



# Global Environment Facility

GEF/C.34/Inf.3  
November 7, 2008

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GEF Council  
November 11-13, 2008

## TRUSTEE REPORT OCTOBER 2008

(Prepared by the Trustee)



## **TRUSTEE REPORT**

### **I. Introduction**

1. This report of the Trustee to the Council describes financial management aspects of the GEF Trust Fund for the period since the last Council meeting. The paper is divided into four sections. Following this Section I of introduction, Section II reports the impact of the global financial crisis on the GEF Trust Fund; Section III presents the status of GEF replenishments, including donor commitments and donor contribution payments. Section IV presents the funding availability of the Trust Fund. Section V provides an update on relevant issues of financial management. Section VI provides an update on other work in progress. Unless otherwise noted, all currency valuations are based on exchange rates in effect as at October 3, 2008.

### **II. The Global Financial Crisis**

2. The funds of the GEF Trust Fund held in trust by the World Bank are commingled with other trust fund assets administered by the World Bank Group in an investment portfolio (the “Pool”). The investment portfolio comprises (i) liquid financial instruments such as money market instruments guaranteed by financial institutions whose senior debt securities are rated AA (ii) government issues or agency obligations at least rated AA- and (iii) mortgage-backed securities, asset-backed securities and corporate securities at least rated AAA.

3. The Pool is sub-divided into sub-portfolios or “tranches” to which allocations are made based on the objectives of the investment portfolio strategy. This overall strategy is geared towards (i) maintaining adequate liquidity to meet foreseeable cash flow needs; (ii) preserving capital (low probability of negative total returns over the course of a fiscal year); and (iii) maximizing investment returns. Tranche 0 consists of short term investment of funds tailored to meet the immediate cash needs of the Trust Fund; Tranche 1 consists of funds invested up to one year in duration; and Tranche 2 comprises investment of funds that tolerate higher risk and a longer term investment horizon.

4. Recent global financial turmoil has had a negative impact on investment returns for funds held in trust by the World Bank, including the funds of the GEF Trust Fund. Turmoil in the financial markets has resulted in reduced market liquidity and substantial credit spread widening. Negative headlines from financial institutions are causing further pressure on credit spreads. The World Bank Treasury Department, which manages the Pool’s investments, has been taking active steps to minimize the impact of the current global financial situation on the funds invested in each of the Pool’s tranches. The strategy includes lowering the Pool’s counterparty exposure to commercial banks by moving funds out of cash

holdings and into government bonds. Also, adjustments were made at September month-end to shorten duration in select portfolios to comply with specified risk parameters and guidelines. The World Bank is currently reviewing possible additional adjustments to shorten duration in the portfolios.

5. Investment income earned during the first quarter of fiscal year 2009 for the GEF Trust Fund totaled USD 32.8 million. The corresponding investment yield for the period July 1, 2008 to September 30, 2008 was 4.69% on an annualized basis. During fiscal year 2008, the GEF Trust Fund earned USD 186 million with a corresponding investment yield of 7.2%. It should be noted that investment income is reported on a mark-to-market basis of valuation.

6. The following table shows the details of allocation of cash balances of the GEF Trust Fund in various tranches and the estimated rate of return by tranche as of October 16, 2008.

Table on Investment Returns

<b>Asset allocation and investment return</b>	<i>Amounts in USD millions</i>			
	Tranche 0	Tranche 1	Tranche 2	Total
Cash balance as of 10/16/2008	156	192	2,430	2,777
<u>Fiscal year to date (Oct 16, 2008)</u>				
<i>Annualized returns</i>	2.87%	4.19%	4.49%	4.42%
<u>October 1 to 16, 2008</u>				
<i>Annualized returns</i>	2.97%	7.30%	1.60%	2.08%

7. The investment returns shown above are annualized for reporting purposes only and should not be construed as an investment return forecast for the next twelve months. The preliminary investment returns data based on investment returns for the period October 1, 2008 to October 16, 2008 shows a drop in the overall investment returns for the GEF Trust Fund on an annualized basis compared to the returns based on investment returns for the period July 1, 2008 to October 16, 2008. It reflects the negative impact of the recent financial turmoil on the investment Pool.

