

62nd GEF Council Meeting
June 21-23, 2022
Washington D.C.

GEF TRUST FUND FINANCIAL REPORT

*Summary of Financial Information
As of March 31, 2022*

(Prepared by the Trustee)



Global Environment Facility Trust Fund

Financial Report

Prepared by the Trustee

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Introduction

The information contained in this report is prepared based on financial information as of March 31, 2022, except where indicated otherwise.

The Global Environment Facility (GEF) was established in 1994 as an independent financial mechanism for providing grants and concessional funding to cover the incremental or additional costs of measures to assist in the protection of the global environment and to promote environmentally sustainable development. Today, the GEF is the largest funder of projects focused on global environmental challenges and a global partnership among 183 countries, international institutions, non-governmental organizations, and the private sector. It provides grants for projects related to the following main areas: (i) biodiversity, (ii) climate change (mitigation and adaptation), (iii) international waters, (iv) land degradation, (v) ozone layer depletion, (vi) chemicals and waste, and (vii) persistent organic pollutants.

The report is produced by the Trustee in accordance with the Trustee's role in the GEF Trust Fund as set forth in Annex B of the GEF Instrument paragraph 4 (b) which states:

"The responsibilities of the Trustee shall include in particular [...] the financial management of the Fund, including investment of its liquid assets, the disbursement of funds to the implementing and other executing agencies as well as the preparation of the financial report regarding the investment and use of the Fund's resources [...]"

This report provides (i) a snapshot of the financial situation of the GEF Trust Fund since its inception to March 31, 2022; (ii) the details of financial activities of the GEF Trust Fund; and (iii) an update on the Investment Strategy Options for the GEF.



GEF Trust Fund Financial Summary as of March 31, 2022

Pledges and Contributions

GEF Contributing Participants have pledged SDR 14,027 million (USDeq. 20,095 million)¹ to date, of which SDR 13,977 million (USDeq. 20,015 million) has been confirmed by Donors depositing Instruments of Commitments (IoCs) or Qualified Instruments of Commitment (QIoCs) with the Trustee.

GEF-7 pledges totaled SDR 2,446 million (USDeq. 3,482 million), of which Contributing Partners have deposited 99% of the amount with the Trustee as IoCs or QIoCs. The GEF-7 pledges increased by SDR 96 million (USDeq. 136.56 million) due to the additional contribution received from the United States in March 2021.

Investment Income

As of March 31, 2022, cumulative investment income earned on the GEF Trust Fund balances amounted to USD 1,577.82 million.

The investment income earned in GEF-7 period until March 31, 2022 amounted to USD 223 million.

Funding Approvals and Commitments

As of March 31, 2022, cumulative funding decisions (approvals by the GEF Council/CEO) amount to USD 20,422 million net of USD 1,708 million in cancellations and reductions at endorsement, and inclusive of USD 12 million pending decisions of intersessional and Council meetings.

Of the total funding decision amount of USD 20,422 million, cumulative commitments amount to USD 18,521 million.

Cash Transfers

Cash transfers were made to GEF Agencies on an as-needed basis to meet their projected disbursement requirements. Out of the cumulative commitment of USD 18,521 million (including administrative expenses and funding allocations to the GEF Secretariat), the Trustee has transferred USD 15,393 million with a balance of USD 3,128 million remaining payable as of March 31, 2022.

Funds Held in Trust and Funds Available for Council and CEO Funding Decisions

Funds Held in Trust reflect financial activities related to new contribution payments (cash and promissory notes), encashment of promissory notes, investment income, cash transfers, and the revalued balance of promissory notes at month-end. Funds Held in Trust total USD 5,314 million as of March 31, 2022. Of which USD 1,578 million or 29% represents unencashed promissory notes.

Funds available to support Council or CEO decision amounted to USD 378 million as of March 31, 2022. This represents an increase of USD 117 million compared to September 30, 2021.

Updates from April 1, 2022 to May 31, 2022

¹ Does not include co-financing under the GEF Pilot Program.



The payments from Canada USDeq. 17.4 million towards its GEF-7 final installment and from the United States USD 149.3 million were received in May 2022. Payment from the United States included additional contribution of USD 136.563 million for GEF-7 and USD 12.725 million towards unmet commitments under GEF-2.



1. GEF Trust Fund Summary – Inception through March 31, 2022

	Total (in SDR millions)
<u>Donor Pledges and Contributions (in SDR millions)</u>	
Received IoCs	13,977.19
GEF-4 IoCs not yet deposited	4.00
GEF-5 IoCs not yet deposited	12.35
GEF-6 IoCs not yet deposited	20.45
GEF-7 IoCs not yet deposited	13.49
Total Donor Pledges and Contributions (in SDR millions)	<u>14,027.48</u>

	Total (in USD millions)
<u>Cumulative Resources (in USD millions)</u>	
<u>Resources received</u>	
Cash Receipts	17,708.23
Unencashed promissory notes	1,603.62
Investment Income earned	1,577.82
Total Resources Received	<u>20,889.67</u>
<u>Resources not yet received</u>	
GEF-7 IoCs not yet deposited	18.88
GEF-6 IoCs not yet deposited	30.89
GEF-5 IoCs not yet deposited	12.07
GEF-4 IoCs not yet deposited	5.53
Installments Receivable from GEF-7	199.30
Installment Receivables from previous replenishments	104.07
Total resources not yet received	<u>370.74</u>
Total Cumulative Resources (A) (in USD millions)	<u>21,260.41</u>

<u>Cumulative Funding Decisions (in USD millions)</u>	
Approvals by Council and CEO	22,118.03
Cancellations and reductions at endorsement	(1,708.48)
Pending Decisions of Intersessional and Council Meetings	12.19
Total Funding Decisions Net of Cancellations (B) (in USD millions)	<u>20,421.74</u>
Cumulative Resources Net of Funding Decisions (A) - (B) (in USD millions)	<u>838.67</u>

<u>Funds Available (in USD millions)</u>	
Funds Held in Trust with no restrictions	5,314.18
Approved Amounts Pending Cash Transfers to Agencies	4,936.16
Total Funds Available to Support Council or CEO Decisions (in USD millions)	<u>378.02</u> ^{a/}

a/ Excludes the FX reserve amount of USD 240 million.

