



GEF/R.5/27
February 16, 2010

Fifth Meeting for the Fifth Replenishment of the GEF Trust Fund
March 9-10, 2010
Rome, Italy

ILLUSTRATIVE SCENARIOS FOR GEF-5 CONTRIBUTIONS

(PREPARED BY THE WORLD BANK AS TRUSTEE)

ILLUSTRATIVE SCENARIOS FOR GEF-5 CONTRIBUTIONS

1. The Trustee has prepared this document with the objective of assisting Contributing Participants in their deliberations on individual contribution levels as well as burden-sharing in the GEF-5. Based on consultations with several Contributing Participants, the Trustee recognizes that not all Contributing Participants will pledge at the same levels, and that the increases in contributions for the GEF-5 relative to the GEF-4 will be asymmetric. Nevertheless, for illustrative purposes, two scenarios are presented to provide Contributing Participants with an idea of the upper and lower bounds of possible outcomes. The starting point for both scenarios is the USD eq. of each donor's pledged contribution to the GEF-4:¹

- **Scenario 1** –This scenario shows that doubling² each donor's pledged contribution would result in a replenishment level (for programming) of USD eq. 4.6 billion³ for the GEF-5, representing an increase of 101% over the new donor funding level in the GEF-4.
- **Scenario 2** –This scenario shows that increasing each donor's pledged contribution by 50%, with the exception of the United States, whose contribution is increased to USD 680 million⁴ (representing an increase of 112.5%), would result in a replenishment level (for programming) of USD eq. 3.6 billion⁵ for the GEF-5, representing a 58.5% increase over the new donor funding level in the GEF-4. We have selected 50% as the lower end of the range of the illustrative scenarios following recent consultations in which some donors have indicated they may not be in a position to commit to greater increases.

2. As noted above, the Trustee recognizes that the increases in contributions are likely to be asymmetric. For instance, during consultations, two major Contributing Participants have indicated their preparedness to double their pledged contributions in the GEF-5 (relative to the GEF-4), provided that others make a similar effort. Others have indicated that they could increase pledged contributions by 75%, and two donors have indicated that they may not be able to increase their pledged contributions beyond 50% relative to the GEF-4. Our conservative estimates based on these consultations suggest that the replenishment level for programming under the GEF-5 may come in somewhere in the range of USD eq. 3.7 to USD eq. 4.0 billion (equivalent to an increase of 62% to 75%, respectively, over the new donor funding level in the GEF-4).

3. The following table presents the summary of the results of the two scenarios. The detailed scenarios are attached.

¹ As converted from the total SDR amounts shown in Attachment 1 to the GEF-4 Replenishment Resolution.

² The United States' contribution is increased to USD 680 million, representing an increase of 112.5%; this represents the amount requested by the U.S. Administration to the U.S. Congress for a GEF-5 contribution.

³ This amount represents the illustrative new donor funding level under this scenario.

⁴ This represents the amount requested by the U.S. Administration to the U.S. Congress for a GEF-5 contribution.

⁵ This amount represents the illustrative new donor funding level under this scenario.

	<u>Scenario 1</u>	<u>Scenario 2</u>
Replenishment Level for Programming	<u>\$4.6 billion</u>	<u>\$3.6 billion</u>
Increase over GEF-4 Programming level	<u>101.3%</u>	<u>58.5%</u>
Total Replenishment ⁶	<u>\$5.3 billion</u>	<u>\$4.3 billion</u>
Increase over GEF-4 Total Replenishment	<u>68.6%</u>	<u>37.2%</u>

⁶ Total Replenishment includes projections for investment income, arrears, deferred contributions and Instruments of Commitment not yet deposited.

