



GEF/C.38/Inf.13  
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GEF Council Meeting  
June 28 – July 1, 2010  
Washington, D.C.

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

**(Prepared by the World Bank as Trustee)**

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

**I. Introduction**

1. This information note provides the latest available month-end financial information for the GEF Trust Fund (as of April 30, 2010). The tables in this note are updated from those provided for the March 9-10, 2010 meeting for the Fifth Replenishment.<sup>1</sup>

**II. Updates of the GEF-5 Replenishment**

2. The GEF-5 replenishment was finalized on May 12, 2010 in Paris. 34 donors have pledged SDR 2,311 million (USDeq. 3,542 million), representing a 54% increase (relative to the GEF-4 replenishment) in new resources provided by donors. These pledged contributions comprise basic and supplementary contributions amounting to SDR 2,294 million (USDeq. 3,517 million) and also reflect credits for accelerated encashments in the amount of SDR 17 million (USDeq. 25 million). The total replenishment level, including projected investment income and projected carry over resources, amounts to SDR 2,806 million (USDeq. 4,299 million).

3. The Trustee will implement the GEF-5 replenishment as soon as the World Bank's Executive Directors adopt the GEF-5 Replenishment Resolution. Implementation includes working with donors to facilitate the deposit of 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.

**III. Schedule of Funds Available as of April 30, 2010 as Compared to  
December 31, 2009**

4. **Table 1** (GEF Trust Fund – Schedule of Funds Available as of April 30, 2010 as Compared to December 31, 2009) shows that USDeq. 73 million was available as of April 30, 2010, representing a net decrease of USDeq. 101 million since December 31, 2009. As compared to the balance as of December 31, 2009, the Funds Available to support Council or CEO funding decisions has decreased, primarily because funding decisions were slightly higher than the amounts received by the Trustee from donors and investment income.

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<sup>1</sup> For a more detailed description, see GEF/R.5/Inf.24 "Financial Status of the GEF Trust Fund" dated February 16, 2010.

**Table 1: Schedule of Funds Available**  
Updated as of April 30, 2010 (in USDeq. millions)

	<u>As of April 30, 2010</u>	<u>As of December 31, 2009</u>
	<u>USDeq. a/</u>	<u>USDeq. b/</u>
<b><u>1. Funds Held in Trust</u></b>	<b>3,954</b>	<b>3,965</b>
a. Cash and investments	3,078	2,986
b. Unencashed promissory notes	876	979
<b><u>2. Restricted Funds</u></b>	<b>284</b>	<b>297</b>
a. Deferred contributions in respect to the pro rata right	239	252
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>3,670</b>	<b>3,667</b>
<b><u>4. Approved Amounts Pending Cash Transfers to Agencies</u></b>	<b>3,597</b>	<b>3,494</b>
a. Trustee committed	2,244	2,210
b. Approved by Council but not yet CEO Endorsed	1,353	1,283
c. Requested amounts for financing pending Council decision c/	-	-
<b><u>5. Funds Available to Support Council or CEO Funding Decisions ( 5 = 3 - 4 )</u></b>	<b>73</b>	<b>174</b>

a/ Valued on the basis of exchange rates of April 30, 2010

b/ Valued on the basis of exchange rates of December 31, 2009

c/ Represents either semiannual work program presented to Council or Intersessional work program.

5. **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), encashments 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 April 30, 2010 amounted to USDeq. 3,954 million, of which 22 % represented unencashed promissory notes. Compared with the balance on December 31, 2009, there was a net decrease of USDeq. 11 million mainly due to cash transfers made to Agencies.

Highlights between December 31, 2009 and April 30, 2010:

- New donor payments: Nine donors paid their 4<sup>th</sup> and final installment to the GEF-4 and one donor<sup>2</sup> paid the first two installments of its GEF-4 contribution.
- Investment Income: Investment income amounted to USD 30 million.

