in FIP's pipeline decreased to **Medium** from **High**.

Table 5: FIP resource availability risk summary

Available Resources as of September 30, 2019				
Program	**Available Resources for Projects/Programs ($Million)***	**Risk Likelihood**	**Risk Severity**	**Risk Score**
FIP Grant	($28.0)	Possible	Moderate	Medium
FIP Capital	$4.0			

25. As of September 30, 2019, USD 57 million of the current capital and grant shortfalls in available resources can be attributed to unrealized declines in the value of FIP's GBP-denominated promissory notes. An additional USD 33 million must be set aside to mitigate over-commitment risk that could result from further declines in the GBP. In the absence of these currency-related factors, FIP would face a modest shortfall (USD 3 million) in grant resources.

2.4 Fraud and Sexual exploitation and abuse

26. At its February 2019 meeting, the FIP Sub-Committee requested that the MDBs provide to the CIF Administrative Unit information regarding fraud and sexual exploitation and abuse associated with FIP projects implemented by them to the extent that such information is provided to their own MDB boards, and subject to any necessary legal/confidentiality arrangements prior to disclosure.

27. The MDBs did not report any allegations or instances of fraud or sexual exploitation and abuse to the CIF Administrative Unit during the reporting period; however, MDBs issue the following annual reports on fraud and corruption highlighting statistics related to their anti-corruption efforts.

- ADB – Office of Anti-Corruption and Integrity Annual Report
- AfDB – Office of Integrity and Anti-Corruption Annual Report
- EBRD – Integrity and Anti-Corruption Annual Report
- IDB – Office of Institutional Integrity Annual Report
- World Bank Group – Integrity Vice Presidency Annual Report

2.5 Credit risk

28. At the March 8, 2018 Intersessional Meeting of the Trust Fund Committee of the Strategic Climate Fund (SCF), the committee decided that, "SCF Reflows may be used to finance Administrative Costs and shall be allocated to finance the potential shortfall of grant resources to cover Administrative Costs after they become available in each Program Sub-Account."

Because credit losses can impact the availability of these reflows to finance administrative costs, it is important to assess the credit risk associated with each SCF program's loan portfolio. Table 6 illustrates that the expected losses associated with FIP's public and private sector loan portfolios total USD 15 million and the credit risk associated with the program is therefore **Medium**.

Table 6: FIP public and private sector credit risk exposure summary based on loan commitments

Committed Loan Portfolio Credit Risk Exposure (as of 9/30/2019)									
Sector	Portfolio Risk Rating	Total Committed Loans (MM USD equivalent)[1]	Estimated Probability of Default (PD)[7]	Estimated Loss Given Default (LGD)[6]	Expected Loss Rate[3]	Expected Losses (MM USD equivalent)[2]	Total Loan Principal in Default[5] (MM USD equivalent)	# of Loans Experiencing Payment Default	Loan Principal in Default vs. Total Loan Amount Originated
Public	B-[8]	130.5	14.4%	58.4%	8.4%	11.0	0.0	0.0	0.0%
Private	CCC[7,4]	12.8	55.1%	60.3%	33.2%	4.3	0.0	0.0	0.0%

1. Committed loan amounts are provided by the Trustee.

2. Expected losses are in addition to total loan principal reported to be in default.

3. Expected Loss Rate = PD x LGD, and does not take into account any correlations between the performance of loans within the portfolio.

4. Methodologies used to calculate credit ratings and PDs may differ amongst MDBs, as well as between a given MDB and external rating agencies.

5. Derived based on the mapping of the portfolio's Estimated PD to the corresponding rating agency credit rating as published in *Moody's Annual Default Study: Defaults will rise modestly in 2019 amid higher volatility*.

6. LGDs are based on the Portfolio Risk Rating's mapping to the LGD associated with Moody's credit rating equivalent as published in *Moody's Annual Default Study: Defaults will rise modestly in 2019 amid higher volatility (* i.e. LGD = 1 - Average Sr. Unsecured Bond Recovery Rate from the period of 1983-2018).

7. Based on internal credit ratings or PDs assigned to their respective private sector FIP loans by reporting MDBs (EBRD, IDB and IFC), weighted by loan amount. The resulting credit rating for the combined portfolio of private sector CTF loans administered by these three MDBs is then applied to the entire portfolio of private sector CTF loans.

8. Based on weighted average PD (weighted by loan amount) associated with the external rating agency credit rating assigned to each recipient (in the case of split ratings, the PD associated with the lowest of Fitch, Moody's and S&P ratings is used) as of September 30, 2019. 5-year Average Cumulative Issuer-Weighted Global Defalt Rates from the period of 1983-2018 as published in *Moody's Annual Default Study: Defaults will rise modestly in 2019 amid higher volatility* are used.