Note: Totals may not add up accurately due to rounding



2. Cumulative Resources and Funding Decisions

In USD millions

	<u>March 31, 2022</u>	<u>September 30, 2021</u>
1. Cumulative Resources	21,260	21,381
<u>Resources not yet received</u>	<u>371</u>	<u>826</u>
GEF-7 IoCs not yet deposited with the Trustee	19	19
GEF-6 IoCs not yet deposited with the Trustee	31	31
GEF-5 IoCs not yet deposited with the Trustee	12	13
GEF-4 IoCs not yet deposited with the Trustee	6	6
Installment Receivables from GEF-7	199	654
Installment Receivables from previous replenishments	104	104
<u>Resources received</u>	<u>20,890</u>	<u>20,556</u>
Cash receipts from installments and encashments	17,708	17,416
Unencashed promissory notes	1,604	1,512
Investment Income earned on undisbursed balances of GEF Trust Fund	1,578	1,628
2. Cumulative Funding Decisions	20,422	20,197
Approvals by Council and CEO	22,118	21,854
Cancellations	(1,708)	(1,669)
Pending decisions of Intersessional and Council Meetings	12	12
3. Cumulative Resources Net of Funding Decisions (3 = 1 - 2)	839	1,185

Note: Totals may not add up accurately due to rounding.

Snapshot of cumulative resources and funding decisions:

- The table above shows cumulative resources and cumulative funding decisions of the GEF Trust Fund since inception.
- Of the cumulative resources of USDeq. 21,260 million, USDeq. 371 million (2%) represents resources not yet received. Of these, IoCs not yet deposited with the Trustee total USDeq. 67 million, GEF-7 installments receivables amount to USDeq. 199 million, and installment receivables from previous replenishments amount to USDeq. 104 million.
- Cumulative net funding decisions amounting to USDeq. 20,422 million representing about 96% of the total cumulative GEF resources.
- As of March 31, 2022, cumulative resources net of funding decisions amount to USDeq. 839 million.



2a. Cumulative Resources

In USD millions

Instruments of Commitment to be Deposited				
Status as of March 31, 2022				
(Amounts in millions)				
<u>Contributing Participant</u>	<u>Replenishment</u>	<u>Currency of Obligation</u>	<u>Amount in Currency of Obligation</u>	<u>Amount in USDeq. a/</u>
Nigeria	GEF-4	SDR	4.0	5.5
Total GEF-4 IoCs Not Yet Deposited				5.5
Greece	GEF-5	EUR	4.4	4.9
Nigeria	GEF-5	NGN	921.9	2.2
Portugal	GEF-5	EUR	4.4	4.9
Total GEF-5 IoCs Not Yet Deposited				12.1
Brazil b/	GEF-6	USD	15.9	15.9
Russian Federation	GEF-6	USD	15.0	15.0
Total GEF-6 IoCs Not Yet Deposited				30.9
Total GEF-4, GEF-5, and GEF-6 IoCs Not Yet Deposited				48.5 c/

a/ Based on exchange rates as of March 31, 2022.

b/ An amount of USD 11.9 million has been received and payment arrangements are being finalized with Brazil.

c/ Excludes the balance of GEF-7 expected pledge amount of SDR 13.4 million (USDeq. 18.9 million)

Note: Totals may not add up accurately due to rounding.

STATUS OF QUALIFIED INSTRUMENTS OF COMMITMENT (QIOC)

As of March 31, 2022, Canada has deposited a QIoC under GEF-7.

<u>Contributing Participant</u>	<u>Replenishment</u>	<u>USD Eq. (millions) a/</u>
Canada	GEF-7	27.81
Total		27.81

a/ Based on exchange rates as of March 31 2022.



INSTALLMENT ARREARS BY REPLENISHMENT

As of March 31, 2022, cumulative arrears amounted to USDeq. 104.3 million. Of this amount, USDeq. 104.1 million represents arrears under GEF-1, GEF-2 and GEF-3.

Table 3b: Installment arrears by replenishment				
Status as of March 31, 2022 (in millions)				
<u>Contributing Participant</u>	<u>Repl.</u>	<u>Currency</u>	<u>Installment Receivable Amount</u>	<u>USD eq. (millions) a/</u>
Egypt	GEF-1	SDR	0.5	0.74
United States	GEF-2	USD	102.4	102.39
Nigeria	GEF-3	SDR	0.7	0.92
Pakistan b/	GEF-6	USD	0.2	0.21
Total				104.3

a/ Based on exchange rates as of March 31, 2022.

b/ The Trustee and Pakistan are in discussion to address the unpaid installment amount.

Note: Totals may not add up accurately due to rounding.

RESTRICTED RESOURCES AND FOREIGN EXCHANGE RISK

Restricted resources represent funds received from Contributing Participants but not available for funding decisions by the GEF Council and the GEF CEO.

An adverse movement in exchange rates such as strengthening of the US dollar against major contribution currencies could adversely affect the resources available for payments against approved funding decisions. To absorb the negative impact of exchange rate movements, the Trustee maintains a foreign exchange reserve. The appropriate level of reserve is determined by the Trustee for every replenishment and is continuously monitored after taking into account projected contribution payments and estimated disbursements.

As of March 31, 2022, the Trustee has determined the level of reserve as USD 240 million for GEF-7 period. The Trustee will continue to monitor the level of reserve and adjust periodically based on multiple factors including the foreign exchange fluctuations.



