



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

GEF/C.54/19/Rev. 03/Annex.C/Corr.1
February 24, 2019

Intersessional decision
Washington, D.C.

GLOBAL ENVIRONMENT FACILITY TRUST FUND

SEVENTH REPLENISHMENT OF RESOURCES
(Resolution No. IBRD 2018-0008)

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
EXECUTIVE DIRECTOR'S RESOLUTION NO. IBRD 2018-0008**

**GLOBAL ENVIRONMENT FACILITY TRUST FUND
SEVENTH REPLENISHMENT OF RESOURCES**

WHEREAS:

(A) The participants contributing to the Global Environment Facility Trust Fund ("the GEF Trust Fund"), (jointly, "the Contributing Participants", each "a Contributing Participant") having considered the prospective financial requirements of the GEF Trust Fund, have concluded that additional resources should be made available to the GEF Trust Fund for new financing commitments for the period from July 1, 2018 to June 30, 2022 (the "Seventh Replenishment") and have agreed to ask their legislatures, where necessary, to authorize and approve the allocation of additional resources to the GEF Trust Fund in the amounts set out in Attachment 1, and according to the provisions set forth herein;

(B) The Council of the Global Environment Facility (the "GEF" or "Facility") (the "Council"), having considered the Summary of The Negotiations on the Seventh Replenishment, including the policy recommendations made on the basis of the Sixth Overall Performance Study of the GEF, other reports emanating from the GEF monitoring and evaluation program during the prior replenishment period, and the views and proposals of the Participants, has requested the Executive Directors of the International Bank for Reconstruction and Development (the "World Bank") to authorize the World Bank as Trustee of the GEF Trust Fund to hold in trust and manage the resources made available for the Seventh Replenishment;

(C) It is desirable to administer any remaining funds from the Sixth replenishment of the GEF Trust Fund authorized by the Instrument for the Establishment of the Restructured Global Environment Facility, as amended (the "Instrument"), and approved by Resolution No. 2014-0002 of the World Bank, adopted on July 30, 2014 (the "Sixth Replenishment"), as part of this Seventh Replenishment;

(D) The World Bank, as provided for in Paragraph 8 and Annex B of the Instrument (adopted on May 24, 1994, pursuant to Resolution No. 94-2 of the Executive Directors of the World Bank), is Trustee of the GEF Trust Fund and, in that capacity, will hold in trust and manage the resources made available for the Seventh Replenishment.

NOW THEREFORE the Executive Directors of the World Bank hereby note with approval the replenishment of the GEF Trust Fund in the amounts and on the basis set forth herein and authorize the World Bank as Trustee of the GEF Trust Fund (the "Trustee") to manage the resources made available for the Seventh Replenishment as follows:

Contributions

1. The Trustee is authorized to accept contributions to the GEF Trust Fund; (a) by way of a grant from each Contributing Participant in the GEF Trust Fund in the amount specified for each Contributing Participant in Attachment 1, and (b) otherwise as provided herein.

Instruments of Commitment

2. (a) Contributing Participants to the Seventh Replenishment shall deposit with the Trustee an instrument of commitment substantially in the form set out in Attachment 2 ("Instrument of Commitment"), subject to sub-paragraph 2(b).

(b) When a Contributing Participant agrees to pay a part of its contribution without qualification and the remainder is subject to enactment by its legislature of the necessary appropriation legislation, it shall deposit a qualified instrument of commitment in a form acceptable to the Trustee ("Qualified Instrument of Commitment"); such Contributing Participant undertakes to exercise its best efforts to obtain legislative approval for the installment amounts of its contribution by the payment dates set out in sub-paragraph 3(a) below.

(c) At every Council meeting, the Trustee will inform the Council of the status of Instruments of Commitment and Qualified Instruments of Commitment deposited with the Trustee.