Annex A: FIP resource availability

FIP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS *Inception through September 30, 2019* *(USD millions)*		Total	Capital	Grant
Cumulative Funding Received				
Contributions Received				
Cash Contributions		502.1	80.7	421.5
Unencashed promissory notes	b/	221.0	160.7	60.3
Total Contributions Received		723.1	241.4	481.7
Other Resources				
Investment Income earned -up to Feb 1, 2016	c/	14.5	-	14.5
Total Other Resources		14.5	-	14.5
Total Cumulative Funding Received (A)		**737.7**	**241.4**	**496.3**
Cumulative Funding Commitments				
Projects/Programs		578.4	161.3	417.1
MDB Project Implementation and Supervision services (MPIS) Costs		30.5	-	30.5
Administrative Expenses-Cumulative to 1st Feb 2016	c/	25.6	-	25.6
Country Programming Budget from 1st Jan 2018	c/	0.4		0.4
Total Cumulative Funding Commitments		634.9	161.3	473.6
Project/Program,MPIS and Admin Budget Cancellations	d/	(26.2)	(15.0)	(11.2)
Net Cumulative Funding Commitments (B)		**608.7**	**146.3**	**462.4**
Fund Balance (A - B)		**128.9**	**95.1**	**33.8**
Currency Risk Reserves	e/	**(33.1)**	**(24.1)**	**(9.0)**
Unrestricted Fund Balance (C)		**95.8**	**71.0**	**24.8**
Future Programming Reserves:				
Admin Expenses-Reserve (includes Country Programing budget/Learning and Knowledge exchange reserve) and for FY 20-28 (net of estimated investment income and reflows). Breakup of various components are provided below. (Model Updated as of December 31,2017)	f/	(11.2)		(11.2)
subtract				
Administration Expense reserve for CIFAU, MDB & Trustee USD 20.9 Million				
Country Programming Budget Reserve USD 1.2 Million				
Learning and Knowledge Exchange Reserve USD 1.1 Million				
add				
Estimated Investment Income Share for FIP USD 5.4 Million				
Projected Reflows USD 6.6 Million				
Technical Assistance Facility	j/	**(1.0)**		**(1.0)**
Unrestricted Fund Balance (C) after reserves		**83.6**	**71.0**	**12.6**
Anticipated Commitments (FY20-FY21)				
Program/Project Funding and MPIS Costs		107.6	67.2	40.4
Total Anticipated Commitments (D)		**107.6**	**67.2**	**40.4**
Available Resources (C - D)		**(24.0)**	**3.9**	**(27.8)**
Potential Future Resources (FY20-FY21)				
Pledges	a/	0.3		0.3
Contributions Receivable	h/	2.1		2.1
Potential Techincal Assistance Facility Payable	i/	(2.1)		(2.1)
Release of Currency Risk Reserves	e/	33.1	24.1	9.0
Total Potential Future Resources (E)		**33.5**	**24.1**	**9.4**
Potential Available Resources (C - D + E)		**9.5**	**28.0**	**(18.5)**
Reflows from MDBs	g/	1.0		1.0

a/ The balance of the pledge amount from the U.S

b/ This amount represents USD equivalent of GBP 179.6 million.

c/ From Feb 1, 2016, Investment income across all SCF programs has been posted to a notional Admin "account", from which approved Administrative Budget expenses for the Trustee, Secretariat and MDBs are committed. The Country Programming budgets are recorded under individual programs.

d/ This refers to cancellation of program and project commitments approved by the SCF TFC

e/ Amounts withheld to mitigate over-commitment risk resulting from the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated promissory notes.

f/The amount of this reserve is estimated by the CIFAU and Trustee using the 10-year forecast of the Admin Budget less the 10-year estimate of Investment Income and reflows. Pro-rata estimates across three SCF programs are based on the 22% fixed pro rata share of the FIP's cash balance as at December 31, 2017 approved by the SCF TFC on March 8, 2018. The decision reads as "allocate USD 11.6 million from the available grant resources in the FIP Program Sub-Account to finance estimated Administrative Costs from FY19 to FY28, such that the projected, indicative amount of approximately USD 81.8 million in FIP grant resources remains available for allocation to FIP project's. This reserve amount has been reduced by USD 0.4 million approved for country engagement from January 2018.

g/ The usage of reflow from MDBs are approved by the SCF TFC on March 8, 2018 to cover the shortfall in administrative expenses net of the SCF investment income.

h/Contribution Receivable from Denmark for DKK 14.3 million

i/ The CTF and SCF Trust Fund Committees agreed on July 20, 2018 to establish the Technical Assistance Facility for Clean Energy Investment Mobilization under the terms of the SCF.

j/ Commitments for the Technical Assistance Facility, as estimated by the CIFAU, will also be funded by contribution receivables.