



June 30, 2012

# Trust Fund for the Secretariat of the Global Environment Facility

Supported administratively by the International Bank for Reconstruction and  
Development on behalf of the Secretariat of the Global Environment Facility

**World Bank Reference: TF050495, TF050496 &  
TF070613**

**Independent Auditors' Report and Statement of Receipts,  
Disbursements and Fund Balance**

**The World Bank Group**

Trust Funds Division, Client Services Department

Controller's Vice Presidency

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## Independent Auditors' Report

International Bank for Reconstruction and Development on behalf of the Secretariat of the Global Environment Facility – TF050495, TF050496 and TF070613

We have audited the accompanying statement of receipts, disbursements and fund balance (the Statement) of the Trust Fund for the Secretariat of the Global Environment Facility – TF050495, TF050496 and TF070613 (the Trust Fund) supported administratively by the International Bank for Reconstruction and Development for the fiscal year ended June 30, 2012. The Statement is the responsibility of the Trust Fund's management. Our responsibility is to express an opinion on the Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Administrator's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement, assessing the accounting principles used and significant estimates made by the Administrator's management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the Statement was prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles or International Financial Reporting Standards.

In our opinion, the Statement referred to above presents fairly, in all material respects, the receipts, disbursements and fund balance of the Trust Fund for the fiscal year ended June 30, 2012, in conformity with the basis of accounting described in Note 2.

As described in Note 13, the accompanying statement of receipts, disbursements and fund balance of the Trust Fund for the period from March 14, 1991 (date of inception) to June 30, 2012, was not audited by us and, accordingly, we do not express an opinion on it.

**KPMG LLP**

October 12, 2012

# STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

Expressed in U.S. dollars

		For the fiscal year ended June 30, 2012	March 14, 1991 (date of inception) to June 30, 2012 (Unaudited, see Note 13)
	Notes		
Transfers-in from GEF Trust Fund for:			
Corporate budget	5	\$14,588,430	\$203,103,501
Evaluation office	6	4,790,000	32,478,181
Grant commitments	7	-	4,348,600
GEF Reformed Country Support Program	10	-	25,508,695
		<u>19,378,430</u>	<u>265,438,977</u>
Net investment income	3	-	15,100
Donor contributions	8	-	595,674
Donor contributions - Evaluation office	8	-	653,099
Donor contributions - WSSD	8	-	150,000
Other receipts	12	-	278,128
<b>Total receipts</b>		<u>19,378,430</u>	<u>267,130,978</u>
Corporate budget disbursements	5, 9	16,279,710	195,499,086
Evaluation office disbursements	6, 9	4,269,633	32,597,405
Grant commitments disbursements	7	115,746	2,902,351
GEF Reformed Country Support Program disbursements	10	1,001,386	2,123,168
Transfer to GEF Country Support Program Trust Fund	10	23,385,311	23,385,311
Return to GEF Trust Fund - Unutilized funds	11	-	2,093,629
Refund to donor	11	-	18,702
<b>Total disbursements</b>		<u>45,051,786</u>	<u>258,619,652</u>
Excess of (disbursements over receipts) / receipts over disbursements		(25,673,356)	8,511,326
<b>Fund balance:</b>			
Beginning of period		<u>34,184,682</u>	-
End of period		<u>\$8,511,326</u>	<u>\$ 8,511,326</u>
Fund balance consists of:			
Trust Fund's share of the cash and investments in the Pool	4	<u>\$8,511,326</u>	<u>\$ 8,511,326</u>

The accompanying notes are an integral part of this Statement of Receipts, Disbursements and Fund Balance.

## NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2012

*All amounts expressed in U.S. dollars unless otherwise noted*

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### **Note 1 - Organization and operation of the Global Environment Facility**

The Global Environment Facility (GEF) was formally established in 1994 by the Instrument for the Establishment of the Restructured Global Environment Facility (the Instrument). GEF provides grants and concessional financing to eligible countries in order to achieve global environmental benefits in six focal areas specified in the Instrument and its amendments, including: climate change, biological diversity, international waters, ozone layer depletion, persistent organic pollutants and land degradation.