Payments

3. (a) Contributions to the GEF Trust Fund under sub-paragraph 1(a) that a Contributing Participant agrees to pay without qualification shall be paid to the Trustee in four equal installments by November 30, 2018, November 30, 2019, November 30, 2020 and November 30, 2021, provided that:

(i) The Trustee and a Contributing Participant may agree to earlier payment;

(ii) If the Seventh Replenishment shall not have become effective (as described in sub-paragraph 6(a) below) by October 31, 2018, payment of any installment which would otherwise have been due prior to the Effective Date (as defined in subparagraph 6(a) below) shall become due 30 days after the Effective Date;

(iii) Upon the written request of a Contributing Participant, the Trustee may agree to allow such Contributing Participant to postpone the payment of any installment, or part thereof, up to, but not beyond, June 30 of the calendar year following the year in which such installment is due. Payments made pursuant to any such agreement with the Trustee shall constitute timely payments; and

(iv) If any Contributing Participant shall deposit an Instrument of Commitment with the Trustee after the date on which any installment of the contribution is due, payment of any such installment(s) shall be made to the Trustee within 30 days after the date of deposit of such Instrument.

(b) Contributions to the GEF Trust Fund under sub-paragraph 1(a) that a Contributing Participant agrees to make pursuant to a Qualified Instrument of Commitment shall be paid to the Trustee as follows:

(i) If any Contributing Participant deposits a Qualified Instrument of Commitment with the Trustee after the date on which any installment of the contribution would have been due under sub-paragraph 3(a) if the Contributing Participant had deposited an unqualified Instrument of Commitment, payment of any such installment(s), or part thereof, shall be made to the Trustee within 30 days after the date of deposit of such Instrument to the extent that such Instrument has been unqualified.

(ii) If any Contributing Participant that has deposited a Qualified Instrument of Commitment thereafter notifies the Trustee that an installment, or part thereof, is unqualified after the date when such installment would have been due under sub-paragraph 3(a) if the Contributing Participant had deposited an unqualified Instrument of Commitment, payment of such installment, or part thereof, shall be made within 30 days of such notification.

(c) Payments under sub-paragraph 1(a) shall be made, at the option of each Contributing Participant, (i) in cash or (ii) through the deposit of notes or similar obligations (such as letters of credit) issued by the government of the Contributing Participant or the depository designated by the Contributing Participant, which shall be non-negotiable, non-interest bearing, and payable at their par value on demand to the account of the Trustee on the following terms:

(i) Subject to sub-paragraph 3(a)(iii), payment in cash may be made on terms agreed between the Contributing Participant and the Trustee that shall be no less favorable to the GEF Trust Fund than payment made through the deposit of notes or similar obligations pursuant to sub-paragraph 3(c)(ii).

(ii) The Trustee shall encash notes or similar obligations on an approximately pro rata basis among Contributing Participants, at reasonable intervals as needed for disbursements and transfers referred to in paragraph 8, as determined by the Trustee. An indicative encashment schedule is set out in Attachment 3. At the written request of a Contributing Participant experiencing exceptionally difficult budgetary circumstances, the Trustee may permit postponement of encashment for (i) up to two years in respect of a Contributing Participant that is also an eligible recipient under the GEF Trust Fund, and (ii) up to 45 days in respect of all other Contributing Participants.

(iii) At the request of a Contributing Participant, the Trustee may agree to encash notes or similar obligations on a basis other than a pro rata basis; provided that, subject to sub-paragraph 3(c)(iv), the schedule of encashment agreed for such notes or obligations shall be no less favorable to the GEF Trust Fund than

the schedule that would apply according to the pro rata basis provided for under sub-paragraph 3(c)(ii).

(iv) If the sum total of a Contributing Participant's notes or similar obligations deposited with the Trustee is insufficient to meet the indicative encashment schedule referred to in sub-paragraph 3(c)(ii) (as such schedule may be amended from time to time), such Contributing Participant shall exercise its best efforts, subject to its domestic budgetary and legislative practices and requirements, to meet a schedule of encashment for the notes or similar obligations it thereafter deposits with the Trustee that would be no less favorable to the GEF Trust Fund than the schedule that would otherwise have applied according to the pro rata basis provided for under sub-paragraph 3(c)(ii).

