



Global Environment Facility

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November 14-16, 2007

TRUSTEE REPORT (Prepared by the Trustee)



World Bank

Trustee of The Global Environment Facility (GEF) Trust Fund

TRUSTEE REPORT

I. Introduction

1. This report of the Trustee to the Council describes financial management aspects of the GEF Trust Fund for the period since the last Council meeting. The paper is divided into four sections. Following this Section I of Introduction, Section II reports on the Status of GEF replenishments, including donor commitments and donor contribution payments. Section III presents the funding availability of the Trust Fund. Section IV provides an update on relevant issues of financial management. Section V provides an update on other work in progress. Unless otherwise noted, all currency valuations are based on exchange rates in effect as at September 30, 2007.

II. Status of Replenishments

2. As previously notified, the Fourth Replenishment of the GEF (GEF-4) became effective on February 8, 2007 when the Trustee received Instruments of Commitment and Qualified Instruments of Commitment totaling SDR 929 million.

Instruments of Commitment

3. In the last report to Council, the Trustee reported that a total of 25 contributing participants had deposited an Instrument of Commitment (IoC) or Qualified Instrument of Commitment with the Trustee. Since then, the Trustee has received three additional IoCs from Austria, Portugal, and the United Kingdom. This brings the total number of donor commitments to the GEF-4 to 28: Australia, Austria, Belgium, Canada, China, Czech Republic, Denmark, Finland, France, Germany, Greece, India, Ireland, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Portugal, Slovenia, South Africa, Spain, Sweden, Turkey, United Kingdom, and the United States. Four contributing participants have not yet submitted IoCs to the Trustee: Italy, Nigeria, Pakistan, and Switzerland.¹

Contribution Payments

4. **GEF-4:** As of the date of this report, contributing participants were to have unqualified and paid at least 25% of their committed contributions. Those contributing

¹ In July 2007, the Trustee communicated with each of these donors reminding them of their obligations to submit an Instrument of Commitment to the Trustee as soon as the contribution has been approved by their respective Parliaments.

participants that have not done so are considered to be in arrears. Based on this criteria, the United States is in arrears to the GEF-4 in the amount of USD 0.8 million, or 0.25% of its total committed contribution (USD 320 million). It must also be noted that Germany pledged USD 295 million to the GEF-4 but deposited an IoC in the amount of USD 277.5 million. The German Government has undertaken to use its best efforts to obtain the approval of Parliament for the remaining amount of USD 17.5 million.

5. In accordance with sub-paragraph 4(a) of the GEF-4 resolution,² the United States submitted written notification to the Chief Executive Officer/Chairperson of the GEF in a letter dated June 4, 2007 stating the reason for the delayed payment and the measures being taken to address it. The U.S. Administration's FY08 budget request to the Congress included USD 26.8 million to partially pay its arrears to the GEF.

6. The second installment of an additional 25% of the committed contribution is due for payment by November 30, 2007, bringing total amounts payable to the Trust Fund to 50% of the commitment contributions. Upon written notice, a contributing participant may request the Trustee to grant an extension of the payment date up to June 30, 2008. Five donors have availed themselves of this option: Canada, France, Mexico, Slovenia, and the United Kingdom.

7. GEF-3: All contributing participants have satisfied the financial obligations to the GEF Trust Fund with the exception of Nigeria and the United States. The total amount of arrears is USD 33.8 million, comprising USD eq. 4.6 million from Nigeria and USD 29.2 million from the United States. In October 2007, in accordance with paragraph 4 (a) of the GEF-3 replenishment resolution, the Trustee issued a follow-up letter to Nigeria reminding the Government of its obligation to pay and of the requirement to advise the CEO/Chairperson of the delay in their payment.³ The United States submitted its notification to the Chief Executive Officer /Chairperson in its letter dated November 4, 2005.

8. Since the commitment of the United States in the GEF-3 represents more than 20% of the total resources to be contributed, the pro rata provision under the GEF-3 replenishment resolution comes into effect. The outstanding contribution of the United States represents 6.78% of its committed contribution of USD 430 million. Consequently, France, Germany and Japan exercised their pro rata⁴ right under the resolution in proportion to the U.S.

² According to Sub-paragraph 4 (a) of the GEF-4 replenishment, the Trustee shall remind the Contributing Participant of the obligations it will incur if a delay persists. If payment has not been made 30 days before the date of the next council meeting following the date on which the delay incurred, the responsible Minister of the Contributing Participant concerned shall provide the Chief Executive Officer/Chairperson with a written communication stating the reasons for the delay and the measures taken to address it.