Under the Instrument, contributions to the GEF and all other assets and receipts of the GEF are held in the Global Environment Facility Trust Fund (the GEF Trust Fund), which in accordance with the provisions of the Instrument, was started on March 16, 1995. On that date, the Global Environment Trust Fund (GET) (a funding mechanism for the GEF, established on March 14, 1991 as a pilot program) was terminated and all funds, receipts, assets and liabilities held in the GET were transferred to the GEF Trust Fund at book value. The GEF Trust Fund is administered by the International Bank for Reconstruction and Development (IBRD) as Trustee.

The Secretariat of the GEF (the Secretariat) coordinates the formulation of projects included in the annual work program, oversees their implementation, and makes certain that operational strategy and policies are followed. The Secretariat is supported administratively by IBRD but it operates in an independent manner to discharge the responsibilities assigned to it under the Instrument.

The monitoring and evaluation functions of the GEF were established in 1994 and are now performed by the GEF Evaluation Office (EO). Since 2003, the EO has operated independent of the Secretariat management in the conduct of the evaluations that it undertakes, and reports directly to the GEF Council (the governing body of the GEF). The EO has the central role of ensuring the evaluation function within the GEF, of setting minimum requirements for monitoring and evaluation, of ensuring oversight of the quality of monitoring and evaluation systems on a program and project level and, of sharing evaluation evidence within the GEF network.

# NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2012

*All amounts expressed in U.S. dollars unless otherwise noted*

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This Statement of Receipts, Disbursements and Fund Balance (Statement) reports only the receipts, disbursements and fund balance of the Trust Fund for the Secretariat, including EO, of the GEF (the Trust Fund). A separate financial statement is prepared for the GEF Trust Fund. The Trust Fund has the same date of inception of March 14, 1991 as the GET (this date is hereinafter referred to as 'Inception').

IBRD performs certain administrative, accounting, financial reporting and treasury services related to the Trust Fund's activities, on behalf of the Secretariat and EO.

The Trust Fund's activities are executed by IBRD, on behalf of the Secretariat and EO. As part of its executing activities, IBRD, on behalf of the Secretariat and EO, prepares terms of reference, procures goods and services from suppliers, disburses funds and submits progress reports and audited financial reports to the GEF Council for these activities.

## **Note 2 - Significant accounting policies**

This Statement has been prepared on the cash receipts and disbursements basis of accounting, modified to record the Trust Fund's share in the pooled cash and investments at fair value (modified cash basis of accounting). Accordingly, net investment income includes realized and unrealized investment income/loss. In accordance with the provisions of the Instrument, net investment income of the Trust Fund is credited directly to the GEF Trust Fund and as such is not reflected in the Statement, with the exception of net investment income earned on contributions received towards the GEF Third Assembly and Associated Meetings, which was credited to the Trust Fund, in accordance with the agreement with Denmark (see Note 3). This Statement is presented in U.S. dollars, which is the Trust Fund's functional and presentation currency.

The modified cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP) or International Financial Reporting Standards (IFRS); therefore, the Statement is not intended to be a presentation in conformity with U.S. GAAP or IFRS. Receipts, with the exception of net investment income, as described above, are reported when collected (i.e., when credited to the Trust Fund) rather than when pledged/earned, and disbursements are reported when paid (i.e., when debited to the Trust Fund) rather than when incurred.

## NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2012

*All amounts expressed in U.S. dollars unless otherwise noted*

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In accordance with the modified cash basis of accounting, as described above, and with the policies adopted for the administration of the Trust Fund, certain transactions are reported in this Statement in the period in which the transaction is credited/debited to the Trust Fund, rather than in the period to which they relate. These may include contributions not credited to the Trust Fund at the period end date due to timing or other reasons, repostings of disbursements in the ordinary course of business, as deemed necessary, and any refunds of previous disbursements deemed by IBRD, on behalf of the Secretariat and EO, to be ineligible in accordance with the relevant agreements.

