

GEF Council Meeting  
November 16 – November 18, 2010  
Washington, D.C.

**TRUSTEE REPORT**  
**GLOBAL ENVIRONMENT FACILITY TRUST FUND**  
**AS OF SEPTEMBER 30, 2010**

**(PREPARED BY THE WORLD BANK AS TRUSTEE)**

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**FINANCIAL STATUS OF THE GEF TRUST FUND  
AS OF SEPTEMBER 30, 2010**

**I. Introduction**

1. This information note provides the latest available month-end financial information for the GEF Trust Fund (as of September 30, 2010). An addendum will be provided during the Council meeting to update the changes subsequent to the date of this report.

**II. Update to the GEF-5 Replenishment**

2. **Replenishment size:** The GEF-5 replenishment was finalized on May 12, 2010 in Paris with a total replenishment level amounting to SDR 2,772 million (USDeq. 4,248 million)<sup>1</sup> including projected investment income and projected carryover of resources. Subsequently, pledges from Australia, Brazil, Korea, Switzerland and the United Kingdom were adjusted before the GEF-5 Replenishment was adopted by the World Bank's Board of Executive Directors. The total replenishment level presented to the World Bank's Board of Executive Directors amounted to SDR 2,832 million (USDeq. 4,340 million)<sup>2</sup>, including projected investment income and projected carry over resources. Of this amount, SDR 2,311 million (USDeq. 3,541 million) represents new pledges from 34 Contributing Participants. These pledged contributions include basic contributions, as well as supplementary contributions for some Contribution Participants. They also reflect credits for accelerated encashments.
3. **Implementation of GEF-5:** The World Bank's Executive Directors adopted the GEF-5 Replenishment Resolution on July 19, 2010. Following this, the Trustee initiated the process of implementation of the GEF-5 Replenishment. The Trustee has been working closely with Contributing Participants to facilitate the deposit of Instruments of Commitment (IoCs) or Qualified Instruments of Commitment, tracking donor commitments for purposes of the GEF-5 Advance Contribution Scheme or Replenishment Effectiveness, ensuring compliance with replenishment resolution policies, and addressing donor inquiries regarding GEF-5 cash outlays, credits and discounts.
4. **Instruments of Commitment (IoCs):** Since the adoption of the GEF-5 Replenishment Resolution, ten Contributing Participants have deposited their IoCs in the form and substance as agreed under the GEF-5 Replenishment Resolution. Table 1 shows the details of the status of IoCs received by the Trustee as of November 10, 2010.

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<sup>1</sup> USD equivalent is based on exchange rates that were agreed during the Replenishment.

<sup>2</sup> USD equivalent is based on exchange rates that were agreed during the Replenishment.

**Table 1: GEF-5 Instruments of Commitment**

Status as of November 10, 2010

(in SDR millions)

<u>Contributing Participant</u>	<u>GEF-5 Pledges</u>	<u>GEF-5 Deposited Instruments of Commitment</u>
Australia	52.9	-
Austria	40.2	-
Belgium	77.1	-
Brazil	8.0	-
Canada	135.2	-
China	9.8	9.8
Czech Republic	4.6	-
Denmark	48.4	-
Finland	56.2	56.2
France	194.2	-
Germany	312.6	312.6
Greece	4.4	-
India	6.4	6.4
Ireland	5.6	-
Italy	82.9	-
Japan	329.6	-
Korea	5.3	-
Luxembourg	4.0	-
Mexico	6.5	-
Netherlands	74.7	-
New Zealand	4.0	4.0
Nigeria	4.0	-
Norway	38.5	38.5
Pakistan	4.0	-
Portugal	4.0	-
Russian Federation	7.1	-
Slovenia	4.3	4.3
South Africa	4.4	4.4
Spain	27.8	27.8
Sweden	85.4	-
Switzerland	75.4	-
Turkey	4.0	-
United Kingdom	214.4	214.4
United States	375.2	-
<b>Totals</b>	<b>2,310.9</b>	<b>678.4</b>

5. **Advance Contribution Scheme:** In accordance with Paragraph 7(a) of the GEF-5 Replenishment Resolution, the Advance Contribution Scheme for the GEF-5 becomes effective on the date when the Trustee has received Instruments of Commitment or Qualified Instruments of Commitment from Contributing Participants whose contributions aggregate not less than SDR 462.3 million. Accordingly, the GEF-5 Advance Contribution Scheme became effective on November 2, 2010 with the receipt of IoCs from the following countries whose contributions represent SDR 463.9 million: China, Finland, Germany, India, New Zealand, Norway, Slovenia, South Africa, and Spain. Subsequently, the Trustee received an IoC from the United Kingdom bringing the total to SDR 678.4 million.