(d) Sub-paragraph 3(c) does not apply to, or affect, the schedule for the payment of installments set out in sub-paragraph 3(a) or, in the case of a Contributing Participant that has deposited a Qualified Instrument of Commitment, the obligations undertaken pursuant to subparagraph 2(b). Further, nothing in sub-paragraph 3(c) authorizes the Trustee to increase a Contributing Participant's contribution or to impose financial penalties for any reason.

(e) Contributions to the GEF Trust Fund under sub-paragraph 1(b) shall be paid in accordance with the terms on which such contributions are accepted by the Trustee.

(f) The Trustee shall make regular reports to the Council on the status of Contributing Participants' contributions.

Timely Availability of Resources

4. (a) If (i) a Contributing Participant does not make payment in accordance with subparagraph 3(a) or 3(b); or (ii) a Contributing Participant that has deposited a Qualified Instrument of Commitment, is unable, despite its best efforts undertaken in accordance with subparagraph 2(b), to obtain legislative approval to unqualify a sufficient amount of its contribution to meet the payment dates set out in sub-paragraph 3(a), and such delay continues for 30 days, the Trustee shall notify the Contributing Participant of the delay. In doing so, the Trustee shall request the Contributing Participant to make payment promptly, or, as appropriate, to exercise its best efforts to obtain legislative approval to unqualify sufficient funds to make payment promptly. The Trustee shall also remind the Contributing Participant of the obligation it will incur under the further requirements of this sub-paragraph if the delay persists. If payment has not been made 30 days before the date of the Council meeting following the date on which the delay was incurred, the responsible Minister of the Contributing Participant concerned shall provide the Chief Executive Officer/Chairperson of the Facility (the "CEO") with a written communication stating the reasons for the delay and the measures being taken to address it. The CEO shall forward any such communication to the Council, with a copy to the Trustee.

(b) As provided in sub-paragraph 25(c) of the Instrument, for the purpose of determining voting power in the event of a formal vote by the Council, a Contributing Participant's total contributions shall consist of the actual cumulative contributions made by a

Contributing Participant to the GEF Trust Fund, including actual contributions made to the Seventh Replenishment, contributions made to the Global Environment Trust Fund (the "GET"), and the grant equivalent of co-financing and parallel financing made under the GEF pilot program, or agreed with the Trustee before the effective date of the GEF Trust Fund.

Currency of Denomination and Payment

5. (a) Contributing Participants shall denominate their contributions in Special Drawing Rights ("SDR"), or in a currency that is freely convertible, as determined by the Trustee, except that if a Contributing Participant's economy experienced a rate of inflation in excess of ten percent per annum on average in the period 2014 to 2016 as determined by the Trustee as of the date this Resolution is adopted, its contribution shall be denominated in SDR or United States Dollars.

(b) Contributing Participants shall make payments in SDR, a currency used for the valuation of the SDR, or with the agreement of the Trustee, in another freely convertible currency. The Trustee may, in its discretion, freely exchange contributions received for any such currencies.

(c) Each Contributing Participant shall maintain, with respect to its currency paid to the Trustee and the currency of such Contributing Participant derived therefrom, the same convertibility as existed on the date on which this Resolution is adopted.

Effective Date

6. (a) The Seventh Replenishment shall become effective on the date when Contributing Participants whose contributions aggregate not less than sixty percent (60%) of the total contributions of all Contributing Participants, as set out in Attachment 1 shall have deposited with the Trustee Instruments of Commitment or Qualified Instruments of Commitment (the "Effective Date").

(b) The Trustee shall promptly notify all Contributing Participants when the Seventh Replenishment becomes effective.

(c) If the Seventh Replenishment does not become effective by March 31, 2019, the Trustee shall so inform the Contributing Participants and consult with them on possible steps to be taken to prevent any interruption of GEF financing. The Trustee, in collaboration with the CEO, will inform the Council of the results of such consultations, and seek the Council's guidance on the steps to be taken, including, as may be necessary, the convening of a meeting of the Contributing Participants.