³ Similar provision contained in GEF-3 replenishment resolution paragraph 4(a).

⁴ According to Sub paragraph 8(b) of the GEF-3 Resolution, the Trustee shall promptly inform all Contributing Participants if a Contributing Participant who has deposited a Qualified Instrument of Commitment and whose contribution represents more than 20 percent of the total amount of the resources to be contributed pursuant to

shortfall, thereby deferring 6.78% of their respective paid-in contributions to the GEF-3. Accordingly, USD eq. 62.3 million is deferred and not available for Council allocation or CEO approval.

9. GEF-2: The Trustee reported in June 2007 that the United States was in arrears to the GEF-2. The total amount remaining unqualified and unpaid by the United States has remained unchanged since the June 2007 report: USD 140.7 million.⁵

10. Since the commitment of the United States represents more than 20% of the total amount of resources to be contribution to the GEF-2, the pro rata provision under the GEF-2 resolution comes into affect. The outstanding contribution of the United States to the GEF-2 represents 32.7% of its committed contribution of USD 430 million. Austria, France, and Japan have exercised the pro rata right under the Resolution for the fourth tranche only and deferred commitment of 25% of their respective paid-in contributions to the GEF-2. As a result, a total of USD eq. 157.0 million is deferred and not available for Council allocation or CEO approval.

11. GEF-1: Since last reported, there have been no changes in the arrears status of the GEF-1. Argentina continues to be in arrears in the amount of USD 2.5 million while Egypt carries an arrears balance in the amount of USD eq. 0.83 million. Argentina has paid only 50% of its contribution and has not yet agreed to a new payment schedule with the Trustee. The Trustee will continue to follow up with these two contributing participants.

12. Annex 1 shows the summary of payments on committed contributions to all replenishments including the Pilot Phase to the GEF as well as the grant equivalent of co-financing and parallel financing made under the Pilot Phase. This table also provides the voting share of each of the contributing participants based on their paid-in contributions as of September 30, 2007.

13. The summary of arrears and deferred contribution payments is shown in Annex 2. Total arrears for each of the contributing participants are as follows: United States—USD 170.63 million; Nigeria—USD eq. 4.66 million; Argentina—USD 2.5 million; and Egypt—USD eq. 0.83 million. Total arrears to the GEF are USD 178.61 million.

Status of Promissory Note Encashment

14. Many contributing participants pay their GEF contributions by way of promissory notes or letters of credit. These promissory notes and letters of credit are encashed on a quarterly basis using a pre-defined encashment schedule agreed with each of the contributing

the Third Replenishment has not unqualified the total amount thereof by November 30, 2005, or 30 days after the Effective Date, whichever is later.

⁵ The U.S. Administration's FY08 budget request to the Congress included USD 26.8 million to partially pay its arrears to the GEF.

participants;⁶ or as otherwise agreed with the Trustee. As at September 30, 2007, two countries are in arrears with encashments: Cote d'Ivoire (GEF-1, GEF-2 and GEF-3) and Pakistan (GEF-2). The Trustee periodically follows up with contributing participants to remind them of obligations under the relevant replenishment.⁷

III. Funds Available for Council Allocation or CEO Approval

15. As at September 30, 2007, the total assets of the GEF Trust Fund amounted to USD eq. 3.8 billion, of which USD eq. 2.5 billion represents cash⁸ and USD eq. 1.3 billion in the form of promissory notes and letters of credit. Of the total assets, the following amounts have been set aside: USD 3.06 billion for Council allocations and CEO approvals that are not yet disbursed; USD eq. 219.3 million representing the deferred contributions in respect to the pro rata right; and a USD 35.0 million reserve to cover foreign exchange rate fluctuations of non-US dollar assets. As a result, net funds available for allocation by the Council or approval by the CEO amount to USD eq. 503 million. The schedule of funds available for the GEF Trust Fund is shown in Annex 3.

IV. Financial Management

Foreign Exchange Rate Movements and Interest Rate Risk

16. In an effort to manage the Trust Fund's exposure to exchange rate variations, the Trustee initiated a reserve policy over a year ago to guard against the possibility that exchange rates move in such a way that the Trust Fund may not have sufficient funds to disburse against commitments made to GEF agencies. This risk mitigation measure is taken into account in advance of the Trustee commitment stage to Agencies; the reserve is set aside and is not made available for Council allocation or CEO approval (as mentioned in the previous paragraph). This simple current measure ensures that disbursements do not exceed Trustee commitments in any one year. The current reserve of USD 35 million is equivalent to 0.92 % of funds held in trust (USD eq. 3.8 billion) as at September 30, 2007. The Trustee will reassess the reserve amount at the mid-point of the GEF-4 replenishment, as of June 30, 2008.

