



Climate Risk and Early Warning Systems Trust Fund

Financial Report

Prepared by the Trustee

As of March 31, 2020



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Introduction

The Climate Risk and Early Warning Systems (CREWS) Initiative was officially launched at the 21st session of the UN Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP21) in Paris, France as part of the Solutions Agenda. It aims to strengthen and increase the capacity for Multi-Hazards Early Warning Systems, to generate and communicate effective impact-based early warnings and risk information for hazardous hydro-meteorological and climate events to protect lives, livelihoods, and property in Least Developed Countries (LDCs) and Small Islands Developing States (SIDS).

The CREWS Trust Fund was established in September 2016. This report covers the financial status of the CREWS Trust Fund, and is produced by the Trustee in accordance with the Trustee's role in the CREWS Governance Document, as set forth under Section 18, which states:

"The Trustee will provide to the Steering Committee regular reports on the financial status of the CREWS Trust Fund."

In addition, Section 8 of the Standard Provisions in the Contribution Agreement/Arrangement states, as follows:

"The Trustee shall maintain separate records and ledger accounts in respect of the funds in the Trust Fund and transfers made therefrom. The Trustee shall report to the Steering Committee annually unless otherwise agreed between the Trustee and the Steering Committee, on the financial status of the Trust Fund, including information on status of Contributions, investment income, commitments, transfers and funds available for allocation by the Steering Committee."

This report covers the financial status of the CREWS Trust Fund as of March 31, 2020.



CREWS Trust Fund Financial Summary as of March 31, 2020

Pledges and Contributions:

A pledge represents a contributor's expression of intent to make a contribution. Pledges are formalized into Contributions by way of a Contribution Agreement/Arrangement between the Contributor and the Trustee.

As of March 31, 2020, contributions to the CREWS Trust Fund totaled USD 54.54 million. Of this amount, USD 43.59 million has been received by the Trustee and applied to the CREWS Trust Fund.

Investment Income:

As of March 31, 2020, the CREWS Trust Fund earned investment income of approximately USD 0.71 million on the liquidity balances of the Trust Fund. The CREWS Trust Fund balance is allocated to a short-term fixed income portfolio which has returned approximately 0.35% during the first quarter of calendar year 2020.

Funding Approvals:

As of March 31, 2020, the CREWS Steering Committee had approved funding from the CREWS Trust Fund totaling USD 41.54 million to finance projects and fees, as well as, administrative budgets to support the activities of the CREWS Secretariat and Trustee.

Cash Transfers:

The Trustee has transferred a total of USD 36.54 million up to March 31, 2020, of which USD 29.10 million is related to projects.

Funds Held in Trust:

Funds Held in Trust¹ reflect contributions paid-in from contributors and investment income earned, less cash transfers by the Trustee. Funds Held in Trust as of March 31, 2020 amounted to USD 7.76 million.

Funds Available for CREWS Steering Committee Funding Decisions:

Funds available to support CREWS Steering Committee funding decisions amounted to USD 2.76 million as of March 31, 2020.

¹ Funds Held in Trust represents balance of cash, investments and unencashed promissory notes (if any) as of the reporting date.



1. CREWS Trust Fund Summary – Inception through March 31, 2020

In USD millions

| | Total | % of Total |
|--|--------------|---------------|
| <u>Donor Pledges and Contributions</u> | | |
| Contributions | 54.54 | 100.0% |
| Pledges | - | 0.0% |
| Total Pledges and Contributions | 54.54 | 100.0% |
| <u>Cumulative Resources</u> | | |
| <u>Resources received</u> | | |
| Cash Receipts | 43.59 | 78.9% |
| Investment Income earned | 0.71 | 1.3% |
| Total Resources Received | 44.30 | 80.2% |
| <u>Resources not yet received</u> | | |
| Contributions not yet received | 10.95 | 19.8% |
| Pledges | - | 0.0% |
| Total resources not yet received | 10.95 | 19.8% |
| Total Potential Resources (A) (in USD millions) | 55.25 | 100.0% |
| <u>Cumulative Funding Decisions</u> | | |
| Projects | 33.56 | 80.8% |
| Fees | 4.10 | 9.9% |
| Administrative Budget | 3.88 | 9.3% |
| Total Funding Decisions Net of Cancellations (B) | 41.54 | 100.0% |
| Total Potential Resources Net of Funding Decisions (A) - (B) | 13.71 | |
| <u>Funds Available</u> | | |
| Funds Held in Trust with no restrictions | 7.76 | |
| Approved Amounts Pending Cash Transfers | 5.00 | |
| Total Funds Available to Support Steering Committee Decisions | 2.76 | |