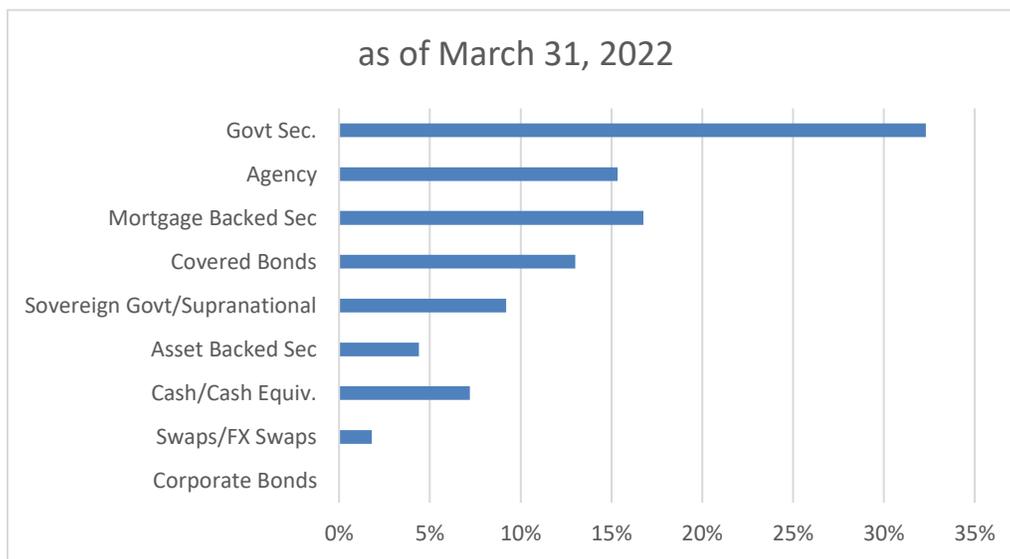
2b. Investment Management - Asset Mix, Investment Income and ESG rating

The undisbursed cash balance of the GEF Trust Fund is maintained in a commingled investment portfolio (“Pool”) for all trust funds managed by IBRD. The Pool is managed actively and conservatively with capital preservation as the over-arching objective.

GEF Trust Fund assets are invested across four of the World Bank Trust Fund’s investment model portfolios, (“Model Portfolio 0” for short term working capital needs, “Model Portfolio 1” with an investment horizon of one year, “Model Portfolio 2” with a broader investment universe and an investment horizon of three years, and “Model Portfolio 8” to map the Sustainable Bond strategy). The investment objectives for the GEF Trust Fund are to optimize investment returns subject to preserving capital and maintaining adequate liquidity to meet foreseeable cash flow needs, within a conservative risk management framework². While future returns will depend on market conditions, the Trust Fund Investment Pool is actively monitored and adjusted to preserve donor funds over the investment horizons. Over shorter periods, however, market volatility may result in negative actual or ‘mark-to-market’³ returns. Overall, the GEF Trust Fund cumulative returns have been driven by its investment in longer-term model portfolios, which may be exposed to higher volatility in returns over shorter periods, but are expected to have higher returns over longer periods.

By asset class, the largest allocations as of March 31, 2022 are to government securities, agency and mortgage backed securities.

ASSET MIX



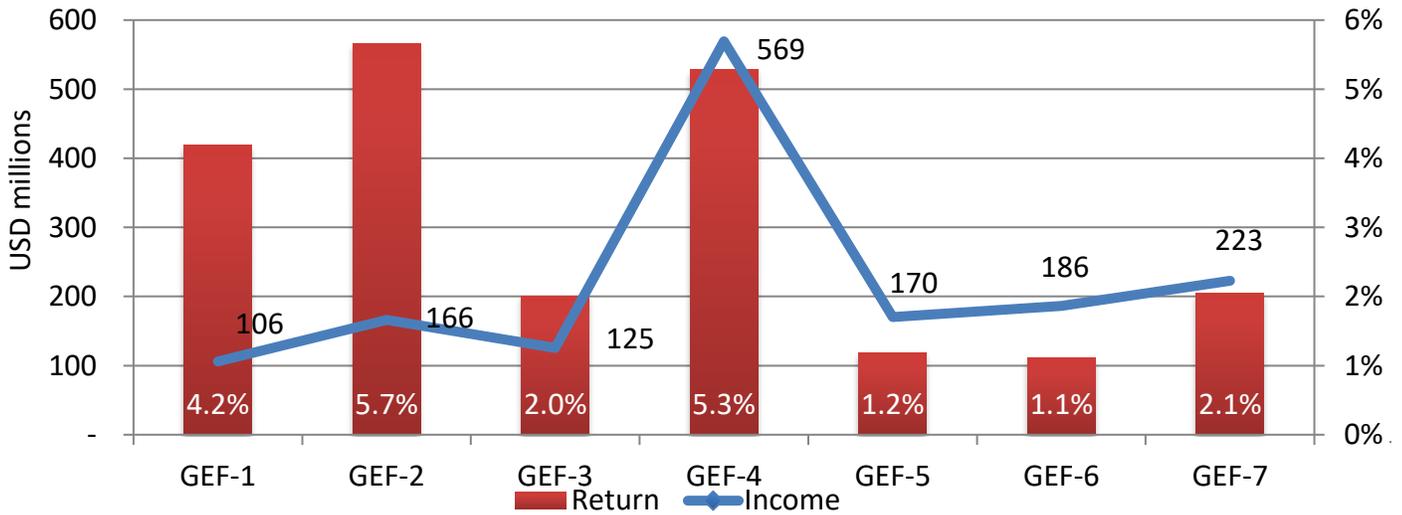
² Risk tolerance is defined as the expected maximum loss, as measured by the Conditional Value-at-Risk (CVaR), at the portfolio’s investment horizon, not to exceed 1% at portfolio’s investment horizon, with 99% confidence.

³ Mark-to-market gains or losses represent unrealized gains or losses resulting from changes in the value of securities in the portfolio which have not yet been sold.