GEF-5 Illustrative Burden-sharing Scenarios

Scenario 1. Increases donor GEF-4 USDeq. contributions by 100% with the exception of the U.S. (USD 680 million representing an increase of 112.5%)

Contributing Participants a/	GEF-4			Ccy	GEF-4 Basic Shares (%)	GEF-4 Actual Shares (%)	Scenario 1							
	SDR	USDeq	NC				Calculated Shares, % b/	Calculated Shares against Total Replenishment, % c/	Amount (in millions)			Increase / Decrease vs. GEF-4, %		
									SDR	USDeq	NC	SDR	USDeq	NC
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Australia	31.04	45.53	59.80	AUD	1.46%	1.99%	1.97%	1.72%	59.46	91.06	118.24	91.55	100.00	97.73
Austria	22.32	32.73	24.38	EUR	0.90%	1.43%	1.41%	1.24%	42.74	65.46	47.46	91.49	100.00	94.71
Belgium	42.28	62.00	46.18	EUR	1.55%	2.71%	2.68%	2.35%	80.96	124.00	89.90	91.50	100.00	94.69
Canada	89.20	130.82	158.94	CAD	4.28%	5.72%	5.65%	4.95%	170.84	261.64	301.53	91.52	100.00	89.72
China	7.10	10.42	77.80	CNY d/	0.00%	0.46%	0.45%	0.39%	13.61	20.84	142.37	91.65	100.00	83.00
Cote d'Ivoire				XOF			0.13%	0.12%	4.00 g/	6.13	2,913.51	N/A	N/A	N/A
Czech Republic	4.68	6.87	142.89	CZK	0.00%	0.30%	0.30%	0.26%	8.97	13.74	262.48	91.70	100.00	83.69
Denmark	34.75	50.97	310.00	DKK	1.30%	2.23%	2.20%	1.93%	66.56	101.93	550.33	91.53	100.00	77.53
Finland	28.50	41.79	31.12	EUR	1.00%	1.83%	1.81%	1.58%	54.57	83.58	60.60	91.48	100.00	94.70
France	128.70	188.76	154.00	EUR d/	6.81%	8.25%	8.15%	7.14%	246.50	377.52	273.71	91.53	100.00	77.73 v/
Germany	201.14	295.00	240.74	EUR d/	11.00%	12.89%	12.74%	11.17%	385.23	590.00	427.77	91.53	100.00	77.69 v/
Greece	5.25	7.69	5.73	EUR	0.05%	0.34%	0.33%	0.29%	10.04	15.38	11.15	91.28	100.00	94.61
India	6.72	9.86	394.23	INR d/	0.00%	0.43%	0.43%	0.37%	12.88	19.72	966.25	91.61	100.00	145.10
Ireland	5.25	7.69	5.73	EUR	0.11%	0.34%	0.33%	0.29%	10.04	15.38	11.15	91.28	100.00	94.61
Italy	73.46	107.75	87.91	EUR	4.39%	4.71%	4.65%	4.08%	140.71	215.50	156.24	91.54	100.00	77.74
Japan	207.96	305.00	33,687.97	JPY	17.63%	13.32%	13.17%	11.54%	398.29	610.00	58,466.41	91.52	100.00	73.55
Korea	4.47	6.56	6,142.97	KRW	0.23%	0.29%	0.28%	0.25%	8.56	13.11	16,962.09	91.53	100.00	176.12
Luxembourg	4.00	5.87	4.79	EUR	0.05%	0.26%	0.25%	0.22%	7.67	11.74	8.51	91.64	100.00	77.84
Mexico	4.00	5.87	63.38	MXN	0.00%	0.26%	0.25%	0.22%	7.67	11.74	158.82	91.64	100.00	150.58
Netherlands	74.70	109.55	89.38	EUR	3.30%	4.79%	4.73%	4.15%	143.06	219.10	158.85	91.51	100.00	77.73
New Zealand	4.00	5.87	8.40	NZD	0.12%	0.26%	0.25%	0.22%	7.67	11.74	19.05	91.64	100.00	126.74
Nigeria	4.00	5.87	780.57	NGN e/	0.00%	0.26%	0.25%	0.22%	7.67	11.74	1,765.35	91.64	100.00	126.16
Norway	24.11	35.36	228.32	NOK	1.44%	1.54%	1.53%	1.34%	46.18	70.72	451.62	91.52	100.00	97.80
Pakistan	4.00	5.87	350.01	PKR	0.00%	0.26%	0.25%	0.22%	7.67	11.74	956.73	91.64	100.00	173.34
Portugal	4.79	7.02	5.73	EUR	0.12%	0.31%	0.30%	0.27%	9.17	14.04	10.18	91.38	100.00	77.65
Russian Federation				SDR f/			0.13%	0.12%	4.00 g/	6.13	4.00 f/	N/A	N/A	N/A
Slovenia	4.38	6.43	4.79	EUR	0.03%	0.28%	0.28%	0.24%	8.40	12.86	9.32	91.71	100.00	94.80
South Africa	4.00	5.87	38.27	ZAR	0.00%	0.26%	0.25%	0.22%	7.67	11.74	98.97	91.64	100.00	158.58
Spain	18.11	26.55	21.67	EUR	1.00%	1.16%	1.15%	1.00%	34.67	53.10	38.50	91.45	100.00	77.70
Sweden	76.20	111.77	850.00	SEK	2.62%	4.88%	4.83%	4.23%	145.96	223.54	1,735.95	91.55	100.00	104.23
Switzerland	47.49	69.65	88.00	CHF	2.26%	3.04%	3.01%	2.64%	90.95	139.30	152.98	91.52	100.00	73.84
Turkey	4.00	5.87	7.94	TRY e/	0.00%	0.26%	0.25%	0.22%	7.67	11.74	18.34	91.64	100.00	131.10
United Kingdom	171.88	252.09	140.00	GBP	6.92%	11.01%	10.89%	9.54%	329.20	504.18	322.64	91.53	100.00	130.46
United States	218.18	320.00	320.00	USD	20.86%	13.98%	14.69%	12.87%	444.00	680.00 h/	680.00	103.50	112.50	112.50
Total New Donor Funding and Amount to be Programmed	1,560.66	2,288.94				100.00%	100.00%	87.62%	3,023.20	4,630.14				
	SDR	USDeq							SDR	USDeq	Increase in USDeq.			
1 Replenishment Level for Programming	1,560.66	2,288.94							3,023.20	4,630.14	2,330.14	101.3%		
2 Projected Investment Income	250.91	368.00							73.09	112.00 j/				
3 Projected Carryover of GEF Resources	325.67	477.64							353.96	542.40 k/ l/				
4 Total Replenishment (1+2+3)	2,137.24	3,134.58							3,450.25	5,284.54	2,149.95	68.6%		