### III. Schedule of Funds Available as of September 30, 2010 as Compared to April 30, 2010

6. **Funds available** to support Council or CEO funding decision represent the amount of Funds held in Trust by the Trustee, including the restricted contributions from Contributing Participants after taking into account the amount of approved programs pending cash transfers to Agencies. As of September 30, 2010, USD 201 million was available to support Council or CEO funding decision representing a net increase of USDeq. 128 million since April 30, 2010. The increase is because the amounts received by the Trustee from Contributing Participants and investment income were higher than the funding decisions taken by the GEF Council or the CEO. **Table 2** shows the funding position as of September 30, 2010.

<b>Table 2: Schedule of Funds Available</b> Updated as of September 30, 2010 (in USDeq. millions)		
	<u>As of September 30, 2010</u>	<u>As of April 30, 2010</u>
	<u>USD eq. a/</u>	<u>USDeq. b/</u>
<b><u>1. Funds Held in Trust</u></b>	<b>3,923</b>	<b>3,954</b>
a. Cash and investments	3,028	3,078
b. Unencashed promissory notes	895	876
<b><u>2. Restricted Funds</u></b>	<b>306</b>	<b>284</b>
a. Deferred contributions in respect to the pro rata right	261	239
b. Reserve to cover foreign exchange rate fluctuations	45	45
<b><u>3. Funds Held in Trust with no Restrictions ( 3 = 1 - 2 )</u></b>	<b>3,616</b>	<b>3,670</b>
<b><u>4. Approved Amounts Pending Cash Transfers to Agencies</u></b>	<b>3,415</b>	<b>3,597</b>
a. Trustee committed	2,291	2,244
b. Approved by Council but not yet CEO Endorsed	1,120	1,353
c. Requested amounts for financing pending Council decision c/	4	-
<b><u>5. Funds Available to Support Council or CEO Funding Decisions ( 5 = 3 - 4 )</u></b>	<b>201</b>	<b>73</b>

a/ Valued on the basis of exchange rates of September 30, 2010  
 b/ Valued on the basis of exchange rates of April 30, 2010  
 c/ Represents either semiannual work program presented to Council or Intersessional work program.

7. **Funds Held in Trust.** Changes from month to month in Funds Held in Trust reflect financial activities related to new donor payments (cash and promissory notes), encashment of promissory notes, investment income, cash transfers to Agencies, and the revaluation of the balance of promissory notes at month-end. Funds Held in Trust as of September 30, 2010 amounted to USDeq. 3,923 million, of which 23 % represented unencashed promissory notes. Compared with the balance on April 30, 2010, there was a net decrease of USDeq. 31 million mainly due to cash transfers made to Agencies.
8. Highlights between April 30, 2010 and September 30, 2010:
- New donor payments: Five Contributing Participants paid their 4<sup>th</sup> and final installment to the GEF-4<sup>3</sup> and one donor<sup>4</sup> paid a portion towards their GEF-2 arrears.
  - Investment Income: Investment income earned over this period amounted to USD 60 million.
  - Cash Transfers to Agencies: The Trustee transferred USD 288 million to the Agencies for projects, project preparation grants, and fees, between April 30 and September 30, 2010.
9. **Restricted resources** represented 7.8% of Funds Held in Trust. **Table 2a** (Restricted Resources) shows deferred contributions, comprising the following: France USDeq. 58 million, Germany USDeq. 19 million and Japan USDeq. 185 million. The foreign exchange reserve of USD 45 million provides a buffer in the event that the GEF Trust Fund may not have sufficient funds to disburse against commitments already made by the Trustee, as a result of foreign exchange movements. The Trustee will begin reassessment of the actual reserve level for the GEF-5 taking into the currency composition and amounts of new pledges from contributing participants, the changes in market conditions and the GEF-5 programming level requirements.