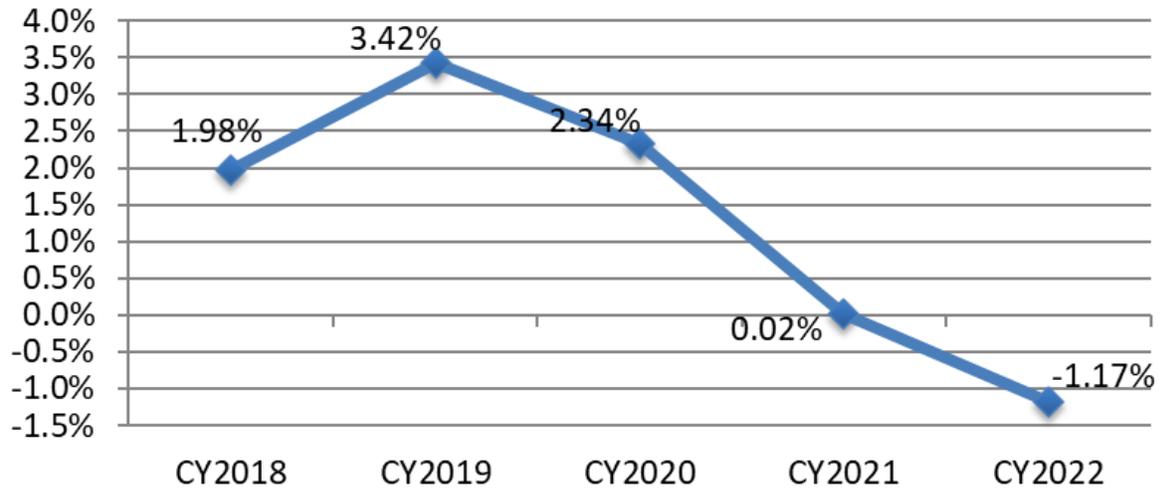
INVESTMENT INCOME

Cumulative investment income of USD 1,578 million was earned since the beginning of GEF Pilot phase through March 31, 2022. In the GEF-7 period the investment income received is USD 223 million, representing a 2.1% annualized average return.



INVESTMENT RETURNS

During the three-month period from January 2022 to March 2022, the GEF portfolio generated a return of -1.17% (non-annualized). The returns for CY21 were 0.019%. The portfolio's returns were in the negative territory due to higher yields during the period from January 2022 to March 2022. The month of March ended with steep rise in yields and flatter yield curves. The 2, 5, 10, and 30-year US Treasury yields increased 90, 74, 51, and 29 bps respectively during March 2022.



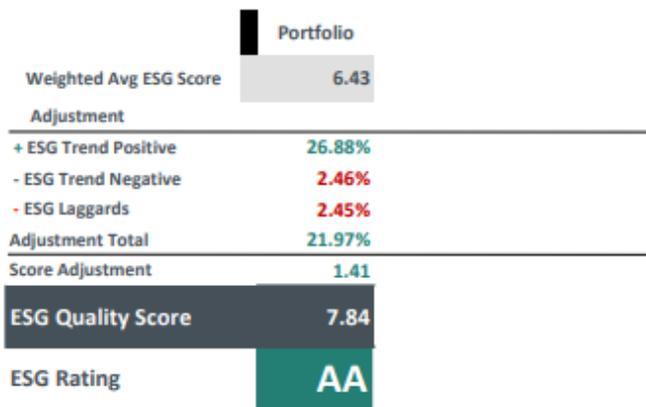
ESG RATING OF THE GEF TRUST FUND

Starting from July 2019, the Trustee has applied ESG Integration as the default SRI approach for all portfolios managed by the World Bank, including for the GEF Trust Fund assets. The implementation of ESG Integration falls within the purview of existing authorizations by the World Bank Board, and thus would not involve any changes in the current investment objectives or risk limits for the GEF Trust Fund portfolio.



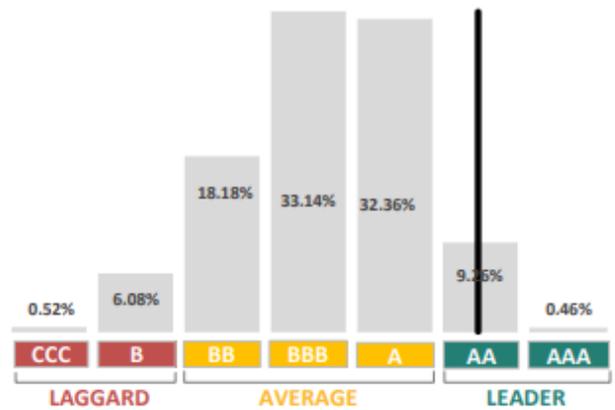
The GEF investment portfolio is primarily comprised of high-grade fixed-income securities (sovereign, supranational and agency securities, and bank deposits) and, as of March 2022, the portfolio has an ESG Quality Score⁴ of 7.84 and an ESG Rating⁵ of AA. Based on its ESG positioning in the MSCI ESG Fund Ratings Universe (upper right of below chart), which is deemed to be the more consistent reference indicator, GEF’s investment portfolio falls within the top decile of the ratings universe. This reflects high capability of GEF portfolio’s holdings in terms of managing key medium to long term risks and opportunities arising from Environmental, Social and Governance factors.

How the MSCI ESG Rating is calculated

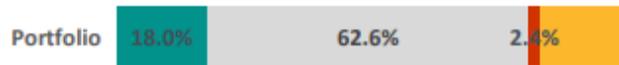


Distribution of MSCI ESG Fund Ratings Universe

Colored bars correspond to portfolio and benchmark ESG Quality Scores



ESG RATINGS DISTRIBUTION



■ Leaders ■ Average ■ Laggards ■ Not Covered

ESG RATINGS MOMENTUM



■ Upward ■ Stable ■ Downward ■ Not Rated

^{4/5} ESG Quality Score is based on MSCI ESG Ratings and measured on a scale of 0 to 10 (worst to best) following a rule-based methodology. ESG Ratings Momentum represents the percentage of a portfolio’s market value coming from holdings that have had an ESG Ratings upgrade, and those with a downgrade, since their previous ESG Rating assessment. The ESG Quality Score is calculated as a weighted average of ESG scores of individual holdings adjusted by ESG Ratings Momentum and ESG laggards (if any). The weight applied to the individual ESG scores is determined by the portfolio weight of individual holdings as of the reporting date. Based on the above, the ESG Quality Score, which is subject to potential skewing effect from any factor in the calculation, could slightly vary between different reporting dates along with changes in individual holdings and their portfolio weights as well as changes in ESG Ratings Momentum. Please see details on MSCI ESG Ratings Methodology <https://www.msci.com/documents/1296102/15388113/MSCI+ESG+Fund+Ratings+Exec+Summary+Methodology.pdf>.