a/ The list of Contributing Participants includes only those who indicated formally to the Trustee that they will contribute to GEF-5. The list can be updated with new Contributing Participants as needed.

b/ These shares were calculated by dividing each donor contribution by the total amount of New Funding from Donors. These shares do not match GEF-4 actual shares as they take into account two new Donors: Cote d'Ivoire and Russian Federation.

c/ These shares were calculated by dividing each donor contribution by the amount of Total Replenishment.

d/ These Contributing Participants provided GEF-4 contributions in USD, not in their national currency. GEF-4 contributions have been translated into their current national currency equivalent amount using GEF-4 agreed rates for illustrative purposes.

e/ These Contributing Participants' pledges to GEF-4 were nominated in SDR. GEF-4 contributions have been translated into their current national currency equivalent amount using GEF-4 agreed rates for illustrative purposes.

f/ As agreed by Contributing Participants, donor countries experiencing annual average inflation rates of over 10 percent during the preceding three-year period would denominate their GEF-5 contributions in Special Drawing Rights (SDRs).

g/ For those donors that did not participate in GEF-4, this represents the agreed minimum contribution of SDR 4 million.

h/ The United States' contribution is based on the U.S. Administration's FY11 budget request to Congress.

i/ The increase/decrease in indicative GEF-5 national currency vs. GEF-4 national currency is based on a calculated GEF-4 Euro contribution (i.e. Germany's and France's USD GEF-4 contribution converted into Euro using the GEF-4 agreed average exchange rates.)

j/ Investment income is projected using a USD 2 billion average cash balance and investment return of 1.4% per annum. GEF-5 liquidity portion is approximately 10% of the average annual cash balance.

k/ This amount comprises projected amounts of arrears, deferred contributions and Instruments of Commitment not deposited with the Trustee.

l/ The U.S. Administration's FY11 budget request to Congress for the GEF-5 period (FY11 to FY14) included USD 5 million per year to cover arrears to previous replenishments.