<b>Table 2a: Restricted Resources</b>		
Status as of September 30, 2010 (in USDeq. millions)		
	<u>USDeq.</u>	<u>Percentage</u>
Deferred Contribution		
France a/	58	18.8%
Germany b/	19	6.3%
Japan a/	185	60.2%
Reserve to cover FX fluctuations	<u>45</u>	<u>14.7%</u>
<b>Total Restricted Resources</b>	<b>306</b>	<b>100%</b>
a/ Represents deferred contributions from the GEF-2 and GEF-3.		
b/ Represents deferred contributions from the GEF-3.		

<sup>3</sup> Canada, France, Pakistan, South Africa and the United Kingdom.

<sup>4</sup> United States paid USD 5.7 million towards their GEF-2 arrears.

10. **Approved amounts pending Cash Transfers to Agencies** – There was a net decrease of USD 182 million from April 30 to September 30, 2010, mainly reflecting the cash transfers made by the Trustee to the Agencies between April 30<sup>th</sup> and September 30<sup>th</sup>.
11. Highlights between April 30, 2010 and September 30, 2010:
- Total cash transfers amounted to USD 319 million.
  - New Funding Decisions: New funding decisions arising from Council or CEO approvals amounted to USDeq. 26 million. Trustee commitments during this period increased by USD 47 million.<sup>5</sup>

#### **IV. GEF-5 Envelope – Projected Value through the end of GEF-5 period**

12. **Table 3** depicts the GEF-5 Envelope projected value through the end of the GEF-5 Replenishment period, using September 30, 2010 exchange rates. Please note that the projected envelope amount for the full GEF-5 period is now valued at USDeq. 3,984 million. This amount is lower by USDeq. 356 million than the agreed Target Replenishment Funding of USDeq. 4,340 million due to exchange rate fluctuations, and the fact that some arrears and deferred contributions have not yet been projected to be available. As of September 30, 2010, the total arrears from previous replenishments amount to USDeq. 174 million. Of this amount, USDeq. 3 million represents installments under the GEF-4 that are expected to become available in the GEF-5 period.<sup>6</sup>

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<sup>5</sup> The Trustee commits funds to Agencies upon CEO endorsement of full size projects or enabling activities, or in the case of medium size projects, expedited enabling activities, and project preparation grants, CEO approval. In the case of administrative budget, the Trustee commits upon Council approval.

<sup>6</sup> The amount of USDeq. 3 million represents installments due from Brazil.

**Table 3: GEF-5 Specific Funding Decisions**  
(in US\$eq. millions)

Status as of September 30, 2010

<b>1. Target Replenishment Funding a/</b>			<b>4,340</b>
<b>2. Projected Available Resources during the GEF-5 Period</b>			<b>3,984</b>
<u>Estimated Funds available to support Council or CEO Financing Decisions</u>			<b>201</b>
	Potential Amount Available	of which Projected to be Available	
<u>Receivables</u>			<b>594</b>
- Arrears	174	3 b/	
- Due within 6 months c/	148	148	
- Due between 7 and 12 months c/	148	148	
- Due between 13 and 18 months c/	148	148	
- Due between 19 and 24 months c/	148	148	
<u>Release of Deferred Contributions</u>			<b>-</b>
- Deferred Contributions	261	-	
<u>IoCs not yet Deposited with the Trustee d/</u>	3,197	3,077	<b>3,077</b>
<u>Projected Investment Income</u>	112	112	<b>112</b>
<u>Total</u>	<b>4,215</b>	<b>3,783</b>	
<b>3. GEF-5 Specific Funding Decisions</b>			<b>0</b>
<u>Approvals by Council</u>			<b>0</b>
- Projects + Fees		0	
- Admin. Budget		-	
- Special Initiatives		-	
- Programmatic Initiatives		-	
<u>Approvals by CEO</u>			<b>-</b>
- Projects + Fees (MSPs, EEAs)		-	
- Project Preparation Activities + Fees		-	
<u>Net Changes to Initial Approvals e/</u>			<b>-</b>
<b>Pending decisions on Intersessionals and Council meetings</b>			<b>-</b>
- Projects, Fees, Admin Budget, Spcl Initiatives, Programmatic Initiatives		-	
<b>4. GEF-5 "Envelope" as of September 30, 2010 ( 4 = 2 + 3 )</b>			<b>3,984</b>
<b>5. Excess or (Shortfall) as Measured Against the Target in Line 1 ( 5 = 4 - 1 )</b>			<b>(356)</b>