### **III. Status of Replenishments**

#### *Instruments of Commitment*

8. GEF-4: In the last report to the Council, the Trustee reported that a total of 29 contributing participants had deposited an Instrument of Commitment (IoC) or Qualified Instrument of Commitment with the Trustee: Australia, Austria, Belgium, Canada, China, Czech Republic, Denmark, Finland, France, Germany, Greece, India, Ireland, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Portugal, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, and the United States. Three contributing participants have not yet submitted IoCs to the Trustee: Italy, Nigeria, and

Pakistan.<sup>1</sup> In October 2008, Pakistan contacted the Trustee to discuss remaining steps to be taken to finalize their commitment to the GEF-4. Also in October 2008, Italy contacted the Trustee to advise that they will initiate the legislative process for signing and depositing the IoC in respect to the GEF-4 replenishment after the annual governmental budget meeting to be held in January 2009. The Trustee will follow up with the representative for Nigeria to get an updated assessment of the status of its IoC.

### *Contribution Payments*

9. As of the date of this report, GEF-4 contributing participants are required to have unqualified and paid at least 50% of their committed contributions. Those contributing participants that have not done so, and have not requested an extension of the payment deadline, are considered to be in arrears. Based on these criteria, the United States is in arrears to the GEF-4. (See Annex 2: Arrears and Deferred Contributions.)

10. In accordance with sub-paragraph 4(a) of the GEF-4 resolution,<sup>2</sup> the United States submitted written notification to the Chief Executive Officer/Chairperson of the GEF in a letter dated June 4, 2007 stating the reason for the delayed payment from the 1<sup>st</sup> installment of the GEF-4 and the measures being taken to address it. The US Administration's FY09 budget request to the Congress included USD 80 million to meet its financial obligations to the GEF Trust Fund.

11. For those contributing participants who follow the standard installment payment schedule, the next installment for the GEF-4 (25% of the total pledged contribution) is due to be paid on or before November 30, 2008.

12. GEF-3: All contributing participants have satisfied the financial obligations to the GEF Trust Fund with the exception of Nigeria and the United States. As of the date of this report, the total amount of arrears is USD 32.7 million, comprising USD eq. 4.6 million from Nigeria and USD 28.1 million from the United States. (See Annex 2: Arrears and Deferred Contributions.)

13. In February 2008, in accordance with paragraph 4 (a) of the GEF-3 replenishment resolution, the Trustee issued a follow-up letter to Nigeria reminding the Government of its obligation to pay and of the requirement to advise the CEO/Chairperson of the delay in their

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<sup>1</sup> In August 2008, the Trustee communicated with each of these donors reminding them of their obligation to submit an Instrument of Commitment to the Trustee as soon as the pledge is approved by their respective Parliament.

<sup>2</sup> According to Sub-paragraph 4 (a) of the GEF-4 replenishment, 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.

payment.<sup>3</sup> The United States submitted its notification to the Chief Executive Officer /Chairperson in its letter dated November 4, 2005.

14. Since the commitment of the United States in the GEF-3 under its Qualified IoC represents more than 20% of the total resources to be contributed to the GEF-3, the pro rata provision under the GEF-3 replenishment resolution came into effect. France, Germany and Japan exercised their pro rata<sup>4</sup> right under the resolution in proportion to the U.S. shortfall. The GEF-3 arrears of the United States represent 6.53% of its total contribution. Accordingly, USD eq. 62.6 million remains deferred and not available for Council allocation or CEO approval.

15. GEF-2: The Trustee reported in May 2008 that the United States was in arrears to the GEF-2. The total amount remaining unqualified and unpaid by the United States has remained unchanged since the April 2008 report: USD 140.7 million.

16. Since the commitment of the United States under its Qualified IoC represents more than 20% of the total amount of resources to be contributed to the GEF-2, the pro rata provision under the GEF-2 resolution came into effect. The outstanding contribution of the United States to the GEF-2 represents 32.7% of its committed contribution of USD 430 million. Austria, France, and Japan have exercised the pro rata right under the Resolution for the fourth tranche only and deferred commitment of 25% of their respective paid-in contributions to the GEF-2. As a result, a total of USD eq. 167.33 million is deferred and not available for Council allocation or CEO approval.