UPDATE ON SUSTAINABLE BOND STRATEGY

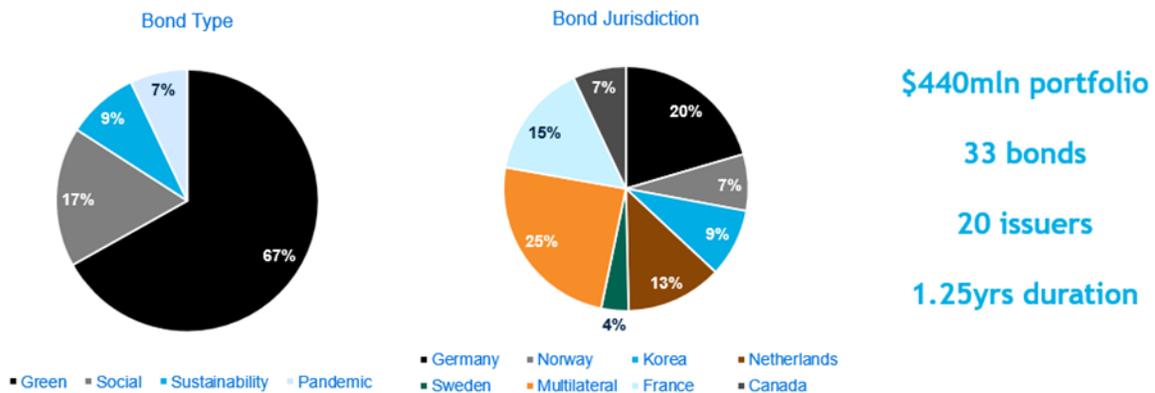
I. Roadmap for implementing the Strategy:

Upon receiving the Council approval in December 2020, the Trustee has formally started the preparation for implementing the Strategy, including engaging with issuers and service providers, establishing a Sustainability Framework to provide strategic and operational guidance, as well as pre-implementation infrastructure setup. Since June 2021, the Strategy has been in implementation following a gradual approach, and as of March 31, 2022, 11% of GEF's investment portfolio has been allocated to Sustainability Strategy.

II. Progress made on the Strategy implementation:

The Strategy began with an initial allocation of US\$100 million from June 2021, and has grown to US\$450 million (with a mark-to-market value of US\$440 million) as supply of eligible securities increased in the market in the fall of 2021, and in expectation of seasonal uptick in market activity in January 2022. 33 bonds have been purchased as of May 31, 2022, prioritizing labeled sustainable bonds in this initial period and spanning green, social and sustainability categories. Per the issuer documentation, these bonds aim to address many of the Sustainable Development Goals, such as SDG-3, SDG-5, SDG-7 and SDG-13.

Portfolio Overview



The geopolitical situation in Europe continues to weigh on the supply, however, markets seem to have stabilized recently. The trustee is conducting ongoing assessment of exposures and risks and continues to manage portfolios prudently. In the environment of heightened volatility, and spread widening, the securities that were bought for the Strategy have proven to be resilient and relatively more stable than the rest of the comparable universe. The trustee remains active in both primary and secondary market, selectively seeking opportunities to add bonds at relatively attractive levels, considering the market environment of compressed spreads, while seeking to diversify holdings and improve the risk-adjusted returns. A few new bonds were added during 2022, and some were sold for portfolio management reasons (relative value considerations). Overall number of issuers in the portfolio continued to increase, in buildup of more diversified portfolio, reaching 20 different issuers in May 2022. With engagement being a key pillar of this strategy, the Trustee will maintain a growing and meaningful presence in the sustainable fixed income market both from a financial standpoint, for portfolio-building purposes, but also to



ensure accountability by issuers for the projects and project types underlying the bonds in the portfolio from a wider sustainable development perspective.

As discussed in prior updates, the Trustee has also begun the preparatory work for expansion of the investable universe beyond Government, Sovereign and Supranationals into other sub-asset classes, such as corporate bonds and municipals, subject to internal World Bank governance approvals. Expansion of the universe would facilitate portfolio-building, portfolio-diversification and the ability to extend the portfolio's reach into more areas of sustainable development given the wider coverage afforded by increased diversification of issuers.

III. Risk & return implications of these investments to the GEF investment portfolio

As mentioned in the Council paper⁶ for the Strategy, the Strategy is implemented starting with bonds that fall within the World Bank's existing investment authorizations and guidelines, thus preserving the risk/return profile of the GEF Trust Fund assets.

Since implementation from end-June 2021, the Strategy risk posture remained within the stated risk tolerances for Trust fund model portfolios. The interest rate risk sensitivity is maintained at levels close to the risk of Model Portfolio 2, and the credit risk is managed within the same framework applicable across all portfolios. Given the increase in interest rates over the last two quarters of 2021, and in particular since the beginning of 2022, the high-grade fixed income portfolios in USD recorded negative total returns across the board, and all across the maturity spectrum The Strategy performed relatively well, given the overall conservative exposure and active hedging of interest rate risk. For example, as of end-April, the total return of the Strategy FYTD was -2.21%, outperforming the total returns of comparable indices such as ICE BofA 1-3 Year AAA-AA US Foreign Agency & Government Guaranteed Index (-3.37%), ICE BofA 0-3 Year US Treasury & Agency Index (-2.35%), and the ICE BofA 1-3 Year US Treasury, US Unsubordinated Agency and AAA Foreign Government Index (-3.27%).

IV. Expected impact reporting on the Strategy and timeline

As a significant component of true impact investing, impact reporting is a significant undertaking that requires effort and expertise in selecting, interpreting and distilling the relevant data from vastly unstandardized reporting templates published by issuers from various jurisdictions. The Trustee is actively working to prepare the first impact report in line with the highest industry standards.