<sup>2</sup> Brazil submitted 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. Pakistan submitted its GEF-4 Instrument of Commitment to the Trustee in April 2010. The Trustee is awaiting confirmation from the Central Bank of Pakistan of the payment by the Government of Pakistan of 100% of its contribution.

- Cash Transfers to Agencies: The Trustee transferred USD 170 million to the Agencies for projects, project preparation grants, and fees.

6. **Restricted resources** represented 7.2% of Funds Held in Trust. **Table 1a** (Restricted Resources) shows deferred contributions, comprising the following: France USDeq. 57 million, Germany USDeq. 19 million and Japan USDeq. 163 million. Austria released its deferred contribution in the amount of USDeq. 6 million. The foreign exchange reserve represents approximately 1.1% of Funds Held in Trust. This reserve 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.

	<u>USDeq.</u>	<u>Percentage</u>
Deferred Contribution		
France a/	57	20.1%
Germany b/	19	6.7%
Japan a/	163	57.3%
Reserve to cover FX fluctuations	<u>45</u>	<u>15.8%</u>
<b>Total Restricted Resources</b>	<b>284</b>	<b>100%</b>

a/ Represents deferred contributions from the GEF-2 and GEF-3.  
b/ Represents deferred contributions from the GEF-3.

7. **Approved amounts pending Cash Transfers to Agencies** – There was a net increase of USD 103 million since December 31, 2009 because the amount of new funding decisions made by the Council or the CEO was higher than the amount of cash transfers to Agencies<sup>3</sup>.

Highlights between December 31, 2009 and April 30, 2010:

- New Funding Decisions: New funding decisions arising from Council or CEO approvals amounted to USDeq. 290 million.
- Trustee commitments during this period totaled USD 34 million.<sup>4</sup>

<sup>3</sup> Cash Transfers to Agencies reduce the cash and investment balance as well as the amount of the Trustee committed.

<sup>4</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

#### IV. GEF-4 Envelope – Projected Value through June 30, 2010

8. **Table 2** depicts the GEF-4 Envelope projected value through June 30, 2010, using April 30, 2010 exchange rates. The table also shows, for comparison, the previous reported balance as of December 31, 2009. It should be noted that projected arrears to be paid include USD 85.3 million and USD 5.7 million from the United States for GEF-4 and arrears from previous replenishments respectively which were received in the month of May. Total GEF-4 specific funding decisions increased by USD 284 million. Net changes to initial approvals changed by USD 4 million due to the fact that cancellations on GEF-4 projects increased at a faster rate than additional allocations to GEF-4 projects and/or PPGs which offset previous cancellations reported at December 31, 2009.

9. **Table 2a** shows the current projected USD value of the GEF-4 envelope based on the most recent information provided by Donors (Scenario A). It also shows the projected USD value of the GEF-4 envelope under a “best case scenario” (Scenario B).

10. Under Scenario A, the projected USD value of the GEF-4 envelope is USDeq. 3.2 billion, based on the following assumptions:

- Arrears amounting to USD 119 million are paid (including all GEF-4 arrears and USD 5.7 million of United States arrears);
- Only USD 5.7 million is paid for arrears; and
- Italy deposits its Instruments of Commitment (IoC) with the Trustee and pay their contributions in full;
- Investment income amounting to USD 1 million is earned between April 30, 2010 and the end of GEF-4.

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enabling activities, and project preparation grants, CEO approval. In the case of administrative budget, the Trustee commits upon Council approval.