Note: sub-totals may not add up to due to rounding



2. Pledges and Contributions as of March 31, 2020

In millions

| Pledges and Contributions | | | | | |
|-------------------------------------|------|--|--|--|-----------------------|
| Updated as of March 31, 2020 | | | | | |
| Contributor | Curr | Pledge in Currency of Contribution | Effective (or signed) Contribution | Receipts in Currency of Contribution | Receipts in USD a/ |
| Australia | AUD | 5.00 | 5.00 | 5.00 | 3.70 |
| France | EUR | 18.10 | 18.10 | 18.10 | 20.14 |
| Germany | EUR | 13.00 | 13.00 | 3.00 | 3.13 |
| Luxembourg | EUR | 1.50 | 1.50 | 1.50 | 1.65 |
| Netherlands | USD | 3.35 | 3.35 | 3.35 | 3.35 |
| Switzerland | CHF | 9.00 | 9.00 | 9.00 | 9.00 |
| United Kingdom | GBP | 2.00 | 2.00 | 2.00 | 2.62 |
| Total Contributions Received | | | | | 43.59 |

a/ Represents actual USD receipts

Note: totals may not add up due to rounding

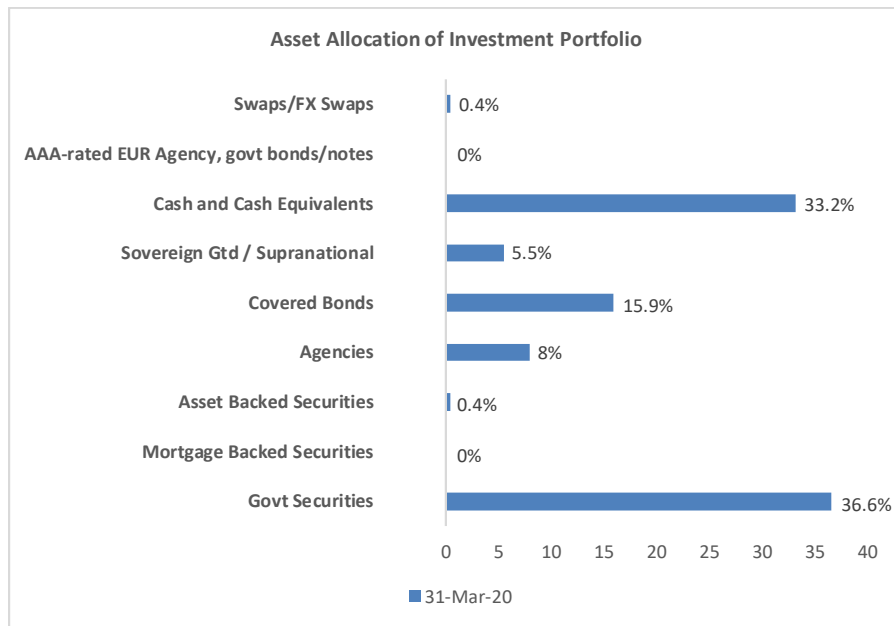


3. Asset Mix and Investment Income

ASSET MIX

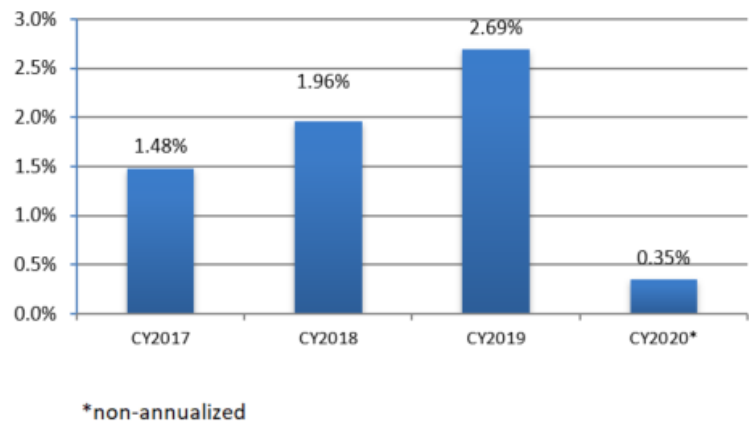
Funds held in trust by the World Bank (as the Trustee) are maintained in a commingled investment portfolio (the “Pool”) for all trust funds administered by the World Bank. The World Bank uses the Conditional Value-at-Risk (CVaR) measure as the risk constraint in the management of trust funds. Funds are managed such that the expected maximum loss, as measured by the CVaR, at the portfolio’s investment horizon, is not to exceed 1% with 99% confidence.

The portfolio allocation by asset class has the largest allocations to government securities and money market instruments.



INVESTMENT RETURNS

The CREWS Trust Fund balances are invested in accordance with the investment strategy established for all trust funds administered by the World Bank and has earned approximately USD 0.71 million since inception. They are invested in a short-term fixed income portfolio with an investment horizon of one year. The portfolio returns during the first quarter of calendar year 2020 was 0.35%.