The Trustee is aiming for annual impact report and has continued to work with internal and external partners on creating a template that is informative, yet clear and concise, and that relies on meaningful KPIs that are verifiable to the extent possible as well as real-life case studies and projects related to the bonds in the portfolio.

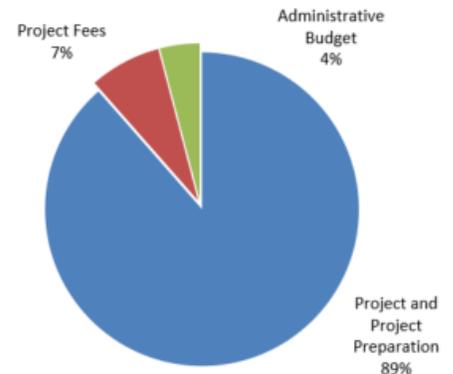
⁶ "Proposal of Responsible Investment Options for the GEF Trust Fund", GEF/C.59/12, available at: https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.59.12_Proposal%20of%20Responsible%20Investment%20Options%20for%20the%20GEF%20Trust%20Fund_1_0.pdf



2c. Funding Decisions, Trustee Commitments and Cash Transfers to Agencies

CUMULATIVE FUNDING DECISIONS

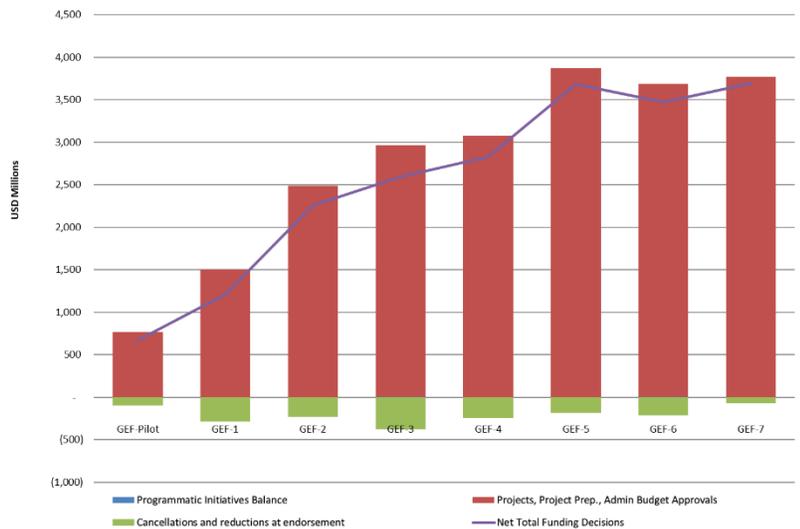
Since inception to March 31, 2022 funding approvals made by the Council and CEO total USD 22,118 million, of which 89% was approved for Projects and Project Preparation activities, 7% for Agency Fees and 4% for Administrative budgets.



FUNDING DECISIONS BY REPLENISHMENT

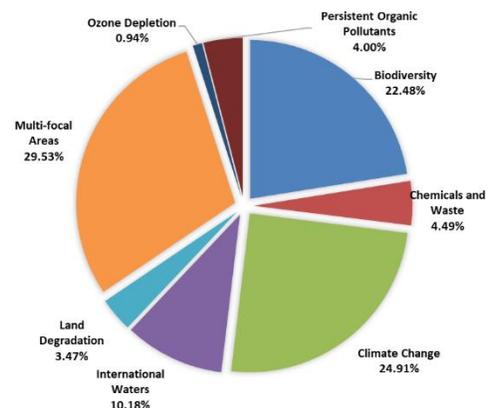
Funding decisions by replenishment show the cumulative Project/Program funding decisions of USD 20,422 million net of cancellations and reductions at endorsement of USD 1,708 million and including pending decisions on intersessional and Council meetings of USD 12 million.

Net funding decisions include an amount of USD 152.4 million resulting from claw back of unused balances of 48 programs from previous replenishments which were cancelled during the GEF-7 period until March 31, 2022.



FUNDING DECISIONS BY FOCAL AREA

Funding Decisions by Focal Area show cumulative funding for projects only and exclude fees. Projects in the areas of multi-focal areas, climate change, and biodiversity represent approximately 77% of the cumulative funding approved to date.