**Table 2: GEF-4 Specific Funding Decisions (as compared to Dec.31, 2009)**  
(in USDeq. millions)

	Status as of April 30, 2010		Status as of Dec. 31 2009	
<b>1. Target Replenishment Funding a/</b>	<b>3,100</b>		<b>3,100</b>	
<b>2. Projected Available Resources During Remaining GEF-4 Period</b>	<b>414</b>		<b>663</b>	
<u>Estimated Funds available to support Council or CEO Financing Decisions</u>	73		174	
	Potential Amount Available	of which Projected to be Available	Potential Amount Available	of which Projected to be Available
<u>Receivables</u>	223		328	
- Arrears	293	119 b/	368	191 f/
- Due within 6 months c/	104	104	137	137
- Due between 7 and 12 months	-	-	-	-
- Due between 13 and 18 months	-	-	-	-
<u>Release of Deferred Contributions</u>	-		10	
- Deferred Contributions	239	-	252	10
<u>IoCs not yet Deposited with the Trustee d/</u>	123	117	137	131
<u>Projected Investment Income</u>	1	1	20	20
<u>Total</u>	<b>760</b>	<b>341</b>	<b>915</b>	<b>489</b>
<b>3. GEF-4 Specific Funding Decisions</b>	<b>2,819</b>		<b>2,535</b>	
<u>Approvals by Council</u>	2,640		2,368	
- Projects + Fees		1,575		1,372
- Admin. Budget		67		67
- Special Initiatives		4		4
- Programmatic Initiatives		994		926
<u>Approvals by CEO</u>	190		172	
- Projects + Fees (MSPs, EEAs)		163		147
- Project Preparation Activities + Fees		27		25
<u>Net Changes to Initial Approvals e/</u>	(10)		(6)	
<u>Pending decisions on Intersessionals and Council meetings</u>	-		-	
- Projects, Fees, Admin Budget, Spcl Initiatives, Programmatic Initiatives		-		-
<b>4. Projected GEF-4 "Envelope" as of April 30, 2010 ( 4 = 2 + 3 )</b>	<b>3,233</b>		<b>3,198</b>	
<b>5. Excess (or Shortfall) as Measured Against the Target in Line 1 ( 5 = 4 - 1 )</b>	<b>133</b>		<b>98</b>	
<p>a/ Represents the target replenishment level as agreed, including new resources from Donors, projected investment income, and carryover of amounts from previous replenishments.</p> <p>b/ Includes the amounts that were due from United States on April 15, 2007 and November 30, 2009, which are expected to be paid in full.</p> <p>c/ Represents the remaining amounts from the fourth installement.</p> <p>d/ Represents IoCs not yet received by the Trustee from Italy (EUR 88 million) and Nigeria (SDR 4 million). The amount projected to be available comprises of Italy (USD eq. 117 million).</p> <p>e/ To fit the GEF Secretariat's RAF model, pre-GEF-4 project net changes were excluded from the calculation. The total reductions to initial approvals (including GEF-4 and pre-GEF-4 projects) is USD 263 million.</p> <p>f/ This amount has been revised to include USD 106 million in short terms arrears as of December 31, 2009.</p>				

11. Based on these assumptions, the total projected envelope amount represents an excess of about USD 133 million when compared with the Target Replenishment Funding<sup>5</sup> *as agreed* value of the replenishment (USD 3,100 million). It is important to note the following when comparing the current value of the envelope with the Target Replenishment Funding:

- The actual investment income earned to date already surpasses the original projection,<sup>6</sup> with two months of additional investment income still to be earned; and
- The current value of the envelope is reduced by the reserve for foreign exchange movements (USD 45 million), which was not taken into account in the Target Replenishment Funding.

12. Scenario B (“Best Case Scenario”) shows that if all the potential resources were to become available during the remaining GEF-4 period (i.e. arrears from GEF-1 to GEF-3 and deferred contributions from GEF-2 and GEF-3), the total projected envelope amount would be USDeq. 3.6 billion, an excess of USD 549 million (or about 18%) over the Target Replenishment Level.

13. Scenario B is based on the following assumptions with respect to the period between May 1, 2010 and June 30, 2010:

- All arrears are paid during the GEF-4 period (USDeq. 293 million; **Table 2b** shows a detailed breakdown);
- All deferred contributions are released (USDeq. 239 million); and
- All outstanding IoCs are deposited with the Trustee and corresponding payments are received (USDeq. 123 million).

