



# Global Environment Facility

GEF/R.5/Inf.5  
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Second Meeting for the Fifth Replenishment of the GEF Trust Fund  
June 25-26, 2009  
Washington, D.C.

**AVERAGE INFLATION RATES  
2006-2008  
(PREPARED BY TRUSTEE)**

## AVERAGE INFLATION RATES 2006-2008

1. Donor contributions to the GEF are normally denominated in national currencies, with the exception of contributions from countries experiencing high inflation in their economies. In previous replenishments, donors agreed that countries with average annual inflation rates greater than 10% during the three years preceding the replenishment would denominate their contributions in SDRs. This practice recognizes that the largest loss in the value of replenishment resources over a replenishment commitment and encashment period tends to be caused by the depreciation of national currencies in countries with high inflation rates.

2. At the first GEF-5 replenishment meeting it was agreed that, consistent with practice in previous replenishments, donor countries experiencing annual average inflation rates of over 10% during the preceding three year period would denominate their GEF-5 contributions in Special Drawing Rights (SDRs).

3. Annex 1 presents the 2006-2008 inflation rates of the Contributing Participants to the GEF-4 replenishment. The data shows that none of the current Contributing Participants to the GEF have experienced average inflation rates higher than 10% during the specified period. Therefore, according to this agreed practice, none of these Contributing Participants would be obliged to denominate their GEF-5 contributions in SDR.

**Global Environment Facility**  
**Inflation Rates of GEF Donors**  
CPI Percentage Change Over Previous Year

<b>Contributing Participant a/</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Average</b>
	(%)	(%)	(%)	(%)
Australia	3.54	2.33	4.35	3.41
Austria	1.69	2.20	3.22	2.37
Belgium	2.34	1.81	4.49	2.88
Canada	2.02	2.12	2.39	2.18
China	1.47	4.77	5.85	4.03
Czech Republic	2.54	2.86	6.34	3.91
Denmark	1.90	1.71	3.40	2.34
Finland	1.28	1.58	3.90	2.25
France	1.91	1.61	3.16	2.23
Germany	1.78	2.28	2.75	2.27
Greece	3.31	2.99	4.24	3.51
India	6.18	6.37	8.35	6.97
Ireland	2.70	2.87	3.11	2.89
Italy	2.22	2.04	3.50	2.59
Japan	0.30	0.00	1.40	0.57
Korea	2.24	2.54	4.67	3.15
Luxembourg	2.67	2.31	3.38	2.79
Mexico	3.63	3.97	5.13	4.24
Netherlands	1.65	1.59	2.21	1.82
New Zealand	3.36	2.38	3.96	3.23
Nigeria	8.34	5.47	11.24	8.35
Norway	2.33	0.73	3.77	2.28
Pakistan	7.92	7.77	12.00	9.23
Portugal	3.04	2.42	2.65	2.70
Slovenia	2.46	3.61	5.70	3.92
South Africa	4.69	7.09	11.50	7.76
Spain	3.56	2.84	4.13	3.51
Sweden	1.50	1.68	3.30	2.16
Switzerland	1.05	0.73	2.43	1.40
Turkey	9.60	8.76	10.44	9.60
United Kingdom	2.30	2.35	3.63	2.76
United States	3.22	2.86	3.80	3.29

Source: International Monetary Fund, World Economic Outlook Database, April 2009

a/ These Contributing Participants represent current donors to the GEF-4 Replenishment.