⁶ According to sub-paragraph 3(a) of the GEF-3 Resolution, donors shall pay their contributions in "four equal installments" by November 30, of each year starting 2002, except as indicated in footnote f to Attachment 1 of the GEF-3 Resolution. A similar provision is contained in paragraph 3(c) of the GEF-4 resolution.

⁷ According to sub-paragraph 4(b) of the GEF-1 Resolution, sub-paragraph 4(b) of the GEF-2 Resolution, and sub-paragraph 3(c)(ii) of the GEF-3 Resolution, recipient contributing participants are permitted postponement of two years on encashments. Côte d'Ivoire is overdue beyond the two-year limit for the GEF-1 and GEF-2. Côte d'Ivoire is overdue for GEF-3.

⁸ Interest income earned on cash investments during the GEF-4 period totals \$283.5 million; \$31 million in FY06 and US\$123 million FY07.

17. As noted in earlier reports to Council, the Trustee has also explored the use of a second reserve of approximately USD 100 million as a mitigation measure against adverse interest rate risk. However, given the current amount of available resources and the relatively strong demand, implementing this risk mitigation measure at this time could unnecessarily restrict the work program of the GEF. The Trustee will periodically review this possibility and work with the Secretariat on whether it should be implemented.

V. Work in Progress

Systems Development

18. Beginning in FY07, the Trustee embarked on a major system overhaul of the World Bank's customized module for the GEF within the World Bank's main business and accounting system. The system overhaul is designed to (a) adjust for recent changes to the project cycle and enable better tracking of Umbrella Programs and Joint projects; (b) provide the ability to re-allocate resources across agencies, when necessary; (c) keep track of projected reflows to facilitate the return of such funds to the GEF Trust Fund; (d) provide the ability to report more transparently on non-grant instruments used by agencies; and (e) enable electronic sharing of data between the Secretariat and the Trustee and between the Agencies and the Trustee. The project has three phases, the first of which began in FY07 and is expected to be completed in January 2008. Phase 2 begins in February 2008 and is expected to be completed by September 2008. The third and final phase is expected to begin in October 2008 and should be completed by June 2009.

19. The Trustee's system design and development work must be coordinated with the Secretariat's new MIS for the GEF as well as with the data systems of the Agencies. This will help ensure that the relevant systems can interface with each other efficiently and that the data structures and the data elements are compatible across all systems. The Trustee completed initial consultations with the Agencies and the Secretariat in FY07. These consultations formed the basis of the user needs analysis and all functional specification documents, as well as facilitated the design and development of the layout of user screens.

20. The second round of consultations with Agencies and the Secretariat has already begun. This phase of the consultation is designed to ensure that the Trustee's system is consistent with the new project cycle stages and has the flexibility to accommodate changes to the project cycle and decision making structures in the future. In addition, the reporting capabilities of the new system will be validated with the Agencies and the Secretariat to ensure a robust and dynamic design. To date, the Trustee has met with IBRD, IDB, and UNDP. Consultations are scheduled with AfDB, FAO, IFAD, UNEP, and UNIDO in October 2007. The Trustee will seek to complete its consultations with the remaining agencies (ADB and EBRD), the GEF Secretariat, and the GEF Evaluation Office before the end of January 2008.

21. Since June 2007, the Trustee has built all of the business applications that were scheduled for Phase 1 of the project. Preliminary testing has begun; intensive on-site testing

is scheduled for October through December 2007 with a go-live date scheduled for January 2008. This first phase of the systems development includes a total rework of the existing system processes associated with recording Council and CEO decisions (setting aside of funds for Agencies), project and fee commitments by the Trustee to the Agencies, and cash transfers to Agencies. The applications that handle cancellations of project and fee amounts are also being re-designed during Phase 1.

22. Phase 2 of the system development is currently planned to commence in February 2008 and includes the baseline system-to-system integration/reconciliation processes with Agency and Secretariat systems. This is to facilitate the exchange of data in an electronic format. Ultimately, this electronic exchange of data will help to further increase the efficiency of all partners to the GEF and minimize the need for manual inputs, validations, and reconciliations.