Amounts paid into the Trust Fund, but not yet disbursed are managed by IBRD, which maintains an investment portfolio (the Pool) for all of the trust funds administered by IBRD, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency, and the International Centre for Settlement of Investment Disputes (collectively, the World Bank Group). IBRD, on behalf of the World Bank Group, maintains all trust fund assets separate and apart from the funds of the World Bank Group. The Pool is divided into sub-portfolios to which allocations are made based on fund specific investment horizons, risk tolerances and/or other eligibility requirements for trust funds with common characteristics as determined by IBRD, on behalf of the World Bank Group in accordance with trust fund agreements. These sub-portfolios may hold all or a portion of the instruments held by the Pool.

Generally, the Pool includes cash and liquid financial instruments such as government and agency obligations, time deposits, money market securities and asset-backed securities. The Pool may also include securities pledged as collateral under repurchase agreements as well as derivatives with other counterparties, and receivables from resale agreements as well as derivatives for which it has accepted collateral. Additionally, the Pool includes derivative contracts such as currency forward contracts, currency swaps, interest rate swaps, and the contracts to purchase or sell mortgage-backed securities to-be-announced (TBAs). Payables and receivables associated with the investment activities are also included in the Pool.

The Pool is a trading portfolio and is reported at fair value, with gains/losses included in net investment income. The share in pooled cash and investments represents the Trust Fund's share of the Pool's fair value at the end of each reporting period.

## **NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE**

**June 30, 2012**

*All amounts expressed in U.S. dollars unless otherwise noted*

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Disbursements for activities executed by IBRD, on behalf of the Secretariat and EO, are made from its resources (see Note 9). These disbursements are reimbursed by the Trust Fund to IBRD on a regular basis. To the extent that disbursements are made in currencies other than U.S. dollars, IBRD may be reimbursed a different amount due to the difference in exchange rates on various dates and as such, transaction gains or losses on disbursements, if any, are borne by IBRD.

The preparation of this Statement requires management to make estimates and assumptions based upon information available as of the date of this Statement. Actual results could differ from these estimates. Areas in which management makes estimates and assumptions in determining the amounts to be recorded include the fair value of financial instruments.

### **Note 3 - Net investment income**

Net investment income consists of the Trust Fund's allocated share of the following: interest income earned by the Pool, realized gains/losses from sales of securities and unrealized gains/losses resulting from recording the assets held by the Pool at fair value. Net investment income earned on funds held by the Trust Fund is credited directly to the GEF Trust Fund and therefore is not reflected in this financial statement, except net investment income in the amount of \$15,100 (Unaudited, see Note 13) on contributions received towards the GEF Third Assembly and Associated Meetings, all of which was credited to the Trust Fund, prior to July 1, 2011, in accordance with an agreement with Denmark.

### **Note 4 - Fair value of financial instruments**

The Trust Fund's share in the Pool is not traded in any market; however, the underlying assets within the Pool are reported at fair value. All investment decisions are made and performance is monitored at the Pool level. The disclosure on fair value measurement and fair value hierarchy is therefore at the Pool level. The fair value amount of the Trust Fund's share of the cash and investments in the Pool at the end of each reporting period is also disclosed.

## NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2012

All amounts expressed in U.S. dollars unless otherwise noted

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### ***Fair value measurements***

IBRD, on behalf of the World Bank Group, has an established and documented process for determining fair value. Fair value is based upon quoted market prices for the same or similar securities, where available. Financial instruments for which quoted market prices are not readily available are valued based on discounted cash flow models. These models primarily use market-based or independently-sourced market parameters such as yield curves, interest rates, volatilities, foreign exchange rates and credit curves, and may incorporate unobservable inputs. Selection of these inputs involves judgment. The Pool may include financial instruments such as government and agency obligations, time deposits, money market securities, asset-backed securities, securities purchased under resale agreements and securities sold under repurchase agreements, and derivatives.