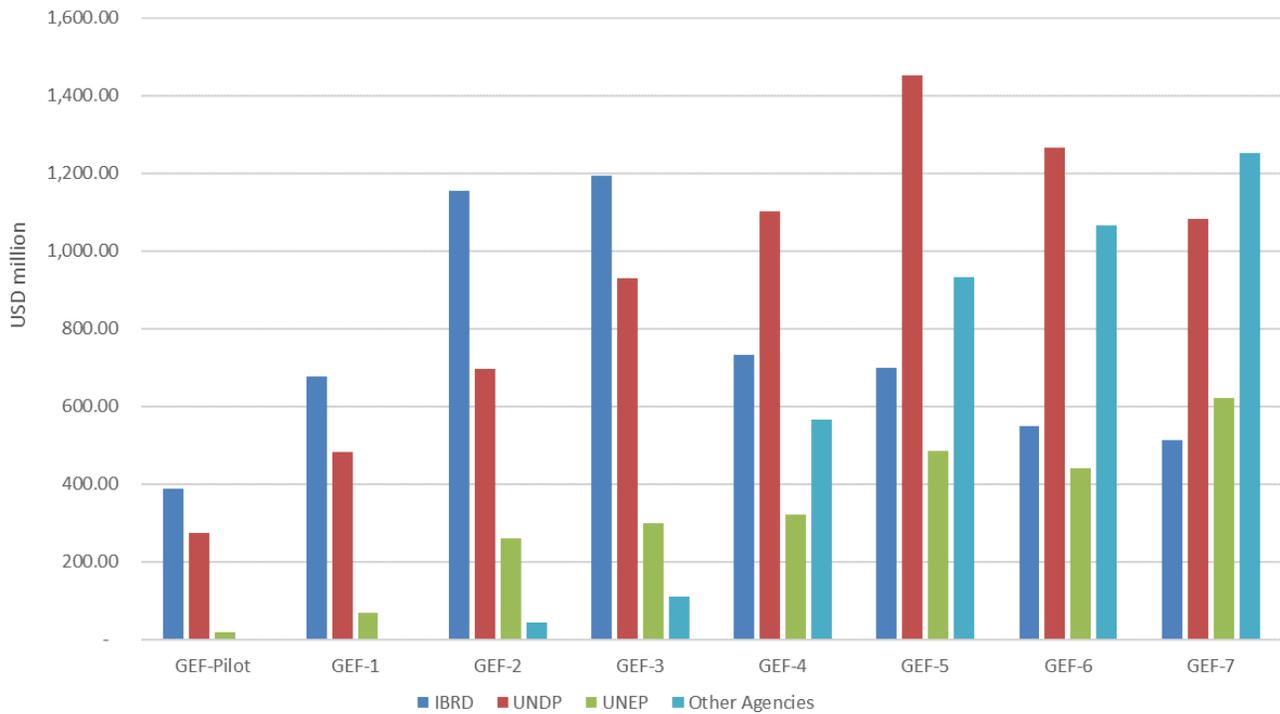
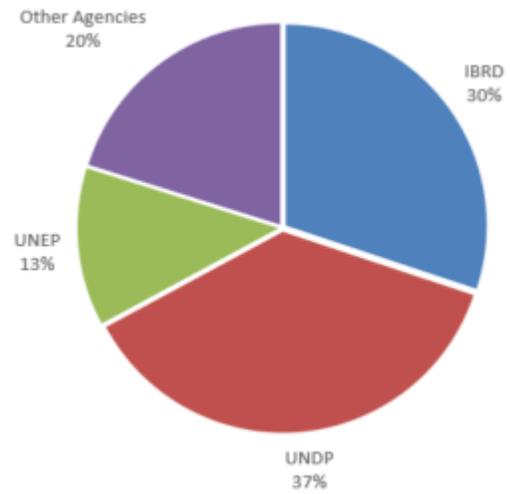




FUNDING DECISIONS BY AGENCY

Of the cumulative approvals for projects (including related fees), 37% was implemented by UNDP, 30% by IBRD, 13% by UNEP and the remaining Agencies implemented 20% of the funding.

The Agencies' share of funding approvals changes over time. IBRD's share fell from 57% in the GEF Pilot to 15% in GEF-7. UNDP's share decreased from 40% in the GEF Pilot to 31% in GEF-7. UNEP's share increased from 3% in the GEF Pilot to 18% in GEF-7. The combined share of the 15 other Agencies increased from 2% in GEF-2 to 36% in GEF-7.

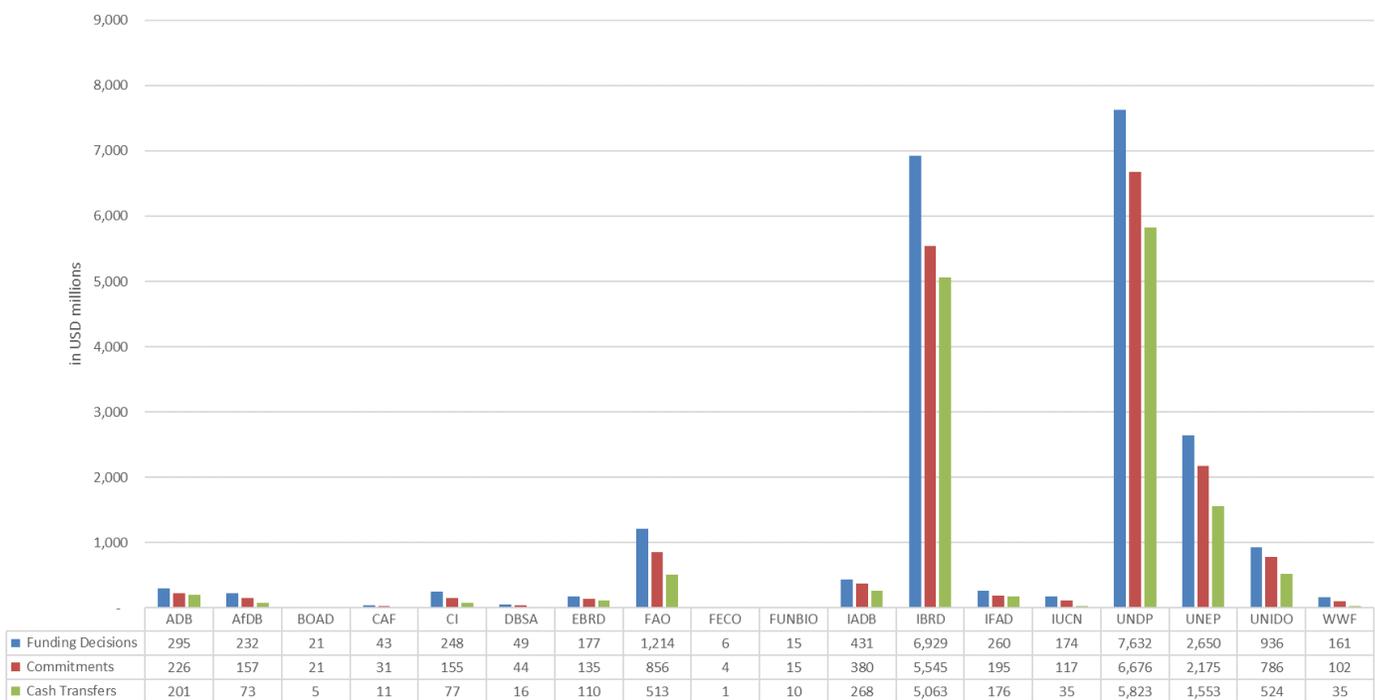




FUNDING DECISIONS, TRUSTEE COMMITMENTS AND CASH TRANSFERS TO AGENCIES

Funding Decisions, Trustee Commitments and Cash Transfers show the cumulative funding decision (by Council and CEO), commitments, and cash transfers to the GEF Agencies since inception.

