GEF-7 Replenishment:
Overview of Financial Structure

Seventh Replenishment of the GEF Trust Fund
First Meeting: March 28-30, 2017

Prepared by the GEF Trustee
**Roadmap of the GEF-7 Replenishment**

**Participants in GEF-7 Replenishment Meetings**

**Council**

- **FINAL REPLENISHMENT MEETING**
  - Participants decide on:
    - OPS 6
    - Strategy
    - Programming priorities
    - Policy
    - Financing
  - Agree on the Replenishment Summary and draft Replenishment Resolution

- Endorses the replenishment package
- Asks CEO to send documents to the Trustee (World Bank) requesting the Bank to adopt the Replenishment Resolution
- Sends documents to the GEF Assembly for information.

**WB Executive Directors**

- Adopt the Replenishment Resolution
- Trustee is thereby authorized to manage the resources
- GEF-7 financing period begins

**Donors**

- Deposit Instruments of Commitment (IoCs) with the Trustee
- GEF-7 implementation commences
- Funds are received by the Trustee

**FINAL REPLENISHMENT MEETING**

- Participants decide on:
  - OPS 6
  - Strategy
  - Programming priorities
  - Policy
  - Financing

- Agree on the Replenishment Summary and draft Replenishment Resolution

- Council endorses the replenishment package.
- Council asks the CEO to send documents to the Trustee (World Bank) requesting the Bank to adopt the Replenishment Resolution.
- Council sends documents to the GEF Assembly for information.

- WB Executive Directors adopt the Replenishment Resolution.
- Trustee is thereby authorized to manage the resources.
- GEF-7 financing period begins.

- Donors deposit Instruments of Commitment (IoCs) with the Trustee.
- GEF-7 implementation commences.
- Funds are received by the Trustee.
GEF Replenishment Resources

- New Donor Funding
  - Basic Donor Contributions
  - Supplemental / Additional Donor Contributions

- Funds Carried Over from Previous Replenishments
  - Unpaid Resources
  - Paid-in Deferred Contributions
  - Paid-in Unallocated Resources

-Projected Investment Income
Snapshot of GEF Trust Fund replenishments

<table>
<thead>
<tr>
<th>Phase</th>
<th>New Pledged Amount</th>
<th>Carryover from previous replenishment period</th>
<th>Projected Investment Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot Phase</td>
<td>1,100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>GEF-1</td>
<td>2,023</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>GEF-2</td>
<td>2,063</td>
<td>687</td>
<td>1,000</td>
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<tr>
<td>GEF-3</td>
<td>2,300</td>
<td>570</td>
<td>1,500</td>
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<tr>
<td>GEF-4</td>
<td>2,289</td>
<td>478</td>
<td>2,000</td>
</tr>
<tr>
<td>GEF-5</td>
<td>3,542</td>
<td>687</td>
<td>2,500</td>
</tr>
<tr>
<td>GEF-6</td>
<td>4,340</td>
<td>583</td>
<td>3,000</td>
</tr>
</tbody>
</table>

US$ Eq. million
## New donor funding: payment of contributions

<table>
<thead>
<tr>
<th>Donor Instrument of Commitment</th>
<th>Timing</th>
<th>Form of payment</th>
<th>Encashments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pledge is formalized by the deposit of an instrument of commitment (IoC)</td>
<td>• Four annual installments by November 30th each year.</td>
<td>• Cash or promissory notes payable on demand (donor’s choice)</td>
<td>• Indicative encashment schedule is 10 years; determined in advance, with options to accelerate</td>
</tr>
</tbody>
</table>
Investment returns are expected to remain relatively modest as fixed income yields remain at historically low levels.
Next steps

Second Meeting

• Continue discussing the financing structure of the Replenishment

Third Meeting

• Participants agree on overall vision and size of GEF-7 Replenishment

Fourth (and final) Meeting

• Finalize donor pledges and financing framework
Thank you.