Advance Contributions

7. (a) In order to avoid an interruption in the Trustee's ability to make financing commitments pending the effectiveness of the Seventh Replenishment, and if the Trustee shall have received Instruments of Commitment or Qualified Instruments of Commitment from

Contributing Participants whose contributions aggregate not less than twenty percent (20%) of the total contributions of all Contributing Participants, as set out in Attachment 1, the Trustee may deem, prior to the Effective Date, one quarter of the total amount of each contribution for which an Instrument of Commitment or Qualified Instrument of Commitment has been deposited with the Trustee as an advance contribution, unless the Contributing Participant specifies otherwise in its Instrument of Commitment or Qualified Instrument of Commitment.

(b) The Trustee shall specify when advance contributions pursuant to sub-paragraph 7(a) above are to be paid to the Trustee.

(c) The terms and conditions applicable to contributions to the Seventh Replenishment shall apply also to advance contributions until the Effective Date, when such contributions shall be deemed to constitute payment towards the amount due from each Contributing Participant for its contribution.

Commitment or Transfer Authority

8. (a) Contributions shall become available for commitment by the Trustee, for disbursement or transfer as needed to cover the work program, the administrative budget of the GEF, and any other expenses approved by the Council under the Instrument, upon receipt of payment by the Trustee of the contributions set out in sub-paragraphs 1(a) and (b) except as provided in subparagraph 8(c) below. Paid in but unallocated resources included in the carryover reflected in Attachment 1 hereto (excluding any amount for which commitment by the Trustee is deferred under any prior replenishment of the GEF Trust Fund) and investment income shall become available for commitment by the Trustee, for disbursement or transfer as needed to cover the work program, the administrative budget of the GEF, and any other expenses approved by the Council under the Instrument, upon adoption of the resolution by the Executive Directors of the World Bank.

(b) The Trustee shall promptly inform all Contributing Participants if a Contributing Participant that has deposited a Qualified Instrument of Commitment and whose contribution represents more than 5 percent of the total amount of the resources to be contributed pursuant to the Seventh Replenishment has not unqualified at least 50 percent of the total amount of its contribution by November 30, 2019, or 30 days after the Effective Date, whichever is later, and at least 75 percent of the total amount of its contribution by November 30, 2020, or 30 days after the Effective Date, whichever is later, and the total amount thereof by November 30, 2021, or 30 days after the Effective Date, whichever is later.

(c) Within 45 days of the dispatch of notice by the Trustee under sub-paragraph 8(b) above, each Contributing Participant receiving such notice may notify the Trustee in writing that (i) the commitment by the Trustee of the second, third or fourth installment, whichever is applicable, of such Contributing Participant's contribution shall be deferred while, and to the extent that, any part of the contribution referred to in sub-paragraph 8(b) remains qualified; or (ii) it wishes to extend the decision period for the right to defer commitment of its contribution from 45 days to 120 days. The Trustee shall make no commitments in respect of the resources to

which the notice pertains unless the right of the Contributing Participant is waived pursuant to sub-paragraph 8(d) below.

(d) The right of a Contributing Participant under sub-paragraph 8(c) above may be waived in writing, and it shall be deemed waived if the Trustee does not receive, within the 45-day period or 120-day period specified in sub-paragraph 8(c), as appropriate, a written notice informing the Trustee pursuant to such sub-paragraph that the Contributing Participant has decided to defer commitment of a portion of its contribution.

(e) The Trustee, in collaboration with the CEO, shall consult with the Contributing Participants and seek the Council's advice on possible steps to be taken where, in its judgment: (i) there is a substantial likelihood that the total amount of the contributions referred to in sub-paragraph 8(b) above shall not be committed to the Trustee without qualification by June 30, 2022, or (ii) as a result of Contributing Participants exercising their rights under sub-paragraph 8(c), the Trustee is, or may shortly be, precluded from entering into new commitments for disbursement or transfer.