4. Cumulative Funding Decisions

In USD millions

| <u>Projects</u> | <u>Implementing Partner</u> | <u>as of March 31, 2020</u> |
|-------------------------------------|-----------------------------|-----------------------------|
| Afghanistan | IBRD | 2.45 |
| | WMO | 0.86 |
| Burkina Faso | WMO | 1.94 |
| Caribbean | WMO | 0.28 |
| Caribbean | IBRD | 2.58 |
| | UNDRR | 0.29 |
| | WMO | 2.00 |
| Chad | IBRD | 1.50 |
| | WMO | 1.33 |
| Congo, DR | IBRD | 2.51 |
| | WMO | 0.26 |
| Haiti | WMO | 1.33 |
| Mali | IBRD | 2.78 |
| | WMO | 0.22 |
| Niger | IBRD | 2.24 |
| | WMO | 0.22 |
| Pacific Islands | WMO | 2.18 |
| Papua New Guinea | WMO | 1.46 |
| Togo | IBRD | 1.15 |
| | WMO | 0.97 |
| West Africa | WMO | 1.62 |
| West Africa | IBRD | 1.18 |
| | WMO | 1.95 |
| Global | WMO | 0.28 |
| | | 33.56 |
| <u>Fees</u> | | |
| IBRD | | 1.76 |
| UNDRR | | 0.04 |
| WMO | | 2.30 |
| | | 4.10 |
| <u>Administrative Budget</u> | | |
| Secretariat a/ | | 3.39 |
| Trustee | | 0.49 |
| | | 3.88 |
| Total Funding Decisions | | 41.54 |

a/ includes support from Implementing Partners, provided through staff secondments

Note: sub-totals may not add up due to rounding



5. Funds Available

In USD millions

| | As of March 31, 2020 (a) | As of December 31, 2019 (b) | Change since last report (a) - (b) |
|---|--------------------------------|-----------------------------------|---------------------------------------|
| 1. Cumulative Receipts | 44.30 | 44.26 | 0.05 |
| a. Cash receipts from Contributors | 43.59 | 43.59 | - |
| b. Investment Income earned | 0.71 | 0.66 | 0.05 |
| 2. Cumulative Cash Transfers | 36.54 | 36.54 | - |
| a. Projects | 29.10 | 29.10 | - |
| b. Fees | 3.56 | 3.56 | - |
| c. Administrative Budget | 3.88 | 3.88 | - |
| 3. Funds Held in Trust (3 = 1 - 2) | 7.76 | 7.72 | 0.05 |
| 4. Funding Decisions Pending Cash Transfer | 5.00 | - | 5.00 |
| 5. Funds available to support Steering Committee decisions (5 = 3 - 4) | 2.76 | 7.72 | (4.95) |

Note: sub-totals may not add up due to rounding

HIGHLIGHTS FOR THE PERIOD JANUARY 1, 2020 THROUGH MARCH 31, 2020:

- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USD 7.76 million as of March 31, 2020. Funds Held in Trust increased by USD 0.05 million due to:
 - additional investment income of approximately USD 0.05 million during the first quarter of calendar year 2020
- **Funding Availability** decreased by USD 4.95 million over the prior reporting period due to:
 - An increase in Funding Decisions pending Cash Transfer by USD 5 million
 - Offset by the increase in Funds Held in Trust by USD 0.5 million



Glossary

| Term | Definition |
|------------------------------------|--|
| Cash and Investments | The Trust Fund's share in the co-mingled cash and investment pool. |
| Cash Contribution | Contribution or Installment provided in the form of cash, including promissory note encashments |
| Cash Transfer | Cash payment made to an Implementing Partner under a Financial Procedures Agreement |
| Contribution | The funds provided and to be provided by a Contributor to a Trust Fund, as specified in the Contribution Agreement/Arrangement, or in the Instrument of Commitment |
| Contribution Agreement/Arrangement | An agreement or arrangement between a World Bank entity, as Trustee, and a Contributor, setting forth specific terms for the receipt and use of a specific Contribution for a specific Trust Fund |
| Contribution Paid-In | Contribution or Installment provided in the form of cash, Promissory Note or other instruments acceptable to the Trustee |
| Contribution Receivable | Any portion of a Contribution that is not a Qualified Contribution to be received in the form of Cash or Promissory Note. |
| Financial Intermediary Fund (FIF) | Financial arrangements that leverage a variety of public and private resources in support of global development initiatives and partnership. These Funds involve financial engineering or complex finance schemes, or where the Bank provides a specified set of administrative, financial or operational services |
| Financial Procedures Agreement | An agreement or arrangement between a World Bank entity, as Trustee, and Partner Entity for the commitment and transfer of funds by the Trustee to the Partner Entity under terms that do not involve Bank responsibility post-transfer |
| Funding Availability | Assets available to support funding decisions, as calculated under a specific basis of commitment. |
| Funds Held in Trust | Cash and Investments plus unencashed Promissory Note balance |
| IBRD | International Bank for Reconstruction and Development |
| Implementing Partner (IP) | Any agency receiving funds from a FIF, which is responsible for managing those funds for project activities as approved by the governing body |
| Investment Income | Returns (realized and unrealized) on cash and investments, allocated to individual Trust Funds |
| Pledge | A Contributor's expression of its intention to make a Contribution |
| Promissory Note (if applicable) | A document consisting of a promise to pay that is non-interest bearing and payable on demand |
| UNDRR | United Nations Office for Disaster Risk Reduction |
| WMO | World Meteorological Organization |