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<sup>5</sup> Represents the target replenishment level as agreed including new resources from Donors, projected investment income, and carryover of amounts from previous replenishments.

<sup>6</sup> The Trustee estimates that an additional USD 1 million will be earned during the two months of the GEF-4 period, bringing the estimated increase above the projection to USD 166 million.



**Table 2a: GEF-4 Specific Funding Decisions (Scenario Analysis)**

Status as of April 30, 2010

(in USDeq. millions)

	Scenario A		Scenario B
	Trustee Expectations		Best Case Scenario
<b>1. Target Replenishment Funding a/</b>	<b>3,100</b>		<b>3,100</b>
<b>2. Projected Available Resources During Remaining GEF-4 Period</b>	<b>414</b>		<b>833</b>
<u>Estimated Funds available to support Council or CEO Financing Decisions</u>	73		73
	Potential Amount Available	of which Projected to be Available	Potential Amount Available
<u>Receivables</u>	223		397
- Arrears	293	119 b/	293
- Due within 6 months c/	104	104	104
- Due between 7 and 12 months	-	-	-
- Due between 13 and 18 months	-	-	-
<u>Release of Deferred Contributions</u>	-		239
- Deferred Contributions	239	-	239
<u>IoCs not yet Deposited with the Trustee d/</u>	123	117	123
<u>Projected Investment Income</u>	1	1	1
<u>Total</u>	<b>760</b>	<b>341</b>	<b>760</b>
<b>3. GEF-4 Specific Funding Decisions</b>	<b>2,819</b>		<b>2,819</b>
<u>Approvals by Council</u>	2,640		2,640
- Projects + Fees		1,575	1,575
- Admin. Budget		67	67
- Special Initiatives		4	4
- Programmatic Initiatives		994	994
<u>Approvals by CEO</u>	190		190
- Projects + Fees (MSPs, EEAs)		163	163
- Project Preparation Activities + Fees		27	27
<u>Net Changes to Initial Approvals e/</u>	(10)		(10)
- Net amount increase (decrease) on GEF-4 projects		(22)	(22)
- Net amount increase [decrease] on GEF-4 projects at time of Endorsement		(4)	(4)
- Additional allocations on GEF-4 projects or PPGs		10	10
- Additional allocations on pre-GEF-4 projects or PPGs		6	6
<b>Pending decisions on Intersessionals and Council meetings</b>	-		-
- Projects, Fees, Admin Budget, Splc Initiatives, Programmatic Initiatives		-	
<b>4. Projected GEF-4 "Envelope" as of April 30, 2010 (4 = 2 + 3)</b>	<b>3,233</b>		<b>3,652</b>
<b>5. Excess or (Shortfall) as Measured Against the Target in Line 1 (5 = 4 - 1)</b>	<b>133</b>		<b>552</b>
<p>a/ Represents the target replenishment level as agreed, including new resources from Donors, projected investment income, and carryover of amounts from previous replenishments.</p> <p>b/ Includes the amounts that were due from United States on April 15, 2007 and November 30, 2009, which are expected to be paid in full.</p> <p>c/ Represents the remaining amounts from the fourth installement.</p> <p>d/ Represents IoCs not yet received by the Trustee from Italy (EUR 88 million) and Nigeria (SDR 4 million). The amount projected to be available comprises of Italy (USD eq. 117 million).</p> <p>e/ To fit the GEF Secretariat's RAF model, pre-GEF-4 project net changes were excluded from the calculation. The total reductions to initial approvals (including GEF-4 and pre-GEF-4 projects) is USD 263 million.</p>			

14. **Table 2b** (Arrears) details the arrears to the GEF Trust Fund by Donor as of April 30, 2010.<sup>7</sup> After the books were closed for the month of April, the Trustee received USD 86.5 million from the United States (USD 80 million for the fourth installment and USD 6.5 million for arrears), and USDeq 32.55 million from Canada and South Africa.