- a/ Represents the target replenishment level as agreed, including new resources from Donors, projected investment income, and carryover of amounts from previous replenishments.
- b/ Represents remaining GEF-4 installments.
- c/ Represents a projected installment receivables amount for the GEF-5 based on Instruments of Commitment (IoCs) received up to September 30th, 2010. This projection does not include Donors who did not deposit IoCs by September 30th, 2010.
- d/ Represents GEF-5 and GEF-4 IoCs (Italy and Nigeria) not yet received by the Trustee.
- e/ To fit the GEF Secretariat's RAF model, pre-GEF-5 project net changes were excluded from the calculation.



13. **Table 3a** shows the current projected USD value of the GEF-5 envelope based on the most recent information provided by Contributing Participants (Scenario A). It also shows the projected USD value of the GEF-5 envelope under a “best case scenario”(Scenario B).
14. Under Scenario A, the projected USD value of the GEF-5 envelope is USDeq. 3,984 million, based on the following assumptions:
- USD 3 million representing installments arrears under GEF-4 are paid;
  - All GEF-5 pledges are committed and paid in full during the GEF-5 period; and
  - Investment income amounting to USD 112 million is earned between September 30, 2010 and the end of GEF-5 period.
15. Based on these assumptions, the total projected envelope amount represents a shortfall of about USD 356 million when compared with the Target Replenishment Funding<sup>7</sup> as agreed value of the replenishment (USD 4,340 million). When comparing the current value of the envelope with the Target Replenishment Funding, it is important to note that the current value of the envelope is reduced by the reserve for foreign exchange movements (USD 45 million). The foreign exchange reserve was not taken into account in the Target Replenishment Funding.
16. Scenario B (“Best Case Scenario”) shows that if all the potential resources were to become available during the GEF-5 period (i.e. arrears from GEF-1 to GEF-4 and deferred contributions from GEF-2 and GEF-3), the total projected envelope amount would be USDeq. 4,536 million, an excess of USD 196 million (or about 4.5%) over the Target Replenishment Level.
17. Scenario B is based on the following assumptions with respect to the period between September 30, 2010 and the end of GEF-5 period:
- All arrears are paid during the GEF-5 period (USDeq. 174 million; **Table 3b** shows a detailed breakdown);
  - All deferred contributions are released (USDeq. 261 million); and
  - All outstanding IoCs under GEF-4 and GEF-5 are deposited with the Trustee and corresponding payments are received (USDeq. 3,197 million).

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<sup>7</sup> Represents the target replenishment level as agreed including new resources from Contributing Participants, projected investment income, and carryover of amounts from previous replenishments.

Table 3a: GEF-5 Specific Funding Decisions (Scenario Analysis)						
Status as of September 30, 2010						
(in USDeq. millions)						
	Scenario A			Scenario B		
	Trustee Expectations			Best Case Scenario		
1. Target Replenishment Funding a/	4,340			4,340		
2. Projected Available Resources during the GEF-5 Period	3,984			4,536		
Estimated Funds available to support Council or CEO Financing Decisions	201			201		
	Potential Amount Available	of which Projected to be Available		Potential Amount Available	of which Projected to be Available	
Receivables			594			765
- Arrears	174	3 b/		174	174	
- Due within 6 months c/	148	148		148	148	
- Due between 7 and 12 months c/	148	148		148	148	
- Due between 13 and 18 months c/	148	148		148	148	
- Due between 19 and 24 months c/	148	148		148	148	
			126			
Release of Deferred Contributions			-			261
- Deferred Contributions	261	-		261	261	
IoCs not yet Deposited with the Trustee d/	3,197	3,077	3,077	3,197	3,197	3,197
Projected Investment Income	112	112	112	112	112	112
Total	4,215	3,783		4,215	4,335	
3. GEF-5 Specific Funding Decisions	0			0		
Approvals by Council			0			-
- Projects + Fees		0			0	
- Admin. Budget		-			-	
- Special Initiatives		-			-	
- Programmatic Initiatives		-			-	
Approvals by CEO			-			-
- Projects + Fees (MSPs, EEAs)		-			-	
- Project Preparation Activities + Fees		-			-	
Net Changes to Initial Approvals e/			-			-
Pending decisions on Intersessionals and Council meetings			-			-
- Projects, Fees, Admin Budget, Spcl Initiatives, Programmatic Initiatives		-			-	
4. GEF-5 "Envelope" as of September 30, 2010 ( 4 = 2 + 3 )	3,984			4,536		
5. Excess or (Shortfall) as Measured Against the Target in Line 1 ( 5 = 4 - 1 )	(356)			196		
a/ Represents the target replenishment level as agreed, including new resources from Donors, projected investment income, and carryover of amounts from previous replenishments. b/ Represents remaining GEF-4 installments. c/ Based on Instruments of Commitment (IoCs) received to date. Once the GEF-5 Replenishment has reached Advance Contribution Scheme Effectiveness, the GEF-5 installment schedule will be known and projections will be based on this schedule. d/ Represents GEF-5 and GEF-4 IoCs (Italy and Nigeria) not yet received by the Trustee. e/ To fit the GEF Secretariat's RAF model, pre-GEF-5 project net changes were excluded from the calculation.						

