



Global Environment Facility

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GEF Council
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Agenda Item 17

REPORT ON PROJECT DATA RECONCILIATION

(Prepared by the Trustee)



World Bank

Trustee of The Global Environment Facility (GEF) Trust Fund

Introduction

1. At its June 2006 meeting, Council requested the Trustee and the Implementing and Executing Agencies to complete their work on reconciling data on project financing and to report back to Council at its December 2006 meeting. This report provides an update on the reconciliation process, which is still being finalized, and includes a table showing validated data to-date by Agency (see Annex 1 for details).

2. Reconciliation by Use of Funds

i) Corporate Budgets. The three Implementing Agencies (IBRD, UNDP and UNEP¹), the GEF Secretariat, GEF Evaluation Office, and the Trustee, have fully reconciled, with Trustee data, their Corporate Budgets. The total Net Council Allocation for Corporate Budgets from inception through the date of this report is USD 394 million.

ii) Special Initiatives. The GEF Secretariat, the GEF Evaluation Office and the Trustee have been allocated funds for Special Initiatives amounting to USD 12 million. All three units have fully reconciled their data with the Trustee.

iii) Project Fees. The total amount of validated project fees for Agencies that have been allocated Project Fees, is USD 316.5 million. All Agencies, with the exception of UNDP, have fully reconciled their data with the Trustee. UNDP continues to work with the Trustee to reconcile all fees allocated by Council.

iv) Project Funds. All Executing Agencies and the GEF Secretariat have fully reconciled their Project Funds allocations with the Trustee. The total amount validated is USD 139.0 million.

¹ Includes STAP.

3. The reconciliation process with the Implementing Agencies for Project Funds is considerably more complicated and time-consuming than originally expected. This is due to complexities in the ways some projects are implemented (e.g., joint projects, umbrella projects), the high volume of projects in each portfolio, and the different reporting methods and systems used by each Implementing Agency. The Trustee and each Implementing Agency are still in the process of methodically going through each “transaction” allocated by the Council and approved by the CEO since inception (1992) of the GEF to date. The following summarizes the status of the Project Funds reconciliation with the three Implementing Agencies, as well as the fee reconciliation with UNDP:

i) Project Funds - the Trustee and the Implementing Agencies have reconciled the following percentage of records on project funds: 50% (IBRD), 70% (UNDP) and 30% (UNEP). The remaining records are still to be reviewed and reconciled. The total value that has been reconciled is USD 4.53 billion.

ii) Project Fees - UNDP – the Trustee and UNDP have reconciled 96% of their records on project fees. The remaining records are still to be reviewed and reconciled. The total value that has been reconciled is USD 132.0 million.

4. The pace of the reconciliation does not imply that the Implementing Agencies portfolios do not reconcile with Trustee data. Rather, the reconciliation has involved extensive work with each Agency and not all projects have been reviewed, due to time constraints and the wide range of project details.. The Trustee and the Implementing Agencies expect that the reconciliation process will be concluded by the end of December 2006. As noted in the Trustee report dated December 1, 2006 (GEF/C.30/Inf.3), because of necessary changes discovered as part of the reconciliation process, the final result will likely impact the funding status of the GEF Trust Fund. If the net result of the reconciliation process is the addition of allocations, funding availability will go down accordingly. Conversely, if the net effect is to decrease or cancel allocation amounts there will be a positive impact on funding availability. At this stage, the Trustee cannot estimate the likely financial impact to the funding status of the GEF Trust Fund.

5. The Trustee will post an information document on the GEF Webpage when the Reconciliation has been completed.

**Annex 1: Summary of Validated Agency Data
December 4, 2006**

Agency	Use of Funds	Council Allocation	Dropped /Cancelled Projects/Fees	Total Net Allocations
ADB	Fees	4,603,090		4,603,090
	Projects	52,247,000	(168,561)	52,078,439
EBRD	Projects	87,284	(7,939)	79,345
FAO	Fees	329,000		329,000
	Projects	3,256,000		3,256,000
GEF Secretariat	Corporate Budget	126,426,180	(978,462)	125,447,718
	Special Initiatives	11,204,310		11,204,310
	Projects	3,348,600		3,348,600
GEF Evaluation Office	Corporate Budget	2,906,634		2,906,634
	Special Initiative	518,149		518,149
IBRD as IA	Corporate Budget	134,855,672		134,855,672
	Fees	263,704,689		263,704,689
IADB	Fees	2,158,100		2,158,100
	Projects	24,145,000	(58,751)	24,086,249
IFAD	Fees	2,170,441		2,170,441
	Projects	28,956,348		28,956,348
Trustee	Corporate Budget	14,516,706		14,516,706
	Special Initiatives	250,000		250,000
UNDP	Corporate Budget	66,043,000		66,043,000
UNEP	Corporate Budget	50,103,641		50,103,641
	Fees	41,085,841	(160,621)	40,925,220
UNIDO	Fees	2,654,014		2,654,014
	Projects	<u>27,049,685</u>	<u>(2,522)</u>	<u>27,047,163</u>
Validated totals		862,619,384	(1,376,856)	861,242,528