Contributing Participant	Amount Paid as a		Currency	Arrears Amount	Arrears as a %	
	% of Total Contribution	Repl.			of Total Contribution	USD eq. a/
Argentina	55%	GF01	USD	2.28	45.50%	2.28
Brazil	50%	GF04	XDR	2.02 b/	50.38%	2.96
Canada	78%	GF04	CAD	31.90 c/	21.99%	31.71
Egypt, Arab Republic of	87%	GF01	XDR	0.53	13.30%	0.80
Nigeria	25%	GF03	XDR	3.00	75.00%	4.53
South Africa	84%	GF04	ZAR	6.19 c/	16.17%	0.84
United States d/	67%	GF02	USD	140.67	32.71%	140.67
United States	93%	GF03	USD	28.06	6.53%	28.06
United States d/	75%	GF04	USD	80.80	25.25%	80.80
<b>Total</b>						<b>292.7</b>

a/ Valued at April 30, 2010 exchange rates.  
b/ 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.  
c/ The Trustee received both Canada's and South Africa's contribution payment in May 2010.  
d/ The Trustee received USD 86.5 million from the United States in May 2010 (USD 80 million for the fourth installment and USD 6.5 million for arrears).

15. The fund balance of GEF-4 consists of various currencies. Four hypothetical scenarios are presented to demonstrate the impact of changes in the value of the USD on the projected GEF-4 envelope balance. This is illustrated in **Table 2c** (Exchange Rate Sensitivity Analysis). This analysis assumes that all other factors (eg. receivables, approvals, investment income and net changes to initial approvals) remain the same; the exchange rate of USD to other currencies is the only variable. **Table 2c** demonstrates that if the USD depreciates by 15%, the total projected envelope amount would be USDeq. 3,336 million, an excess of USDeq. 236 million over the target Replenishment Level. Conversely, if the USD appreciates by 15%, then the total projected envelope amount would be USDeq. 3,157 million, an excess of USDeq. 57 million from the Target Replenishment Level.