17. GEF-1: Since last reported, there have been no changes in the arrears status of the GEF-1. Egypt continues to be in arrears in the amount of USD eq. 0.82 million, while Argentina carries an arrears balance in the amount of USD 2.5 million. In September 2008, Argentina advised the Trustee of its intention to fully pay its GEF-1 arrears of USD 2.5 million during this fiscal year. The Trustee will continue to follow up with Egypt on its arrears and provide updates as the situation changes.

18. Annex 1 shows the summary of payments on committed contributions to all replenishments including the Pilot Phase to the GEF as well as the grant equivalent of co-financing and parallel financing made under the Pilot Phase. This table also provides the voting share of each of the contributing participants based on their paid-in contributions as of October 3, 2008.

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<sup>3</sup> Similar provision contained in GEF-3 replenishment resolution paragraph 4(a).

<sup>4</sup> According to Sub paragraph 8(b) of the GEF-3 Resolution, the Trustee shall promptly inform all Contributing Participants if a Contributing Participant who has deposited a Qualified Instrument of Commitment and whose contribution represents more than 20 percent of the total amount of the resources to be contributed pursuant to the Third Replenishment has not unqualified the total amount thereof by November 30, 2005, or 30 days after the Effective Date, whichever is later.

19. The summary of arrears and deferred contribution payments is shown in Annex 2. Total arrears for each of the contributing participants are as follows: Argentina – USD 2.5 million; Egypt – USD eq. 0.82 million; Nigeria – USD eq. 4.64 million and the United States – USD 169.53 million. Total arrears to the GEF Trust Fund amount to USD eq. 177.49 million. Total deferred contributions amount to USD eq. 229.98 million.

#### *Status of Promissory Note Encashment*

20. Many contributing participants pay their GEF contributions by way of promissory notes or letters of credit. These promissory notes and letters of credit are encashed on a quarterly basis using an encashment schedule agreed with each of the contributing participants;<sup>5</sup> or as otherwise agreed with the Trustee. As of October 3, 2008, two countries, Cote d'Ivoire and Italy are in arrears with respect to their encashments for GEF-1, GEF-2 and GEF-3. The Trustee periodically follows up with these contributing participants to remind them of their obligations under the relevant replenishments.<sup>6</sup>

#### **IV. Funds Available for Council Allocation or CEO Approval**

21. As at October 3, 2008, the total GEF Trust Fund assets held in trust amounted to USD eq. 3.93 billion, of which USD eq. 2.88 billion represents cash and USD eq. 1.05 billion is in the form of promissory notes and letters of credit. Of the total assets, the following amounts have been set aside: USD 3.4 billion for projects or activities allocated by the Council or approved by the CEO but not yet transferred to Agencies; USD eq. 230.0 million representing the deferred contributions in respect to the pro rata right; and a USD 40.0 million reserve to cover foreign exchange rate fluctuations of non-US dollar assets. As a result, net funds available for allocation by the Council or approval by the CEO amount to USD eq. 259 million. The schedule of funds available for the GEF Trust Fund is shown in Annex 3.

#### **V. Financial Management**

##### *Foreign Exchange Rate Movements and Interest Rate Risk*

22. In an ongoing effort to manage the Trust Fund's exposure to exchange rate variations, the Trustee initiated a reserve policy just under two and a half years ago to guard against the possibility that exchange rates move in such a way that the Trust Fund may not have sufficient funds to disburse against commitments made to GEF agencies. The exchange rate

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<sup>5</sup> According to sub-paragraph 3(a) of the GEF-3 Resolution, donors shall pay their contributions in "four equal installments" by November 30, of each year starting 2002. A similar provision is contained in paragraph 3(c) of the GEF-4 resolution.

<sup>6</sup> According to sub-paragraph 4(b) of the GEF-1 Resolution, sub-paragraph 4(b) of the GEF-2 Resolution, sub-paragraph 3(c)(ii) of the GEF-3 Resolution, and sub-paragraph 4(b) of the GEF-4 Resolution, recipient contributing participants are permitted postponement of two years on encashments. Côte d'Ivoire is overdue beyond the two-year limit for the GEF-1, GEF-2 and GEF-3. Italy is delayed on its encashment that was due in July 2008.

risk arises from the holding of promissory notes which are denominated in foreign currencies. These notes are encashed and converted to US dollars – the operating currency of the GEF Trust Fund – over a period of time ranging anywhere from 1 year to 10 years. The establishment of this risk mitigation measure is considered necessary because the GEF Trust Fund does not have access to market instruments for hedging. To fund the potential losses that could occur from the currency misalignment between assets and obligations, the Trust Fund maintains a reserve of USD 40 million, which is not made available for Council allocation or CEO approval. The reserve is equivalent to less than 1% of funds held in trust (USD eq. 3.93 billion).