18. **Table 3b** (Arrears) details the arrears to the GEF Trust Fund by Contributing Participant as of September 30, 2010.<sup>8</sup> During October 2010, the Trustee received USD 2.28 million from Argentina representing full clearance of its arrears under the GEF-1.

<b>Table 3b: Arrears</b>						
Status as of September 30, 2010 (in millions)						
Contributing Participant	Amount Paid as a % of Total Contribution	Repl.	Currency	Arrears Amount	Arrears as a % of Total Contribution	USD eq. a/
Argentina b/	54.5%	GF01	USD	2.28	45.5%	2.28
Brazil c/	49.6%	GF04	SDR	2.02	50.4%	3.14
Egypt, Arab Republic of	86.7%	GF01	SDR	0.53	13.3%	0.83
Nigeria	25.0%	GF03	SDR	3.00	75.0%	4.67
United States	68.6%	GF02	USD	134.97	31.4%	134.97
United States	93.5%	GF03	USD	28.06	6.5%	28.06
<b>Total</b>						<b>173.9</b>

a/ Valued at September 30, 2010 exchange rates.  
b/ The Trustee received Argentina's contribution payment in October 2010.  
c/ Brazil deposited its GEF-4 Instrument of Commitment to the Trustee and paid 50% of its contribution. Brazil has notified the Trustee that it intends to pay its next installment in December 2010 and the final installment in December 2011.

## V. Investment Portfolio and Income

19. **Table 4** (GEF Trust Fund Asset Mix) illustrates the composition of instruments in the GEF Trust Fund portfolio as of September 30, 2010. Assets held in trust by the World Bank (as the Trustee), including the GEF Trust Fund, are maintained in a commingled investment portfolio (the “Pool”) 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 trust funds administered by the World Bank. The Pool is actively managed so that the probability of incurring negative returns is no more than 1% over the applicable investment horizon.

<sup>8</sup> According to Sub-paragraph 4(a) of the GEF-4 Replenishment Resolution, No. 2006-0008, “the Trustee shall remind the Contributing Participant of the obligations it will incur if a delay persists. If payment has not been made 30 days before the date of the next Council meeting following the date on which the delay incurred, the responsible Minister of the Contributing Participant concerned shall provide the Chief Executive Officer/Chairperson with a written communication stating the reasons for the delay and the measures taken to address it.” A similar provision is provided for in paragraph 4(a) in the GEF-3 Replenishment Resolution.

**Table 4: GEF Trust Fund Asset Mix**  
As of September 30, 2010 (in USD millions)

<u>Asset Class</u>	<u>Percentage</u>
Domestic Govt	35%
Mortgage Backed Sec	30%
Asset Backed Sec	4%
Agency	4%
Sovereign/Govt Gtd	21%
Money Market	6%
Corporate	0%
	100%

20. **Table 4a** (Investment Returns on GEF Trust Fund) outlines the investment returns on GEF Trust Fund for the calendar year to date, the fiscal year to date, the previous calendar year, and the previous fiscal year. The rate of return for the first nine months of the calendar year stands at 2.99%, which is higher than the returns of the GEF Trust Fund for entire calendar year 2009.
21. Returns in 2008 were abnormally high relative to historical levels due to capital appreciation in the low-risk assets in the portfolio that performed well during the financial crisis. An increase in investor risk appetite through 2009 and much of 2010 has resulted in lower returns for those assets. Indeed, the prevailing low interest rate environment and risk of upward moves in yields means returns on fixed income assets are likely to remain very low in the near term.