<sup>7</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 2c: Exchange Rate Sensitivity Analysis Status as of April 30, 2010 (in USDeq. millions)		15% USD Depreciation		10% USD Depreciation		15% USD Appreciation		10% USD Appreciation	
		3,100		3,100		3,100		3,100	
<b>1. Target Replenishment Funding<sup>a/</sup></b>		<b>3,100</b>		<b>3,100</b>		<b>3,100</b>		<b>3,100</b>	
<b>2. Projected Available Resources During Remaining GEF-4 Period</b>		<b>414</b>		<b>517</b>		<b>479</b>		<b>338</b>	
<u>Estimated Funds available to support Council or CEO Financing Decisions</u>		<b>73</b>		<b>138</b>		<b>114</b>		<b>24</b>	
	Potential Amount Available	of which Projected to be Available		Potential Amount Available	of which Projected to be Available	Potential Amount Available	of which Projected to be Available	Potential Amount Available	of which Projected to be Available
<u>Receivables</u>			<b>223</b>		<b>239</b>		<b>233</b>		<b>211</b>
- Arrears	293	119	b/	296	125	294	123	285	115
- Due within 6 months	104	104		115	115	111	111	96	96
- Due between 7 and 12 months	-	-		-	-	-	-	-	-
- Due between 13 and 18 months	-	-		-	-	-	-	-	-
<u>Release of Deferred Contributions</u>			<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>
- Deferred Contributions	239	-		276	-	262	-	212	-
<u>IoCs not yet Deposited with the Trustee<sup>d/</sup></u>	123	117	<b>117</b>	145	138	<b>130</b>	137	102	<b>102</b>
<u>Projected Investment Income</u>	1	1	<b>1</b>	1	1	<b>1</b>	1	1	<b>1</b>
<b>Total</b>	<b>760</b>	<b>341</b>		<b>833</b>	<b>379</b>		<b>805</b>	<b>314</b>	
<b>3. GEF-4 Specific Funding Decisions</b>		<b>2,819</b>		<b>2,819</b>		<b>2,819</b>		<b>2,819</b>	
<u>Approvals by Council</u>			<b>2,640</b>		<b>2,640</b>		<b>2,640</b>		<b>2,640</b>
- Projects + Fees	1,575			1,575			1,575		
- Admin. Budget	67			67			67		
- Special Initiatives	4			4			4		
- Programmatic Initiatives	994			994			994		
<u>Approvals by CEO</u>			<b>190</b>		<b>190</b>		<b>190</b>		<b>190</b>
- Projects + Fees (MSPs, EEAs)	163			163			163		
- Project Preparation Activities + Fees	27			27			27		
<u>Net Changes to Initial Approvals<sup>e/</sup></u>			<b>(10)</b>		<b>(10)</b>		<b>(10)</b>		<b>(10)</b>
- Net amount increase (decrease) on GEF-4 projects		(22)		(22)		(22)		(22)	
- Net amount increase [decrease] on GEF-4 projects at time of Endorsement		(4)		(4)		(4)		(4)	
- Additional allocations on GEF-4 projects or PPGs		10		10		10		10	
- Additional allocations on pre-GEF-4 projects or PPGs		6		6		6		6	
<u>Pending decisions on Intersessionals and Council meetings</u>			<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>
- Projects, Fees, Admin Budget, Spcl Initiatives, Programmatic Initiatives									
<b>4. Projected GEF-4 "Envelope" as of April 30, 2010 (4 = 2 + 3)</b>		<b>3,233</b>		<b>3,336</b>		<b>3,298</b>		<b>3,157</b>	
<b>5. Excess or (Shortfall) as Measured Against the Target in Line 1 (5 = 4 - 1)</b>		<b>133</b>		<b>236</b>		<b>198</b>		<b>57</b>	
<sup>a/</sup> Represents the target replenishment level as agreed, including new resources from Donors, projected investment income, and carryover of amounts from previous replenishments. <sup>b/</sup> Includes the amounts that were due from United States on April 15, 2007 and November 30, 2009, which are expected to be paid in full. <sup>c/</sup> Represents the remaining amounts from the fourth installement. <sup>d/</sup> Represents IoCs not yet received by the Trustee from Italy (EUR 88 million) and Nigeria (SDR 4 million). The amount projected to be available comprises of Italy (USD eq. 117 million). <sup>e/</sup> To fit the GEF Secretariat's RAF model, pre-GEF-4 project net changes were excluded from the calculation. The total reductions to initial approvals (including GEF-4 and pre-GEF-4 projects) is USD 263 million.									

## V. Investment Portfolio and Income

16. **Table 3** (GEF Trust Fund Asset Mix) illustrates the composition of instruments in the GEF Trust Fund portfolio as of April 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.

<u>Asset Class</u>	<u>Percentage</u>
Domestic Govt	33%
Mortgage Backed Sec	29%
Asset Backed Sec	5%
Agency	5%
Sovereign/Govt Gtd	23%
Money Market	5%
Corporate	0%
	100%

17. **Table 3a** (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 GEF Trust Fund has earned investment income amounting to 2.38% on the USD 3 billion average balance for the calendar year, which is higher than returns of approximately 2% for the pooled Trust Fund portfolio over the same period.

18. Returns in 2008 were 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 in 2009 and through 2010 thus far has resulted in lower returns for those assets, bringing returns in line with historical levels.

<u>Fund Balance</u>	<u>Apr-10</u>	<u>CY 2010</u>	<u>FY to date</u>	<u>Prev. CY</u>	<u>Prev. FY</u>
3,078	0.29%	1.00%	2.38%	2.82%	5.58%

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

19. **Table 3b** (GEF Trust Fund Investment Income) shows investment income earned on the GEF Trust Fund balance as of April 30, 2010. The total amount of investment income earned since the beginning of GEF-1 (July 1, 1994) is USD 931 million.