23. The Trustee is in the process of reassessing the currency alignment of the Trust Fund to take into account recent movements in exchange rates as well the need to expand the reserve to guard against interest rate risk. The Trustee will update the Secretariat of recommended changes to the size of the reserve, if any.

#### *Reporting of Investment Income*

24. The Trustee has been collaborating with Implementing and Executing Agencies to ensure timely reporting on investment income – that is income earned by the Agencies from the investment of GEF funds pending their disbursement (except for income earned on the investment of GEF funds transferred as fees).

25. The transfer of investment income earned by Agencies to the GEF Trust Fund, in respect of periods up to FY07, has been completed. The transfers in respect to the investment income earned during FY08, is underway. UNEP, IBRD and IADB have already transferred all investment income earned up to FY08; UNDP has completed all transfers in respect of amounts earned up to 31 December 2007.

Table on Investment Income Earned by Agencies

Implementing Agencies		Amounts expressed in US\$		
		Up to FY07	FY08	Cummulative to date
UNDP	United Nations Development Programme	27,166,539	6,633,296	33,799,835
UNEP	United Nations Environment Programme (including STAP)	11,435,461	1,172,949	12,608,410
WB	World Bank	19,559,860	2,882,988	22,442,849
Executing Agencies				-
AfDB	African Development Bank	-	-	-
ADB	Asian Development Bank	298,360	222,877	521,237
ERBD	European Development Bank	4,368	120	4,488
IADB	Inter-American Development Bank	371,448	17,734	389,182
IFAD	International Fund for Agricultural Development	774,507	683,831	1,458,338
FAO	Food and Agriculture Organization	172,087	41,498	213,585
UNIDO	United Nations Industrial Development Organization	1,006,097	255,789	1,261,886
		60,788,727	11,911,083	72,699,810

*Audited Financial Statements International Financial Reporting Standards (IFRS)*

26. The FY07 external audit of the GEF Trust Fund was finalized in April 2008. The corresponding audited FY07 Financial Statements were distributed at the April 2008 Council meeting. Hard copies of the audit report and Financial Statements were sent to donors by mail. Feedback from donors on the reporting in accordance with IFRS, were positive as this format of the financial statements is better aligned with best practice. Preparation has begun for the FY08 Financial Statements of the GEF Trust Fund and the FY08 Financial Statements of the GEF Secretariat Evaluation Office. The external audits of the corresponding accounts are also underway.

27. The World Bank's external auditors and the Trustee are working towards finalizing the FY08 audit in time for the November 2008 Council meeting.

## **VI Work in Progress**

### *Systems Development*

28. In the last report to Council, the Trustee updated Council on the Trustee's major system overhaul of the World Bank's customized module for the GEF Trust Fund. The system overhaul was designed to (a) adjust for recent changes to the project cycle and enable better tracking of programmatic approaches and joint projects; (b) provide the ability to re-allocate resources across agencies, when necessary; (c) keep track of projected reflows to facilitate the return of such funds to the GEF Trust Fund; (d) provide the ability to report more transparently on non-grant instruments used by agencies; and (e) enable electronic sharing of data between the Secretariat and the Trustee and between the Agencies and the Trustee. The first phase of the project, consisting of technical enhancements to the financial transactions to match the revised project cycle and reporting modules for GEF approved projects, was successfully completed with a launch on January 8, 2008. Phase II of the ongoing systems enhancement started in February 2008. In that phase, modification were introduced to allow the management of reflows, reallocations across Agencies, the special features to better handle programmatic approach and umbrella programs. We are currently wrapping up Phase II. Work will soon commence on Phase III covering the electronic sharing of data between the Trustee and the Agencies. This enhancement will be able to accommodate the agreed protocols and the timeline for developing capabilities for sharing data electronically between the Trustee and the Agencies

29. The system enhancement is a phased approach geared towards minimizing data inconsistencies, increase efficiency, ease the burden on reporting by Agencies, and maximize monitoring and reporting capabilities. Further, the system is built with added flexibility; it is fully configurable so that it may adapt quickly to any changes in the project cycle, process flows, and new initiatives in the future.

