

# **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

## 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

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

## **GEF Replenishment Resources**



## **GEF Replenishment Resources**

**New Donor Funding** 

Funds Carried Over from Previous Replenishments

**Projected Investment Income** 

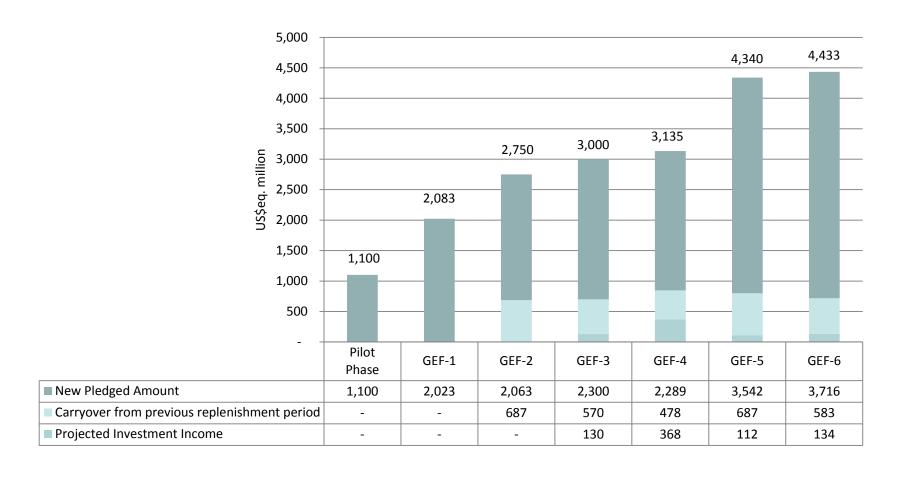
Basic Donor Contributions

Supplemental / Additional Donor Contributions **Unpaid Resource** 

Paid-in Deferred Contributions

Paid-in Unallocated Resources

## **Snapshot of GEF Trust Fund replenishments**



## New donor funding: payment of contributions



## Donor Instrument of Commitment

 Pledge is formalized by the deposit of an instrument of commitment (IoC)

#### Timing

 Four annual installments by November 30th each year.

#### Form of payment

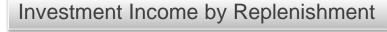
 Cash or promissory notes payable on demand (donor's choice)

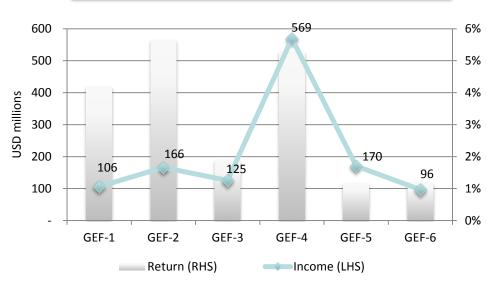
#### Encashments

 Indicative encashment schedule is 10 years; determined in advance, with options to accelerate

## **Investment income**







#### **Investment Returns**



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.