- GEF-4 realized investment income to date is USD 534 million, representing an excess of USD 166 million over the amount projected at the close of the GEF-4 replenishment negotiations.
- During the remaining GEF-4 period, the Trustee estimates that investment income will amount to approximately USD 1 million.

<b>Table 3b: GEF Trust Fund Investment Income (FY basis) a/</b>					
Status as of April 30, 2010 (in USD millions)					
	Investment Income		Rate of Return		
	Projected	Realized			
GEF-1	- b/	106	4.2%	d/	
GEF-2	- b/	166	5.7%	d/	
GEF-3	130	125	1.9%	d/	
GEF-4	368	534 c/	5.2%	e/	
<b>Total</b>	<b>498</b>	<b>931 a/</b>			

a/ Total investment income does not include investment income earned during the Pilot Phase (USD 31 million). Total investment income as of April 30, 2010, including Pilot Phase, amounts to USD 962 million.

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

c/ This amount includes realized investment income as of April 30, 2010.

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

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

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

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

20. **Table 4** (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. 10.8 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. 647 million.

**Table 4: Cumulative Resources and Funding Decisions**  
Inception to April 30, 2010 (in USDeq. millions)

<b>1. Target Programming Level a/</b>		<b>10,115</b>
<b>2. Cumulative Resources b/</b>		<b>10,762</b>
<u>Resources not yet received</u>		<u>517</u>
IoCs not yet Deposited with the Trustee	123	
Installment Receivables c/	394	
<u>Resources received d/</u>		<u>10,245</u>
Cash receipts from Installments and Encashments	8,407	
Unenchashed Promissory Notes	876	
Investment Income Earned on Undisbursed Balances of GEF Funds e/	962	
<b>3. Cumulative Funding Decisions</b>		<b>9,910</b>
Approvals by Council and CEO	10,629	
Cancellations	(719)	
Pending decisions on Intersessionals and Council meetings	-	
<b>4. Cumulative Resources Net of Funding Decisions (4 = 2 - 3)</b>		<b>851</b>
<b>5. Excess (shortfall) as Measured Against the Target in Line 1 (5 = 2 - 1)</b>		<b>647</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 April 30, 2010.

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

21. In **Table 4a**, IoCs not yet deposited with the Trustee are in respect of pledges from Italy (USDeq. 117 million) and Nigeria (USDeq. 6 million). Until received in cash, these resources are subject to fluctuations in exchange rates.

22. **Table 4b** (Installment Receivables) shows that the majority (55% of installment receivables) represents GEF-4 installments that are due between May 1, 2010 and the end of the GEF-4 period (i.e. June 30, 2010) and arrears, mainly due from the United States. The majority of remaining 45% of installment receivables is from GEF-2 installments which represent the arrears of United States. However, the Trustee subsequently received USDeq. 167 millions of installment receivable during May 2010.

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

Status as of April 30, 2010

(in USDeq. millions) b/

<u>Contributing Participant b/</u>	<u>Currency of Obligation</u>	<u>USDeq.</u>	<u>Percentage</u>
Italy	EUR	117	95.1%
Nigeria	SDR	<u>6</u>	4.9%
<b>Total IoCs Not Yet Deposited</b>		<b>123</b>	

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

b/ Valued at April 30, 2010 exchange rates

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

**Table 4b: Installment Receivables**

Status as of April 30, 2010 (in USDeq. millions)

<u>Replenishment</u>	<u>USDeq.</u>	<u>Percentage</u>
GEF-1 a/	3	0.8%
GEF-2 b/	141	35.7%
GEF-3 c/	33	8.3%
GEF-4 d/	<u>217</u>	55.2%
<b>Total Installments</b>	<b>394</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.