**Table 4a: Investment Returns on GEF Trust Fund**

As of September 30, 2010 (in USD millions)

<u>Fund Balance</u>	<u>Sep-10</u>	<u>CY 2010</u>	<u>FY11 to date</u>	<u>CY 2009</u>	<u>FY10</u>
3,028	0.01%	2.99%	0.81%	2.82%	3.55%

\* The figures presented above are based on accounting records available as of September 30, 2010.

22. **Table 4b** (GEF Trust Fund Investment Income) shows investment income earned on the GEF Trust Fund balance as of September 30, 2010. The total amount of investment income earned since the beginning of GEF-1 (July 1, 1994) is USD 991 million.

- The final GEF-4 realized investment income is USD 569 million, representing an excess of USD 201 million over the amount projected at the close of the GEF-4 replenishment negotiations.
- Since the beginning of the GEF-5 replenishment period, USD 25 million has been accrued to the GEF Trust Fund.

<b>Table 4b: GEF Trust Fund Investment Income (FY basis) a/</b> Status as of September 30, 2010 (in USD millions)					
<u>Investment Income</u>					
	<u>Projected in</u>		<u>Realized</u>	<u>Rate of Return</u>	
	<u>Resolution</u>				
GEF-1	- b/		106	4.2%	d/
GEF-2	- b/		166	5.7%	d/
GEF-3	130		125	1.9%	d/
GEF-4	368		569 c/	5.3%	
GEF-5	112		25	3.2%	e/
<b>Total</b>	<b>610</b>		<b>991 a/</b>		

a/ Total investment income does not include investment income earned during the Pilot Phase (USD 31 million). Total investment income as of September 30, 2010, including Pilot Phase, amounts to USD 1,022 million.

b/ Projected investment income was not included as a financial component in the GEF-1 and GEF-2 replenishment agreements.

c/ This amount represents the final realized investment income for GEF-4.

d/ Rate of return calculated using average annual trust fund balance for each replenishment period.

e/ Rate of return as of September 30, 2010.

\* The figures presented above are based on accounting records available as of September 30, 2010.

## VI. Cumulative Resources of the GEF-4 since Inception

23. **Table 5** (Cumulative Resources and Funding Decisions) shows the total Cumulative Resources of the GEF Trust Fund and the cumulative funding decisions made since inception of the GEF. The Cumulative Resources of USDeq. 14.3 billion include resources not yet received (which comprise IoCs not yet deposited with the Trustee) and Installment Receivables. Cumulative Resources exceed the Target Programming Level by USDeq. 659 million.

**Table 5: Cumulative Resources and Funding Decisions**  
Inception to September 30, 2010 (in USDeq. millions)

<b>1. Target Programming Level a/</b>		<b>13,657</b>
<b>2. Cumulative Resources b/</b>		<b>14,316</b>
<u>Resources not yet received</u>		<u>3,841</u>
GEF-5 IoCs not yet Deposited with the Trustee	2,951	
GEF-4 and pre-GEF-4 IoCs not yet Deposited with the Trustee	126	
Installment Receivables c/	765	
<u>Resources received d/</u>		<u>10,475</u>
Cash receipts from Installments and Encashments	8,617	
Unenchashed Promissory Notes	895	
Investment Income Earned on Undisbursed Balances of GEF Funds e/	962	
<b>3. Cumulative Funding Decisions</b>		<b>10,038</b>
Approvals by Council and CEO	10,806	
Cancellations	(769)	
Pending decisions on Intersessionals and Council meetings	-	
<b>4. Cumulative Resources Net of Funding Decisions (4 = 2 - 3)</b>		<b>4,278</b>
<b>5. Excess (shortfall) as Measured Against the Target in Line 1 (5 = 2 - 1)</b>		<b>659</b>

a/ This amount represents the targeted new resources as agreed by Donors during replenishment discussions; it excludes the agreed carryover of arrears, deferred contributions, and paid-in funds not yet set aside.

b/ This amount represents the actual USD value of resources to the GEF Trust Fund since the Pilot Phase of the GEF.

c/ Represents IoCs deposited with the Trustee but not yet converted into cash or notes.

d/ Includes restricted contributions that are not yet available to support GEF operations.

e/ Includes realized investment income from Pilot Phase to September 30, 2010.