30. At the financial consultation hosted earlier this year, the Trustee and the Agencies had agreed on revised process flows for managing and recording Council and CEO funding decisions from the time a funding request is submitted for approval to the transfer of cash



from the Trustee to the Agencies. A more simplified and streamlined reporting structure was also developed and agreed upon to reflect changes in the project cycle. These changes were necessary to accommodate revisions to existing operational practices and policies and to implements new policies. The collaborative effort to develop and implement a harmonized set of procedures and processes for recording and reporting on financial transactions contributed to more accurate and timely reporting by the Trustee. As a result, the turn around time for issuing Trustee commitments to Agencies has improved. In addition, Agencies are now able to request cash transfers in respect of fees and funds for project and project preparation activities more promptly than before.

31. Negotiations are continuing on the customized Financial Procedures Agreement which will have to be agreed with each Agency and is meant to be consistent, to the extent possible, across all Agencies.

#### *World Bank Client Connections Website*

32. As part of the drive to make information readily available to donors, Agencies, the GEF Secretariat and Evaluation Office, the Trustee is building a platform on the World Bank's Client Connection network. It is a secure website that offers the Trustee's clients quicker access to information in real time. There are several windows for accessing data. The open platform will provide access to information such as the status of replenishments, Instruments of Commitments, the daily Funding Status of the GEF Trust Fund, a breakdown of Council approvals and the associated Trustee commitments. In addition, official documents will also be available such as the Instrument for the Establishment of the Restructured Global Environment Facility, World Bank replenishment resolutions for the GEF Trust Fund, and the annual, audited Financial Statements of the GEF Trust Fund.

33. There will also be an access window restricted to each donor to the GEF Trust Fund, for each GEF Agency and for the GEF Secretariat and Evaluation Office. The restricted windows for donors will provide access to detailed information such as the donor's contribution payments, note encashment history, and projected encashment schedules. In addition, invoices for installment payments and note encashment requests will be available online. The restricted window for Agencies will provide detailed information on Trustee commitments and cash transfers to Agencies; Letters of Commitment and notifications of cash transfers will be posted online. The Trustee's platform on Client Connections is in the test phase; we expect to roll out the platform for open access before the end of FY09.

**Global Environment Facility Trust Fund**  
 Commitments and Payments for the Purpose of Calculating Voting Rights  
 (Includes payments on contributions plus the grant equivalent of co-financing and parallel financing made under the GEF pilot phase)  
 as of October 3, 2008  
 (expressed in SDR millions as agreed)