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

## VII. Funding Decisions Since Inception

23. **Table 5** (Funding Decisions Against Total Cumulative Resources – Inception to April 30, 2010) shows initial funding decisions made by the Council and the CEO. Total funding decisions represent about 99% of cumulative GEF resources.

- This amount has been offset by cumulative cancellations totaling USD 719 million, or about 7% of approvals.
- Total net cumulative funding decisions (including pending decisions) amount to USD 9.9 billion, about 92% of cumulative GEF resources.

	Funding Decisions	Percentage against Total Cumulative Resources
Project and Project Preparation a/	9,556	88.8%
Project Fees	584	5.4%
Administrative Budget	489	4.5%
<b>Total</b>	<b>10,629</b>	<b>98.8%</b>
<b>Total Cumulative Resources</b>	<b>10,762</b>	

a/ Includes Programmatic Initiatives.  
\* The figures presented above are based on accounting records available as of April 30, 2010.

24. **Table 5a** (Funding Decisions by Agency – Projects and Fees – Inception to April 30, 2010) shows the total funding decisions by Implementing Agencies since inception of the GEF Trust Fund, including the Pilot Phase.

- 83% 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 8% was approved funding to the other seven Agencies.



**Table 5a: Funding Decisions by Agency –  
Projects and Fees a/**  
Inception to April 30, 2010 (in USD millions)

	<u>Funding Decisions</u>	<u>Percentage of Total Funding Decisions</u>
ADB	145	1.4%
AfDB	16	0.2%
EBRD	44	0.4%
FAO	93	0.9%
IADB	128	1.3%
IBRD	4,773	47.4%
IFAD	108	1.1%
UNDP	3,594	35.7%
UNEP	937	9.3%
UNIDO	240	2.4%
<b>Total</b>	<b>10,079</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 April 30, 2010.

25. **Table 5b** (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 66% of the cumulative funding approved to date.

**Table 5b: Project Funding Decisions by Focal Area**

Inception to April 30, 2010 (in USD millions)

Focal Area	Funding Decisions a/	Percentage
Biodiversity	3,037	33.0%
Climate Change	2,994	32.5%
International Waters	1,098	11.9%
Land Degradation	359	3.9%
Multi-focal Areas	1,141	12.4%
Ozone Depletion	171	1.9%
Persistent Organic Pollutants	405	4.4%
<b>Total</b>	<b>9,204</b>	

a/ Includes Funding Decisions for Projects attached to Programmatic Initiatives.

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

26. **Table 5c** (Funding Decisions by Replenishment) shows the cumulative funding decisions by Replenishments including related cancellations.

**Table 5c: Funding Decisions by Replenishment**

Inception to April 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>
Programmatic Initiatives Approved Projects, Project Preparation and Administrative Budget Approvals	-	-	119	312	994
	782	1,518	2,356	2,704	1,845
<b>Total Funding Decisions</b>	<b>782</b>	<b>1,518</b>	<b>2,475</b>	<b>3,016</b>	<b>2,839</b>
Minus Cancellations a/ b/	(92)	(267)	(166)	(167)	(25)
<b>Net Total Funding Decisions</b>	<b>689</b>	<b>1,250</b>	<b>2,309</b>	<b>2,849</b>	<b>2,813</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.

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

27. **Table 5d** (Funding Decisions – Trustee Commitments and Cash Transfers to Agencies) shows the cumulative commitments and cash transfers to the GEF Agencies from inception to April 30, 2010.

<b>Table 5d: Funding Decisions</b>			
<b>– Trustee Commitments and Cash Transfers to Agencies a/</b>			
Inception to April 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	145	88	43
AfDB	16	6	0
EBRD	44	10	2
FAO	93	41	15
IADB	128	68	26
IBRD	4,773	3,832	2,718
IFAD	108	79	53
UNDP	3,594	3,060	2,333
UNEP	937	726	555
UNIDO	240	120	84
<b>Total</b>	<b>10,079</b>	<b>8,030</b>	<b>5,829</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 April 30, 2010.

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