

GLOBAL
ENVIRONMENT
FACILITY

EFFECTIVENESS OF GEF TRUST FUND

GEF Council Meeting
Washington, D.C.
May 3 - 5, 1995

DRAFT COUNCIL DECISION

The Council reviewed document GEF/C.4/10, and congratulated donors for their efforts in making the GEF Trust Fund effective. The Council took note of the implications of such effectiveness and confirmed the groupings of constituencies as listed in document GEF/C.4/Inf.2.

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INTRODUCTION

1. In his letter of March 17, 1995 to Council Members, the CEO informed Council Members and GEF Participants of the effectiveness of the GEF Trust Fund. This document addresses the implications of such effectiveness.

EFFECTIVENESS OF THE GEF TRUST FUND

2. Annex C of the Instrument for the Establishment of the Restructured GEF provides in paragraph 6a:

"The GEF Trust Fund shall become effective and the resources to be contributed pursuant to this Annex shall become payable to the Trustee on the date when Contributing participants whose contributions aggregate not less than SDR 980.53 million shall have deposited with the Trustee Instruments of Commitment or Qualified Instruments of Commitment (the effective date), provided that this date shall not be later than October 31, 1994, or such later date as the Trustee may determine."

3. The World Bank, acting as Trustee for the GEF Trust Fund, determined that the condition described in paragraph 6(a) was met on March 16, 1995. A table indicating the commitments received as of March 16, 1995, is attached as Annex A to this document.

STATUS OF THE PILOT PHASE

4. Paragraph 32 of the Instrument provides:

"The World Bank shall be invited to terminate the existing Global Environment Trust Fund (GET) on the effective date of the establishment of the new GEF Trust Fund, and any funds, receipts, assets and liabilities held in the GET upon termination, including the administration of any cofinancing by the Trustee in accordance with the provisions of Resolution No.91-5 of the Executive Directors of the World Bank, shall be transferred to the new GEF Trust Fund. Pending the termination of the GET under this provision, projects financed from the GET resources shall continue to be processed and approved subject to the rules and procedures applicable to the GET."

5. A status report on the funds transferred from the GET as well as the commitment authority as of March 16, 1995, will be circulated to Council Members at their meeting in May 1995.

6. With respect to the commitment authority carried forward from the GET, please note that these resources have been fully earmarked for projects endorsed by Participants as part of the pilot phase work program but which are still being finalized for formal approval by the Implementing Agency concerned.

CONSTITUENCIES

7. Paragraph 6 of Annex E of the Instrument provides:

"The grouping of constituencies as communicated to the Secretariat, including any adjustments pursuant to paragraph 8 of this Annex, shall be subject to confirmation by the Council after the effective date of the establishment of the GEF Trust Fund, taking into account the instruments deposited in accordance with Annex A to the Instrument."

8. As has been the practice at past Council meetings, the list of constituency groupings will be circulated to Council Members at the May meeting. In light of the effectiveness of the GEF Trust Fund, the Council is invited to confirm the grouping of constituencies.