(f) Commitment and transfer authority shall be increased by:

(i) The income earned on the investment of resources held in the GEF Trust Fund pending disbursement or transfer by the Trustee; and

(ii) Payments received by the Trustee as repayment, interest or charges on loans made by the GEF Trust Fund.

(g) The Trustee may enter into agreements to provide financing from the GEF Trust Fund, conditional on the commitment of such financing becoming effective and binding on the GEF Trust Fund when resources become available for commitment by the Trustee.

Administration of the Sixth Replenishment

9. Funds, receipts, assets and liabilities held by the Trustee under the Sixth Replenishment, including the full carryover reflected in Attachment 1 hereto, will be administered under the Seventh Replenishment.

**ATTACHMENT 1: GLOBAL ENVIROMENT FACILITY TRUST FUND
SEVENTH REPLENISHMENT OF RESOURCES
TABLE OF CONTRIBUTIONS****

Contributing Participants 1	CONTRIBUTIONS (in millions)						
	GEF-7 Basic Shares and Contributions a/		Supplemental Contributions	GEF-7 Actual Shares	Total Contributions		
	(%)	SDR	SDR	(%)	SDR	Currency b/	Currency
	2	3	4	5	6	7	8
Australia	1.25%	42.05	-	1.79%	42.05	76.67	AUD
Austria	1.26%	42.44	-	1.81%	42.44	50.50	EUR
Belgium	1.55%	52.10 c/	0.78 c/	2.25%	52.88	60.00	EUR
Brazil	-	4.00 d/	0.21	0.18%	4.21	6.00	USD
Canada	3.81%	127.92	-	5.44%	127.92	228.79 c/	CAD
China	-	4.00 d/	11.45	0.66%	15.45	22.00 c/	USD
Côte d'Ivoire	-	4.00 d/	-	0.17%	4.00	5.69	USD
Czech Republic	-	4.00 d/	-	0.17%	4.00	122.04	CZK
Denmark	1.59%	53.43 c/	-	2.27%	53.43	450.00	DKK
Finland	0.81%	27.19 c/	-	1.16%	27.19	30.98	EUR
France	6.27%	210.72	-	8.97%	210.72	300.00 c/	USD
Germany	10.51%	352.93	-	15.02%	352.93	420.00	EUR
India	-	4.00 d/	6.54	0.45%	10.54	15.00	USD
Ireland	0.11%	3.69	1.36 c/	0.21%	5.05	5.73	EUR
Italy	2.30%	77.31	-	3.29%	77.31	92.00	EUR
Japan	13.33%	447.82	-	19.06%	447.82	71,030.00	JPY
Korea	0.16%	5.27	0.26 c/	0.24%	5.53	7.50 f/	USD
Luxembourg	0.05%	1.68	2.32	0.17%	4.00	4.76	EUR
Mexico	-	4.00 d/	10.05	0.60%	14.05	374.51 c/	MXN
Netherlands	2.09%	70.25	-	2.99%	70.25	83.60 c/	EUR
New Zealand	0.12%	4.03	1.97	0.26%	6.00	12.00	NZD
Norway	1.36%	45.59	-	1.94%	45.59	520.00	NOK
Slovenia	0.03%	1.01	2.99	0.17%	4.00	4.76	EUR
South Africa	-	4.00 d/	1.07	0.22%	5.07	94.00	ZAR
Sweden	5.28%	177.40	-	7.55%	177.40	2,064.25	SEK
Switzerland	2.55%	85.70	-	3.64%	85.70	118.34	CHF
United Kingdom	7.05%	236.67	-	10.07%	236.67	250.00 g/	GBP
United States	5.71%	191.90	-	8.17%	191.90	273.20 c/	USD
<i>Expected Pledges</i>	0.77%	25.89	-	1.10%	25.89 e/		
1 New Funding from Contributing Participant	67.97%	2,310.98	39.00	100.00%	2,349.98		
2 Projected Investment Income					105.01 h/		
3 Projected Carryover of GEF Resources					402.54		
Paid-in Unallocated Resources					264.26 i/		
Paid-in Deferred Contributions					-		
Unpaid Resources					138.28 j/		
4 Total Projected Resources to Cover GEF-7 Work Program					2,857.53 k/		