The techniques applied in determining the fair values of financial instruments are summarized below:

### *Government and agency obligations and asset-backed securities*

Where available, quoted market prices are used to determine the fair value of government and agency obligations and asset-backed securities. For securities for which quoted market prices are not readily available, fair values are determined using model-based valuation techniques, either internally-generated or vendor-supplied, that include the standard discounted cash flow method using market observable inputs such as yield curves, credit spreads, prepayment speeds, foreign exchange rates, and funding spreads.

### *Time deposits and money market securities*

Unless quoted prices are available, time deposits and money market securities are reported at face value, which approximates fair value.

### *Securities purchased under resale agreements and securities sold under repurchase agreements*

Securities purchased under resale agreements and securities sold under repurchase agreements are reported at face value, which approximates fair value.

### *Derivative contracts*

Derivative contracts include currency forward contracts, currency swaps, interest rate swaps, and contracts to purchase or sell TBA securities. Derivatives are valued using model based valuation techniques, which include the standard discounted cash flow method with market observable inputs such as yield curves, foreign exchange rates, basis spreads and funding spreads.

## NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2012

*All amounts expressed in U.S. dollars unless otherwise noted*

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### **Fair value hierarchy**

Financial instruments representing the pooled investments for all of the trust funds administered by the World Bank Group are recorded at fair value and are categorized based on the inputs to the valuation techniques as follows (in order of priority placed on the inputs):

- Level 1: Financial instruments whose values are based on unadjusted quoted prices for identical instruments in active markets.
- Level 2: Financial instruments whose values are based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; or pricing models for which all significant inputs are observable, either directly or indirectly for substantially the full term of the instrument.
- Level 3: Financial instruments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety. Thus, a Level 3 fair value measurement of the instrument may include inputs that are observable (Level 2) and unobservable (Level 3).

As of June 30, 2012 and June 30, 2011, the Pool does not have any financial instruments measured at fair value on a non-recurring basis.

The following tables present the Pool's fair value hierarchy for financial instruments measured at fair value on a recurring basis as of June 30, 2012 and June 30, 2011. Payables and receivables associated with the investment activities and cash are not included in the fair value hierarchy tables as their carrying amounts approximate their fair values.

## NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2012

All amounts expressed in U.S. dollars unless otherwise noted

The Trust Fund's share of the Pool's financial instruments may comprise varying proportions among the three levels.

*In millions of U.S. dollars*

	Fair Value Measurement on a Recurring Basis as of June 30, 2012			
	Level 1	Level 2	Level 3	Total
Government and agency obligations	\$4,506	\$ 8,400	\$-	<b>\$12,906</b>
Time deposits and money market securities	529	8,145	-	<b>8,674</b>
Asset-backed securities	-	3,349	1	<b>3,350</b>
Securities purchased under resale agreements and securities sold under repurchase agreements, net	50	(20)	-	<b>30</b>
Derivatives, net	-	76	-	<b>76</b>
<b>Total of financial instruments in the Pool at fair value</b>	<b>\$5,085</b>	<b>\$19,950</b>	<b>\$1</b>	<b>\$25,036</b>

*In millions of U.S. dollars*

	Fair Value Measurement on a Recurring Basis as of June 30, 2011			
	Level 1	Level 2	Level 3	Total
Government and agency obligations	\$3,794	\$ 6,783	\$-	<b>\$10,577</b>
Time deposits and money market securities	903	10,390	-	<b>11,293</b>
Asset-backed securities	-	3,586	7	<b>3,593</b>
Securities purchased under resale agreements and securities sold under repurchase agreements, net	-	(752)	-	<b>(752)</b>
Derivatives, net	-	(154)	-	<b>(154)</b>
<b>Total of financial instruments in the Pool at fair value</b>	<b>\$4,697</b>	<b>\$19,853</b>	<b>\$7</b>	<b>\$24,557</b>

During the fiscal years ended June 30, 2012 and June 30, 2011, neither transfers between levels nor changes in the fair value of Level 3 securities were significant; therefore, no further disclosures on these items are included.

## NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2012

All amounts expressed in U.S. dollars unless otherwise noted

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### **Risks management related to the Pool**

The Trust Fund is exposed to credit risk on its share of the cash and investments in the Pool. IBRD, on behalf of the World Bank Group, limits investments to those financial instruments with minimum credit ratings at the time of purchase in the U.S. markets or equivalent as follows:

- Government and agency obligations - issued or unconditionally guaranteed by government agencies rated at least AA- if denominated in a currency other than the home currency of the issuer, otherwise no rating is required. Obligations issued by an agency or instrumentality of a government, a multilateral organization or any other official entity require a minimum credit rating of AA-;
- Time deposits and money market securities - issued or guaranteed by financial institutions whose senior debt securities are rated at least A-;
- Asset-backed securities - minimum rating must be AAA; and
- Derivatives - counterparties must have a minimum rating of A+.

IBRD, on behalf of the World Bank Group, may require collateral in the form of cash or other approved liquid securities from individual counterparties in connection with resale agreements as well as derivatives. This collateral serves to mitigate IBRD's exposure to credit risk. The risk is also mitigated through the application of eligibility criteria and volume limits for transactions with individual counterparties and through the use of mark-to-market collateral arrangements for derivatives.

Under resale agreements, IBRD, on behalf of the World Bank Group, has received securities as collateral with a fair value of \$75 million and nil as of June 30, 2012 and June 30, 2011, respectively and is permitted to sell or repledge these securities. No securities have been sold or repledged as of June 30, 2012. As of June 30, 2012 and June 30, 2011, the carrying amount of securities pledged as collateral under repurchase agreements was \$45 million and \$751 million, respectively.

The fair value of collateral received related to derivatives was \$128 million and \$1 million as of June 30, 2012 and June 30, 2011, respectively; IBRD, on behalf of the World Bank Group, is permitted to repledge the entire amount. As of June 30, 2012 and June 30, 2011, no collateral received related to derivatives has been repledged. The carrying amount of collateral paid to the counterparties was nil and \$0.9 million as of June 30, 2012 and June 30, 2011, respectively.

## NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2012

All amounts expressed in U.S. dollars unless otherwise noted

### **Trust Fund's share of cash and investments in the Pool**

The Trust Fund's share of cash and investments in the Pool, which was allocated to a sub-portfolio based on the specific investment horizons, risk tolerances and other eligibility requirements pursuant to the agreement, has a fair value of \$8,511,326 and \$34,184,682 as of June 30, 2012 and June 30, 2011, respectively.

The following table presents investment holdings at fair values in the sub-portfolio in terms of the counterparty credit risk exposure and investment categories as of June 30, 2012 and June 30, 2011.

<b>Counterparty credit ratings</b>	<b>As of June 30, 2012</b>	<b>As of June 30, 2011</b>
AA or greater	68%	55%
A- or greater	100%	100%
<b>Types of financial instruments</b>		
Government and agency obligations	65%	60%
Time deposits and money market securities	35%	43%
Securities purchased under resale agreements and securities sold under repurchase agreements, net	-	(2%)
Derivatives, net	-	(1%)
<b>Total</b>	<b>100%</b>	<b>100%</b>

### **Note 5 - Transfers in from GEF Trust Fund for corporate budget**

In accordance with the Instrument and as approved annually by the GEF Council, the GEF Trust Fund provides corporate budget funds to the Trust Fund in order to reimburse the Secretariat for administrative expenses incurred in the performance of its corporate management activities. Using these funds, the Trust Fund also reimburses IBRD for certain administrative, accounting, financial reporting and treasury services performed by IBRD, on behalf of the Secretariat and EO.

### **Note 6 - Evaluation office**

As approved annually by the GEF Council, the GEF Trust Fund provides administrative budget to the EO in order to reimburse the EO for administrative expenses incurred in the performance of EO activities. Using these funds, the Trust Fund also reimburses IBRD for certain administrative, accounting, financial reporting and treasury services performed by IBRD, on behalf of the EO.

## NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2012

All amounts expressed in U.S. dollars unless otherwise noted

Since July 1, 2003, the corporate budget of the EO has been reported separately from the corporate budget of the Secretariat. Funding for EO activities prior to July 1, 2003 is included in the line item 'Transfers in from GEF Trust Fund for corporate budget', as described in Note 5. Similarly, corporate budget disbursements associated with EO activities prior to July 1, 2003 are included in the 'Corporate budget disbursements' line item.

### Note 7 - Grant commitments

Funds for grant commitments, all of which were received from GEF Trust Fund prior to July 1, 2011, were related to the following:

	<b>March 14, 1991 (date of inception) to June 30, 2012 (Unaudited, see Note 13)</b>
<b>Grant commitments</b>	
Familiarization Seminars	\$1,000,000
GEF Country Dialogue Workshops	748,600
Programme for Measuring Incremental Costs for the Environment	2,600,000
<b>Total</b>	<b>\$4,348,600</b>

### Note 8 - Donor contributions

Contributions received by the Trust Fund from donors in various currencies are converted into U.S. dollars by IBRD, on behalf of the Secretariat and EO, upon receipt of funds and countersigned administration agreements. The details of contributions received for various designated activities of the Secretariat and EO are as follows:

#### Secretariat:

The Trust Fund directly received donor contributions totaling \$595,674 (Unaudited, see Note 13), all of which received prior to July 1, 2011, to support the preparation and organization of the third meeting of the Assembly and associated meetings (GEF Third Assembly) and to support participation by the GEF focal points representatives to the United Nations Climate Change (UNCC) conference in 2007.

## NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2012

All amounts expressed in U.S. dollars unless otherwise noted

The amounts committed by the donors and received by the Trust Fund were as follows:

<u>Donor</u>	<u>Amounts Committed (Unaudited, see Note 13)</u>	<u>Amounts Received (Unaudited, see Note 13)</u>	<u>Contributions received in / converted to US\$ (Unaudited, see Note 13)</u>
A. To support preparation and organization of the GEF Third Assembly			
Denmark	Dkk 400,000	Dkk 400,000	\$ 68,010
Finland	US\$ 100,000	US\$ 100,000	100,000
Norway	NKr 500,000	NKr 500,000	79,596
South Africa	Zar 1,500,000	Zar 1,500,000	207,469
Sweden	US\$ 50,000	US\$ 50,000	50,000
<b>Sub-total</b>			<b><u>\$505,075</u></b>
B. To support participation by GEF focal points representatives to the UNCC conference			
Norway	NKr 500,000	US\$ 90,599 <sup>1</sup>	\$ 90,599
<b>Total</b>			<b><u>\$595,674</u></b>

<sup>1</sup>Equivalent to Nkr 500,000 at the time of receipt

### Evaluation Office:

- (i) The Trust Fund directly received donor contributions totaling \$653,099 (Unaudited, see Note 13), all of which received prior to July 1, 2011, for an EO activity supporting a Study of the Nature of Local Benefits in GEF Program. The amounts committed by the donors and received by the Trust Fund were as follows:

<u>Donor</u>	<u>Amounts Committed (Unaudited, see Note 13)</u>	<u>Amounts Received (Unaudited, see Note 13)</u>	<u>Contributions received in / converted to US\$ (Unaudited, see Note 13)</u>
Canada	Can\$ 249,980	Can\$ 249,980	\$173,525
Norway	NKr 1,680,000	NKr 1,680,000	244,030
Sweden	SKr 1,915,560	SKr 1,915,560	235,544
<b>Total</b>			<b><u>\$653,099</u></b>

## NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2012

All amounts expressed in U.S. dollars unless otherwise noted

- (ii) The Trust Fund directly received donor contributions totaling \$150,000 (Unaudited, see Note 13), all of which received prior to July 1, 2011, for an EO activity to fund the development of lessons-learned case studies on environmental enterprises for presentation at the World Summit on Sustainable Development (WSSD). The amounts committed by the donors and received by the Trust Fund were as follows:

<u>Donor</u>	<u>Amounts Committed (Unaudited, see Note 13)</u>	<u>Amounts Received (Unaudited, see Note 13)</u>	<u>Contributions received in US\$ (Unaudited, see Note 13)</u>
McArthur Foundation	US\$ 50,000	US\$ 50,000	\$ 50,000
Netherlands Minister for Development Cooperation	US\$ 100,000	US\$ 100,000	100,000
<b>Total</b>			<b>\$150,000</b>

### Note 9 - Administrative arrangements

As discussed in Note 2, IBRD is reimbursed on a regular basis for disbursements made from its resources in executing activities on behalf of the Secretariat and EO. Corporate budget disbursements and EO disbursements include amounts for direct staff costs, related benefits and overheads that were paid to IBRD for its estimates of costs incurred for activities executed by IBRD, on behalf of the Secretariat and EO. The details of reimbursements to IBRD, which are included in the Corporate budget disbursements and EO disbursements, are as follows:

<u>Direct staff costs, related benefits and overheads</u>	<u>For the fiscal year ended June 30, 2012</u>	<u>For the period from July 1, 2001 to June 30, 2012 (Unaudited, see Note 13)</u> <sup>1</sup>
Corporate budget disbursements	\$4,717,450	\$42,958,848
EO disbursements	\$1,070,392	\$ 6,836,994

<sup>1</sup> A disaggregation of amounts in this nature that were reimbursed to IBRD prior to July 1, 2001, is not practicably determinable and therefore not presented.

## **NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE**

**June 30, 2012**

*All amounts expressed in U.S. dollars unless otherwise noted*

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### **Note 10 - GEF Reformed Country Support Program**

The GEF Council approved the GEF Reformed Country Support Program (Reformed CSP), which will provide enhanced support to recipient countries and build their capacity to operate within the GEF, particularly with regard to resource programming. For this purpose, the GEF Trust Fund transferred \$25,508,695 (Unaudited, see note 13) to the Trust Fund, of which \$2,123,168 (Unaudited, see note 13) was disbursed prior to June 30, 2012. During the fiscal year ended June 30, 2012, the amount of \$23,385,311 has been transferred to GEF Country Support Program Trust Fund to continue with the Reformed CSP activities and \$216 was transferred subsequent to June 30, 2012.

### **Note 11 - Return to GEF Trust Fund and Donors - Unutilized funds**

For the period from Inception to June 30, 2012, the unutilized funds of \$2,093,629 (Unaudited, see Note 13) relating to the GEF assembly and associated meetings were returned to the GEF Trust Fund and \$18,702 (Unaudited, see Note 13) relating to the review of GEF related administrative expenses in the Implementing Agencies was returned to the donors.

### **Note 12 - Other receipts**

Other receipts represent reimbursement of staff costs from the United Nations Foundation (UNF) for a staff assigned to UNF under IBRD's External Service with Pay (ESWP) program, which ended in August 2010.

### **Note 13 - Inception to date amounts**

For fiscal years beginning on or after July 1, 2008, the annual Statements of Receipts, Disbursements and Fund Balance are audited by KPMG LLP, who has expressed an unqualified audit opinion on each annual statement thereon. In addition, the Statement of Receipts, Disbursements and Fund Balance for the period from Inception to June 30, 2008, was audited by other auditors, who expressed an unqualified audit opinion thereon, dated January 12, 2009. As a result, all activities for the period from Inception to June 30, 2012 have been subject to audit by different audit firms. However, because the amounts for the period from Inception to June 30, 2008 were not audited by KPMG LLP, the cumulative amounts have been labeled 'Unaudited'.

## **NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE**

**June 30, 2012**

*All amounts expressed in U.S. dollars unless otherwise noted*

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### **Note 14 - Subsequent events**

Management has evaluated subsequent events through October 12, 2012, the date this Statement was available to be issued and there are no subsequent events that would require adjustment to or disclosure in this Statement.