	Pilot Phase		GEF-1			GEF-2			GEF-3			GEF-4			Total Contributions Paid		
	Contributing Participants	Core Contribution	Co-/Parallel Financing	Commitment	Contributions Paid	% Paid	Commitment	Contributions Paid	% Paid	Commitment	Contributions Paid	% Paid	Commitment	Contributions Paid	% Paid	Total Contributions Paid	As % of total GEF Contributions Paid
1 Argentina	a/			3.6	1.8	50.0	a/			a/			a/			1.8	0.0
2 Australia	9.7	7.4		20.8	20.8	100.0	23.5	23.5	100.0	27.6	27.6	100.0	31.0	15.5	50.0	104.5	1.7
3 Austria	26.0			14.3	14.3	100.0	14.7	14.7	100.0	17.7	17.7	100.0	21.8	10.9	50.0	83.6	1.4
4 Bangladesh	a/			2.0	2.0	100.0	a/			a/			a/			2.0	0.0
5 Belgium	5.0	5.3		22.9	22.9	100.0	24.9	24.9	100.0	33.0	33.0	100.0	42.3	21.1	50.0	112.2	1.8
6 Brazil	4.0			4.0	4.0	100.0	a/			a/			a/			8.0	0.1
7 Canada	6.3			61.8	61.8	100.0	74.6	74.6	100.0	80.9	80.9	100.0	89.2	44.6	50.0	268.2	4.4
8 China	4.0			4.0	4.0	100.0	6.0	6.0	100.0	8.4	8.4	100.0	7.1	3.6	50.0	26.0	0.4
9 Cote d'Ivoire	2.0			4.0	4.0	100.0	4.0	4.0	100.0	4.0	4.0	100.0	a/			14.0	0.2
10 Czech Republic	a/			4.0	4.0	100.0	4.0	4.0	100.0	4.5	4.5	100.0	4.7	4.7	100.0	17.2	0.3
11 Denmark	16.3			25.1	25.1	100.0	20.9	20.9	100.0	28.0	28.0	100.0	38.1	19.0	50.0	109.2	1.8
12 Egypt	4.0			4.0	3.5	86.7	a/			a/			a/			7.5	0.1
13 Finland	20.4			15.5	15.5	100.0	16.1	16.1	100.0	20.9	20.9	100.0	28.5	14.3	50.0	87.2	1.4
14 France	110.1			102.3	102.3	100.0	105.5	105.5	100.0	128.8	128.8	100.0	128.7	64.4	50.0	511.1	8.4
15 Germany	110.0			171.3	171.3	100.0	160.3	160.3	100.0	231.6	231.6	100.0	201.1	106.6	53.0	779.8	12.8
16 Greece	a/			3.6	3.6	100.0	4.0	4.0	100.0	4.5	4.5	100.0	5.3	2.6	50.0	14.7	0.2
17 India	4.0			6.0	6.0	100.0	6.6	6.6	100.0	8.0	8.0	100.0	6.7	3.4	50.0	27.9	0.5
18 Indonesia	4.0			a/			a/			a/			a/			4.0	0.1
19 Ireland	a/			1.7	1.7	100.0	4.0	4.0	100.0	4.5	4.5	100.0	5.3	2.7	50.4	12.9	0.2
20 Italy	65.1			75.7	75.7	100.0	66.0	66.0	100.0	83.0	83.0	100.0	b/			289.8	4.8
21 Japan	27.4	19.1		296.0	296.0	100.0	300.7	300.7	100.0	333.4	333.4	100.0	208.0	104.0	50.0	1,080.5	17.7
22 Korea	a/			4.0	4.0	100.0	4.0	4.0	100.0	4.4	4.4	100.0	4.5	3.3	73.3	15.6	0.3
23 Luxembourg	a/			4.0	4.0	100.0	4.0	4.0	100.0	4.0	4.0	100.0	4.0	2.0	50.0	14.0	0.2
24 Mexico	4.0			4.0	4.0	100.0	4.0	4.0	100.0	4.0	4.0	100.0	4.0	2.0	50.0	18.0	0.3
25 Netherlands	37.7			51.0	51.0	100.0	53.1	53.1	100.0	64.8	64.8	100.0	74.7	74.7	100.0	281.2	4.6
26 New Zealand	a/			4.0	4.0	100.0	4.0	4.0	100.0	4.0	4.0	100.0	4.0	2.0	50.0	14.0	0.2
27 Nigeria	4.0			a/			4.0	4.0	100.0	4.0	1.0	25.0	b/			9.0	0.2
28 Norway	19.6	3.3		22.3	22.3	100.0	22.8	22.8	100.0	20.0	20.0	100.0	24.1	12.1	50.0	100.0	1.6
29 Pakistan	4.0			4.0	4.0	100.0	4.0	4.0	100.0	4.0	4.0	100.0	b/			16.0	0.3
30 Portugal	4.5			4.0	4.0	100.0	4.0	4.0	100.0	4.0	4.0	100.0	4.8	2.4	50.0	18.9	0.3
31 Slovak Republic	a/			4.0	4.0	100.0	a/			a/			a/			4.0	0.1
32 Slovenia	a/			a/			1.0	1.0	100.0	1.1	1.1	100.0	4.4	2.2	50.0	4.3	0.1
33 South Africa	a/			a/			a/			a/			4.0	2.4	60.3	2.4	0.0
34 Spain	10.0			14.0	14.0	100.0	12.0	12.0	100.0	15.1	15.1	100.0	18.1	18.1	100.0	69.2	1.1
35 Sweden	24.5			41.6	41.6	100.0	42.1	42.1	100.0	57.0	57.0	100.0	76.2	76.2	100.0	241.4	4.0
36 Switzerland	30.1	10.7		32.0	32.0	100.0	32.0	32.0	100.0	45.9	45.9	100.0	47.5	23.8	50.0	174.4	2.9
37 Turkey	4.0			4.0	4.0	100.0	4.0	4.0	100.0	4.0	4.0	100.0	4.0	2.0	50.0	18.0	0.3
38 United Kingdom	54.7			96.0	96.0	100.0	101.2	101.2	100.0	149.9	149.9	100.0	171.9	85.9	50.0	487.9	8.0
39 United States	0.0	109.7		306.9	306.9	100.0	313.4	210.8	67.3 c/	339.2	317.0	93.5 c/	218.2	108.5	49.8 c/	1,053.0	17.3
<b>Total</b>	<b>615.5</b>	<b>155.5</b>		<b>1,438.1</b>	<b>1,435.8</b>		<b>1,445.3</b>	<b>1,342.8</b>		<b>1,744.2</b>	<b>1,719.0</b>		<b>1,482.0</b>	<b>834.8</b>		<b>6,103.3</b>	<b>100.0</b>