** All pledges are subject to government or parliamentary approval.

a/ The GEF-7 basic shares reflect those of the GEF-6 in respect of the following Contributing Participants: Belgium, Ireland, Luxembourg, New Zealand, and Slovenia

b/ As agreed by the contributing participants on an absence of objection basis by April 3, 2018, the average daily exchange rate over the period from September 1, 2017 to February 28, 2018 are used as the reference exchange rates to convert between the SDR amounts and the national currency amounts.

c/ Contributing Participants have the option of taking a discount or credit for acceleration of encashment and; (i) including such credit as part of their basic share; (ii) counting such credit as a supplemental contribution; or (iii) taking such discount against the national currency contribution. Denmark, and Finland have opted to include such credit as part of their basic share. Belgium has opted to include such credits partially as part of basic and supplemental contribution. Ireland, and Korea have opted to take the credit for accelerated encashment as a supplemental contribution. Canada, United States, China, Mexico, France and the Netherlands have opted to take a discount against the contribution currency.

d/ For those Contributing Participants that do not have a basic share, this represents the agreed minimum contribution of SDR 4 million.

e/ This represents pledges from Contributing Participants whose internal governance and budget processes are not sufficiently advanced to allow pledging at the final replenishment meeting, but where pledges are expected to be confirmed as soon as possible. This represents an indicative amount calculated by the Trustee and does not represent pledges by the Contributing Participants. Pledge amounts are to be determined by the Contributing Participants and confirmed to the Trustee soon.

f/ This represents an indicative amount calculated by the Trustee and does not represent pledge by the Contributing Participant. Pledge amount is to be determined by the Contributing Participant and confirmed to the Trustee.

g/ Of the total amount of the United Kingdom's pledge, twenty percent is conditional upon completion of the policy measures as agreed in the GEF-7 summary of negotiation (document reference: GEF/C.54/19).

h/ Investment income is projected using an average cash balance of USD 3.48 billion and estimated investment return of 1.08% per annum.

i/ This amount represents unallocated paid-in resources and investment income in the GEF Trust Fund (excluding amounts for which commitment by the Trustee is deferred under any prior replenishment of the GEF Trust Fund). It also includes expected reflows from Non-Grant Instrument and anticipated cancellations of projects from previous replenishments.

j/ This amount comprises Instruments of Commitments not yet deposited plus arrears (late payments under deposited Instruments of Commitments or Qualified Instruments of Commitments) from previous replenishments.

k/ This SDR amount is equivalent to USD 4,068 million using the agreed GEF-7 reference exchange rates.

**ATTACHMENT 2: GLOBAL ENVIRONMENT FACILITY TRUST FUND
SEVENTH REPLENISHMENT OF RESOURCES
INSTRUMENT OF COMMITMENT**

Reference is made to Resolution No. IBRD 2018-0008 of the Executive Directors of the International Bank for Reconstruction and Development (the "World Bank") entitled "Global Environment Facility Trust Fund: Seventh Replenishment of Resources" which was adopted on August 9, 2018 (the "Resolution").

The Government of _____ hereby notifies the World Bank as Trustee of The Global Environment Facility Trust Fund, pursuant to paragraph 2 of the Resolution, that it will make the contribution authorized for it in Attachment 1 of the Resolution, in accordance with the terms of the Resolution, in the amount of _____.

(Date)

(Name, Title and Office)

**ATTACHMENT 3: GLOBAL ENVIRONMENT FACILITY TRUST FUND
SEVENTH REPLENISHMENT OF RESOURCES
INDICATIVE ENCASHMENT SCHEDULE**

<u>Fiscal Year</u>	<u>Percentage of Total Pledge</u>
2019	3%
2020	8%
2021	11%
2022	15%
2023	16%
2024	16%
2025	13%
2026	9%
2027	5%
2028	4%
Total	100%