GEF-5 Illustrative Burden-sharing Scenarios

Scenario 2. Increases donor GEF-4 USDeq. contributions by 50% with the exception of the U.S. (USD 680 million representing an increase of 112.5%)

Contributing Participants a/	GEF-4				GEF-4 Basic Shares (%)	GEF-4 Actual Shares (%)	Scenario 2							
	SDR	USDeq	NC	Ccy			Calculated Shares, % b/	Calculated Shares against Total Replenishment, % c/	Amount (in millions)			Increase / Decrease vs. GEF-4, %		
									SDR	USDeq	NC	SDR	USDeq	NC
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Australia	31.04	45.53	59.80	AUD	1.46%	1.99%	1.87%	1.59%	44.59	68.30	88.68	43.66	50.00	48.30
Austria	22.32	32.73	24.38	EUR	0.90%	1.43%	1.35%	1.14%	32.06	49.10	35.60	43.62	50.00	46.03
Belgium	42.28	62.00	46.18	EUR	1.55%	2.71%	2.55%	2.16%	60.72	93.00	67.43	43.62	50.00	46.02
Canada	89.20	130.82	158.94	CAD	4.28%	5.72%	5.38%	4.56%	128.13	196.23	226.15	43.64	50.00	42.29
China	7.10	10.42	77.80	CNY d/	0.00%	0.46%	0.43%	0.36%	10.21	15.63	106.77	43.74	50.00	37.25
Cote d'Ivoire				XOF			0.17%	0.14%	4.00 g/	6.13	2,913.51	N/A	N/A	N/A
Czech Republic	4.68	6.87	142.89	CZK	0.00%	0.30%	0.28%	0.24%	6.73	10.31	196.86	43.77	50.00	37.76
Denmark	34.75	50.97	310.00	DKK	1.30%	2.23%	2.10%	1.78%	49.92	76.45	412.75	43.65	50.00	33.14
Finland	28.50	41.79	31.12	EUR	1.00%	1.83%	1.72%	1.46%	40.93	62.69	45.45	43.61	50.00	46.02
France	128.70	188.76	154.00	EUR d/	6.81%	8.25%	7.77%	6.59%	184.87	283.14	205.28	43.65	50.00	33.30 v/
Germany	201.14	295.00	240.74	EUR d/	11.00%	12.89%	12.14%	10.29%	288.93	442.50	320.83	43.64	50.00	33.26 v/
Greece	5.25	7.69	5.73	EUR	0.05%	0.34%	0.32%	0.27%	7.53	11.54	8.36	43.46	50.00	45.95
India	6.72	9.86	394.23	INR d/	0.00%	0.43%	0.41%	0.34%	9.66	14.79	724.69	43.71	50.00	83.83
Ireland	5.25	7.69	5.73	EUR	0.11%	0.34%	0.32%	0.27%	7.53	11.54	8.36	43.46	50.00	45.95
Italy	73.46	107.75	87.91	EUR	4.39%	4.71%	4.43%	3.76%	105.53	161.63	117.18	43.66	50.00	33.31
Japan	207.96	305.00	33,687.97	JPY	17.63%	13.32%	12.55%	10.64%	298.72	457.50	43,849.81	43.64	50.00	30.16
Korea	4.47	6.56	6,142.97	KRW	0.23%	0.29%	0.27%	0.23%	6.42	9.83	12,721.57	43.65	50.00	107.09
Luxembourg	4.00	5.87	4.79	EUR	0.05%	0.26%	0.24%	0.20%	5.75	8.81	6.38	43.73	50.00	33.38
Mexico	4.00	5.87	63.38	MXN	0.00%	0.26%	0.24%	0.20%	5.75	8.81	119.12	43.73	50.00	87.94
Netherlands	74.70	109.55	89.38	EUR	3.30%	4.79%	4.51%	3.82%	107.29	164.33	119.14	43.63	50.00	33.30
New Zealand	4.00	5.87	8.40	NZD	0.12%	0.26%	0.24%	0.20%	5.75	8.81	14.28	43.73	50.00	70.06
Nigeria	4.00	5.87	780.57	NGN e/	0.00%	0.26%	0.24%	0.20%	5.75	8.81	1,324.01	43.73	50.00	69.62
Norway	24.11	35.36	228.32	NOK	1.44%	1.54%	1.45%	1.23%	34.63	53.04	338.71	43.64	50.00	48.35
Pakistan	4.00	5.87	350.01	PKR	0.00%	0.26%	0.24%	0.20%	5.75	8.81	717.55	43.73	50.00	105.01
Portugal	4.79	7.02	5.73	EUR	0.12%	0.31%	0.29%	0.24%	6.88	10.53	7.63	43.54	50.00	33.24
Russian Federation				SDR f/			0.17%	0.14%	4.00 g/	6.13	4.00 f/	N/A	N/A	N/A
Slovenia	4.38	6.43	4.79	EUR	0.03%	0.28%	0.26%	0.22%	6.30	9.65	6.99	43.78	50.00	46.10
South Africa	4.00	5.87	38.27	ZAR	0.00%	0.26%	0.24%	0.20%	5.75	8.81	74.22	43.73	50.00	93.94
Spain	18.11	26.55	21.67	EUR	1.00%	1.16%	1.09%	0.93%	26.00	39.83	28.87	43.59	50.00	33.28
Sweden	76.20	111.77	850.00	SEK	2.62%	4.88%	4.60%	3.90%	109.47	167.66	1,301.97	43.66	50.00	53.17
Switzerland	47.49	69.65	88.00	CHF	2.26%	3.04%	2.87%	2.43%	68.22	104.48	114.73	43.64	50.00	30.38
Turkey	4.00	5.87	7.94	TRY e/	0.00%	0.26%	0.24%	0.20%	5.75	8.81	13.76	43.73	50.00	73.32
United Kingdom	171.88	252.09	140.00	GBP	6.92%	11.01%	10.37%	8.79%	246.90	378.14	241.98	43.65	50.00	72.85
United States	218.18	320.00	320.00	USD	20.86%	13.98%	18.65%	15.82%	444.00	680.00 h/	680.00	103.50	112.50	112.50
Total New Donor Funding and Amount to be Programmed	1,560.66	2,288.94				100.00%	100.00%	84.79%	2,380.40	3,645.67				
	SDR	USDeq							SDR	USDeq		Increase in USDeq.		
1 Replenishment Level for Programming	1,560.66	2,288.94							2,380.40	3,645.67	1,345.67	58.5%		
2 Projected Investment Income	250.91	368.00							73.09	112.00 j/				
3 Projected Carryover of GEF Resources	325.67	477.64							353.96	542.40 k/ l/				
4 Total Replenishment (1+2+3)	2,137.24	3,134.58							2,807.45	4,300.07	1,165.48	37.2%		