\* The figures presented above are based on accounting records available as of September 30, 2010.

24. In **Table 5a**, IoCs not yet deposited with the Trustee are in respect of pledges from Italy (USDeq. 120 million) and Nigeria (USDeq. 6 million). Until received in cash, these resources are subject to fluctuations in exchange rates.

**Table 5a: GEF-4 IoCs Not Yet Deposited with the Trustee a/**

Status as of September 30, 2010

(in USDeq. millions) b/

<u>Contributing Participant b/</u>	<u>Currency of Obligation</u>	<u>USDeq.</u>	<u>Percentage</u>
Italy	EUR	120	95.1%
Nigeria	SDR	6	4.9%
<b>Total IoCs Not Yet Deposited</b>		<b>126</b>	

a/ Represents pledges made during the GEF-4 discussions.

b/ Valued at September 30, 2010 exchange rates

\* The figures presented above are based on accounting records available as of September 30, 2010.

25. Installment Receivables as of September 30, 2010 is estimated to be USDeq. 765 million. Of these installment receivables, 77.2% represents GEF-5 installments, based on the Instrument of Commitments received by the Trustee as of September 30, 2010. It is assumed that these installments will become available upon reaching effectiveness of Advance Contribution Scheme of the GEF-5. The majority of remaining 22.8% of installment receivables is from GEF-2 installments which represent the arrears of United States.

<b>Table 5b: Installment Receivables</b>		
Status as of September 30, 2010 (in USDeq. millions)		
<u>Replenishment</u>	<u>USDeq.</u>	<u>Percentage</u>
GEF-1 a/	3	0.4%
GEF-2 b/	135	17.7%
GEF-3 c/	33	4.3%
GEF-4 d/	3	0.4%
GEF-5 e/	591	77.2%
<b>Total Installments</b>	<b>765</b>	
a/ Represents the arrears of Argentina and Egypt.		
b/ Represents the arrears of the United States.		
c/ Represents the arrears of Nigeria and the United States.		
d/ Represents outstanding installments from the GEF-4.		
e/ Represents a projected installment receivables amount for the GEF-5 based on Instruments of Commitment (IoCs) received up to September 30th, 2010. This projection does not include Donors who did not deposit IoCs by September 30th, 2010.		
* The figures presented above are based on accounting records available as of September 30, 2010.		

## VII. Funding Decisions since Inception

26. **Table 6** (Funding Decisions against Total Cumulative Resources – Inception to September 30, 2010) shows initial funding decisions made by the Council and the CEO. Total funding decisions represent about 76% of cumulative GEF resources.

- This amount has been offset by cumulative cancellations totaling USD 769 million, or about 7% of approvals.
- Total net cumulative funding decisions (including pending decisions) amount to USD 10.8 billion, about 76% of cumulative GEF resources.

**Table 6: Funding Decisions Against Total Cumulative Resources**

Inception to September 30, 2010 (in USD millions)

	Funding Decisions	Percentage against Total Cumulative Resources
Project and Project Preparation a/	9,674	67.6%
Project Fees	592	4.1%
Administrative Budget	541	3.8%
<b>Total</b>	<b>10,806</b>	<b>75.5%</b>
<b>Total Cumulative Resources</b>	<b>14,316</b>	

a/ Includes Programmatic Initiatives.

\* The figures presented above are based on accounting records available as of September 30, 2010.

27. **Table 6a** (Funding Decisions by Agency – Projects and Fees – Inception to September 30, 2010) shows the total funding decisions by Implementing Agencies since inception of the GEF Trust Fund, including the Pilot Phase.

- 84% of the funding decisions for projects and fees were approved for IBRD and UNDP.
- The share approved for UNEP amounts to about 9%; the remaining 7% was approved funding to the other seven Agencies.