a/ Designates a country which is not a Contributing Participant to the replenishment.

b/ Designates Contributing Participants who have not yet submitted an Instrument of Commitment.

c/ The U.S. Administration's FY09 budget request to the Congress included USD 80 million to meet its financial obligations to the GEF Trust Fund.

## Global Environment Facility Trust Fund

## Arrears and Deferred Contributions

As of October 3, 2008

*(in millions)*

## 1. Arrears

*Details of Arrears*

Contributing Participant	Amount Paid as a % of Total Contribution	Repl.	Currency	Amount	Arrears as a % of Total Contribution	USD equ.
United States	24.75%	GEF-4	USD	<u>0.80</u>	0.25%	<u>0.80</u>
				<b>0.80</b>		<b>0.80</b>
Nigeria	25.00%	GEF-3	SDR	3.00	75.00%	4.64
United States	93.47%	GEF-3	USD	<u>28.06</u>	6.53%	<u>28.06</u>
				<b>31.06</b>		<b>32.70</b>
United States	67.29%	GEF-2	USD	<b>140.67</b>	32.71%	<b>140.67</b>
Argentina	50.00%	GEF-1	USD	2.50	50.00%	2.50
Egypt	86.70%	GEF-1	SDR	<u>0.53</u>	13.30%	<u>0.82</u>
				<b>3.03</b>		<b>3.32</b>
						<b>177.49</b>

## 2. Deferred Contributions

*Details of Deferred Contributions*

Contributing Participant	Repl.	Currency	Amount	As a % of total contribution	USD equ.
France	GEF-3	EUR	10.71	6.53%	13.46
Germany	GEF-3	USD	19.18	6.53%	19.18
Japan	GEF-3	JPY	3,184.00	6.53%	<u>30.01</u>
<i>Sub-total</i>					<b>62.65</b>
Austria	GEF-2	EUR	4.20	25.0%	5.94
France	GEF-2	EUR	32.88	25.0%	46.50
Japan	GEF-2	JPY	12,188.58	25.0%	<u>114.89</u>
<i>Sub-total</i>					<b>167.33</b>
<b>Total deferred contributions</b>					<b>229.98</b>
<b>Total arrears and deferred contributions</b>					<b>407.47</b>

## GLOBAL ENVIRONMENT FACILITY TRUST FUND

## Schedule of Funds Available

Updated as of October 3, 2008  
(in USD)

		<u>USD eq.</u>
<b><u>1. Funds held in Trust</u></b>		<b>3,933,984,549</b>
Cash and investments	2,883,190,964	
Promissory notes	1,050,793,585	
<b><u>2. Restricted Funds</u></b>		<b>269,988,389</b>
Deferred contributions in respect to the pro rata right	229,988,389	
Contributions not released (i.e. pre-payments of installments)	0	
Reserve to cover foreign exchange rate fluctuations	40,000,000	
<b>3. Funds held in Trust with no restrictions ( 3 = 1 - 2 )</b>		<b>3,663,996,160</b>
<b><u>4. Approved amounts pending disbursement</u></b>		<b>3,404,654,974</b>
Trustee Committed and approved by Agency	1,744,845,553	
Trustee Commitment but not yet approved by Agency	363,589,098	
Approved by Council but not yet CEO Endorsed	1,284,042,923	
Intersessional work program not yet approved by Council	12,177,400	
<b>5. Funds Available for Council Allocation or CEO Approval ( 5 = 3 - 4 )</b>		<b>259,341,186</b>

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