As of March 31, 2022, cumulative funding decisions (gross)⁷ to Agencies comprising of Projects, Project Preparation Grants and Agency Fees excluding administrative expenses and funding allocations to the GEF Secretariat totaled USD 21,471 million⁸. Of this amount, USD 17,619 million had been committed following the approval or endorsement by the GEF CEO. At the request of Agencies, a total amount of USD 14,495 million had been transferred.



⁷ Reflects initial Council and CEO approvals prior to drops and subsequent cancellations.

⁸ Excludes the program/umbrella balances.



2d. Report on Financially Closed Projects during GEF-7 Period

From inception of the GEF-7 replenishment period through March 31, 2022, 1,179⁹ projects and project preparation grants had been reported as financially closed with unused amounts totaling USD 145.55 million. The bulk of these projects were from previous replenishments. Under GEF-7, only twenty-nine project preparation grants had been financially closed.

Financially Closed Projects during GEF-7 Period 1/ as of March 31, 2022		
Project Type	Number of Projects Closed	Total Unused Amount at Financial Closure (in USD millions)
Project Preparation	455	7.31
Projects	724	138.24
Full-Size	358	123.57
Medium-Size	182	10.16
Enabling Activities	184	4.51
Total	1,179	145.55

⁹ Of the total 1,179 grants financially closed during the GEF-7 replenishment period, there were 172 projects and project preparation grants which were child projects under Umbrellas. Cumulatively, the cancelled amounts of these child projects totaled \$34.4 million. The amount formed part of the sum clawed back by Trustee, in collaboration with the GEF Secretariat and Agencies, from cancellations of Umbrella balances from previous replenishments.



3. Funding Availability

In USD millions

	As of Mar 31, 2022 (a)	As of Sep 30, 2021 (b)	Change (a) - (b)
1. Funds Held In Trust	5,554	5,483	71
a. Cash and investments	3,951	3,972	(21)
b. Unencashed promissory notes	1,604	1,512	92
2. Restricted Funds	240	240	-
a. Deferred Contribution in respect to the pro rata right	-	-	-
b. Contributions not released	-	-	-
c. Reserve to cover foreign exchange rate fluctuations	240	240	-
3. Funds Held in Trust with no Restrictions (3 = 1 - 2)	5,314	5,243	71
4. Approved Amounts Pending Cash Transfers to Agencies	4,936	4,982	(46)
a. Trustee committed	3,130	2,679	451
b. Approved by Council but not yet CEO Endorsed	1,794	2,291	(497)
c. Requested amounts for financing pending decision	12	12	(0)
5. Funds Available to Support Council or CEO Decisions (5 = 3 - 4)	378	261	117

Note: Totals may not add up accurately due to rounding.

Highlights for the period October 1, 2021 through March 31, 2022:

- **Funding Availability** increased by USDeq. 117 million over the prior reporting period as a result of:
 - A net increase in **Funds Held in Trust** by USD eq. 71 million driven by 21 million investment income loss and USD eq. 92 million exchange rate fluctuations in non-USD Promissory Notes;
 - A net decrease in **Approved Amounts Pending Cash Transfers to Agencies** by USD 46 million reflecting new funding approvals.



4. GEF-7 Specific Funding Decisions as of March 31, 2022

In USD millions

1 Target Replenishment Funding a/			4,068
2. Projected Available Resources during the GEF-7 Period			608
Estimated Funds Available to Support Council or CEO Financing Decisions			378
	Potential Amount Available	of which Projected to be Available	
Receivables			214
Arrears b/	104	14	
GEF-7 Installments due in FY22	199	199	
IoCs not yet Deposited with the Trustee			16
GEF-7 c/	19	-	
Previous Replenishments d/	49	16	
Projected Investment Income e/	-	-	-
Projected Reflows during GEF-7 f/	-	-	-
Total	371	214	
3. GEF-7 Specific Funding Decisions			3,528
Approvals by Council			3,358
Projects and Fees		2,031	
Admin. Budget		108	
Special Initiatives		2.3	
Programmatic Initiatives		1,216	
Approvals by CEO			243
Projects and Fees (MSPs, EEAs)		172	
Project Preparation Activities and Fees		71	
Net Changes to Initial Approvals g/			(73)
Reductions (cancellations) on GEF-7		(73)	
Pending decisions on Intersessional and Council meetings			-
Projects, Fees, Admin Budget, Special Initiatives, Programmatic Initiatives			-
4. GEF-7 "Envelope" as of March 31, 2022 (4 = 2 + 3)			4,136
5. Changes in funding envelope (USDeq.) in GEF-7 period (5 = 4 - 1)			68
<p>a/ Represents the target replenishment level as agreed, including new resources from donors, projected investment income, and carryover of amounts from previous replenishments.</p> <p>b/ Includes arrears from the US for GEF-2 in the amount of USD 102.1 million, Egypt for GEF-1 in the amount of SDR 0.5 million, and Nigeria for GEF-3 in the amount of SDR 0.7 million.</p> <p>c/ Represents the balance of GEF-7 expected pledges.</p> <p>d/ GEF-6 IoCs not received from Brazil and Russia, GEF-5 IOCs not received from Greece, Nigeria, and Portugal and GEF-4 IoC not received from</p> <p>e/ The investment income earned since the beginning of GEF-7 period is USD 223 million, as against the projected amount of USD 149.5 million.</p> <p>f/ Umbrella balance cancellations from previous replenishments that were expected during GEF-7 period was \$60 million and expected reflows was \$25.2 million. In collaboration with the GEF Secretariat and the Agencies, and in accordance with the policy on umbrella balance cancellations (GEF/C.55.04/Rev.01), the Trustee was able to clawback \$152.4 million of cancellations from 48 umbrellas from previous replenishments. An amount of USD 30.9 million has been received as reflows from Non-grant instruments during GEF-7 period as against the projected reflows of USD 25.2</p> <p>g/ To fit the GEF Secretariat's STAR model, net changes to pre-GEF-7 projects were excluded from the calculation.</p>			

Note: Totals may not add up accurately due to rounding.