a/ The list of Contributing Participants includes only those who indicated formally to the Trustee that they will contribute to GEF-5. The list can be updated with new Contributing Participants as needed.

b/ These shares were calculated by dividing each donor contribution by the total amount of New Funding from Donors. These shares do not match GEF-4 actual shares as they take into account two new Donors: Cote d'Ivoire and Russian Federation.

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d/ These Contributing Participants provided GEF-4 contributions in USD, not in their national currency. GEF-4 contributions have been translated into their current national currency equivalent amount using GEF-4 agreed rates for illustrative purposes.

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g/ For those donors that did not participate in GEF-4, this represents the agreed minimum contribution of SDR 4 million.

h/ The United States' contribution is based on the U.S. Administration's FY11 budget request to Congress.

i/ The increase/decrease in indicative GEF-5 national currency vs. GEF-4 national currency is based on a calculated GEF-4 Euro contribution (i.e. Germany's and France's USD GEF-4 contribution converted into Euro using the GEF-4 agreed average exchange rates.)

j/ Investment income is projected using a USD 2 billion average cash balance and investment return of 1.4% per annum. GEF-5 liquidity portion is approximately 10% of the average annual cash balance.

k/ This amount comprises projected amounts of arrears, deferred contributions and Instruments of Commitment not deposited with the Trustee.

l/ The U.S. Administration's FY11 budget request to Congress for the GEF-5 period (FY11 to FY14) included USD 5 million per year to cover arrears to previous replenishments.