**Table 6a: Funding Decisions by Agency – Projects and Fees a/**

Inception to September 30, 2010 (in USD millions)

	Funding Decisions	Percentage of Total Funding Decisions
ADB	141	1.4%
AfDB	11	0.1%
EBRD	40	0.4%
FAO	82	0.8%
IADB	101	1.0%
IBRD	4,667	47.6%
IFAD	100	1.0%
UNDP	3,524	35.9%
UNEP	904	9.2%
UNIDO	236	2.4%
<b>Total</b>	<b>9,806</b>	<b>100%</b>

a/ Includes stand alone projects, projects attached to Programmatic Initiatives, fees and project preparation activities.

\* The figures presented above are based on accounting records available as of September 30, 2010.



28. **Table 6b** (Project Funding Decisions by Focal Area) shows the breakdown of Council and CEO cumulative funding decisions by focal area, taking into account only the amounts approved for projects (i.e. excluding fees). Projects in the areas of biodiversity and climate change represent approximately 65% of the cumulative funding approved to date.

<b>Table 6b: Project Funding Decisions by Focal Area</b>		
Inception to September 30, 2010 (in USD millions)		
Focal Area	Funding Decisions a/	Percentage
Biodiversity	3,095	32.6%
Climate Change	3,104	32.7%
International Waters	1,135	11.9%
Land Degradation	366	3.9%
Multi-focal Areas	1,192	12.5%
Ozone Depletion	180	1.9%
Persistent Organic Pollutants	431	4.5%
<b>Total</b>	<b>9,504</b>	

a/ Includes Funding Decisions for Projects attached to Programmatic Initiatives.  
 \* The figures presented above are based on accounting records available as of September 30, 2010.

29. **Table 6c** (Funding Decisions by Replenishment) shows the cumulative funding decisions by Replenishments including related cancellations. The funding approvals under GEF-5 represent an approval of USD 25,000 for a project preparation grant.

<b>Table 6c: Funding Decisions by Replenishment</b>						
Inception to September 30, 2010 (in USD millions)						
	<u>GEF-Pilot</u>	<u>GEF-1</u>	<u>GEF-2</u>	<u>GEF-3</u>	<u>GEF-4</u>	<u>GEF-5</u>
Programmatic Initiatives Approved	-	-	119	312	1,028	-
Projects, Project Preparation and						
Administrative Budget Approvals	782	1,518	2,361	2,704	1,982	0 c/
<b>Total Funding Decisions</b>	<b>782</b>	<b>1,518</b>	<b>2,481</b>	<b>3,016</b>	<b>3,010</b>	<b>0</b>
Minus Cancellations a/ b/	(93)	(268)	(168)	(197)	(42)	-
<b>Net Total Funding Decisions</b>	<b>689</b>	<b>1,250</b>	<b>2,312</b>	<b>2,819</b>	<b>2,968</b>	<b>0</b>

a/ Cancellations include unused amounts from closed projects, dropped projects, reductions from endorsements.  
 b/ Cancellation amounts by replenishment relate to projects approved during the respective replenishment period.  
 c/ Represents an approval of USD 25,000 for a project preparation grant (GEF Secretariat Project ID 4285).  
 \* The figures presented above are based on accounting records available as of September 30, 2010.

30. **Table 6d** (Funding Decisions – Trustee Commitments and Cash Transfers to Agencies) shows the cumulative commitments and cash transfers to the GEF Agencies from inception to September 30, 2010.

<b>Table 6d: Funding Decisions</b>			
<b>– Trustee Commitments and Cash Transfers to Agencies a/</b>			
Inception to September 30, 2010 (in USD millions)			
	<u>Council/CEO</u>	<u>Trustee</u>	
	<u>Funding Decisions</u>	<u>Commitments b/</u>	<u>Cash Transfers</u>
ADB	141	88	41
AfDB	11	6	0
EBRD	40	10	2
FAO	82	41	15
IADB	101	68	28
IBRD	4,667	3,832	2,597
IFAD	100	79	53
UNDP	3,524	3,057	2,123
UNEP	904	725	573
UNIDO	236	120	56
<b>Total</b>	<b>9,806</b>	<b>8,026</b>	<b>5,488</b>

a/ Includes stand alone projects, projects attached to Programmatic Initiatives, fees and project preparation activities.

b/ Reflects initial Trustee commitments less cancellations and unused amounts from financially closed projects.

\* The figures presented above are based on accounting records available as of September 30, 2010.

Note: Figures presented in the tables may not add up due to rounding.