Conversion of Audited Financial Statements from Special Purpose Reporting to International Financial Reporting Standards (IFRS)

23. The preparation of the GEF Trust Fund financial statements for the fiscal year ended June 30, 2007 is underway. For the first time since the inception of the GEF, the statements will be prepared on the basis of International Financial Reporting Standards (“IFRS”). The main reason for converting the financial statements to IFRS is so that the audited financial statements can be distributed to the wider public; the previous special purpose statements could only be distributed to a limited audience. Preparation of the statements in accordance with IFRS represents best practice.

24. First-time adoption of IFRS presents many challenges. The transition requires not only that the current year’s results be presented on the basis of IFRS, but that the accounting policies be applied retrospectively as if the financial statements had always been prepared in accordance with IFRS. This entails a careful examination of IFRS standards and applying them to the Trust Fund’s situation, which involves significant professional judgment and consultation. In addition, the external auditors must also re-audit the periods ended June 30 2005 and 2006 (comparative information), in addition to carrying out the audit for the year ended June 30, 2007. It should be noted that the Trustee is dependent upon certain information being provided by the Agencies in order to convert the financial statements to IFRS.

25. The Trustee has been collaborating with Implementing and Executing Agencies in the reporting of income earned on the investment of GEF funds pending their disbursement (except for income earned on the investment of GEF funds transferred as fees). This combined income figure will in turn, form part of the financial statements. The information as it relates to income earned on a GEF fiscal year reporting cycle is presented in Table 1. These numbers are subject to audit.

Table 1: Income earned on the investment of GEF funds transferred to Agencies

		Amounts expressed in USD			
<u>Implementing Agencies</u>		<u>Up to FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>Total</u>
UNDP	United Nations Development Programme	18,269,016.00	3,013,068.00	4,284,631.00	25,566,715.00
UNEP	United Nations Environment Programme	9,358,343.00	951,194.00	1,125,924.00	11,435,461.00
WB	World Bank ¹		1,897,089.00	1,624,960.00	3,522,049.00
<u>Executing Agencies</u>					
AfDB	African Development Bank ²	-	-	-	-
ADB	Asian Development Bank	27,828.21	147,250.19	123,281.32	298,359.72
ERBD	European Development Bank	3,777.21	424.97	165.58	4,367.76
IDA	Inter-American Development Bank	87,267.11	157,755.80	126,425.27	371,448.18
IFAD	International Fund for Agricultural Development	33,201.39	107,883.00	633,422.85	774,507.24
FAO	Food and Agriculture Organization	None	69,589.49	113,384.00	182,973.49
UNIDO	United Nations Industrial Development Organization	463,814.73	284,770.02	257,512.09	1,006,096.84
<i>Total</i> ³					43,161,978.23

¹ World Bank is current on the transfer of earned income; this is done automatically on a weekly basis.

² AfDB had not yet received direct funding from the Trustee as at June 30, 2007.

³ All numbers subject to audit.

26. As a follow up to the discussions at the last council meeting on Agenda 15 GEF business plans FY08 – 10 and FY08 Corporate Budget (GEF/C.31/9 and GEF/C.31/9/Corr.1, the Trustee provides in the table that follows, a status summary of budget execution for administrative costs across all GEF partners. These draft figures will also form part of the financial statements to be audited.

Table 2: Budget summary

		Year to June 30, 2007		Year to June 30, 2008
<u>Partner</u>	<u>Approved Budget</u>	<u>Actual Expenditure</u> ¹		<u>Approved Budget</u>
United Nations Development Programme	2,932,000	2,932,000	100%	
United Nations Environment Programme	2,875,000	2,875,000	100%	
World Bank	3,250,000	2,436,680	75%	
Scientific and Technical Advisory Panel	1,931,000	1,462,288	76%	1,989,000
Monitoring & Evaluation - Administrative	2,906,634	2,926,589	101%	3,793,366
GEF Secretariat - Administrative budget	11,964,000	10,674,436	89%	13,249,000
Trustee - Administrative budget	1,540,000	1,540,000	100%	1,986,000
<i>Sub-total</i>	27,398,634	24,846,993		21,017,366
GEF Secretariat - Special Initiatives	2,814,000	ongoing	²	630,000
Monitoring & Evaluation - Special Initiatives	628,149	628,149	100%	0
Trustee - Special Initiatives	250,000	ongoing	²	414,000
<i>Total</i>	31,090,783			22,061,366.0

¹ These amounts are subject to audit verification.

² Special initiatives are continuing under these budget allocations.

27. In its May 2007 report to the Council, the Trustee indicated that the estimated completion date for the IFRS conversion and external audit was December 31, 2007. This estimate is currently still valid. However, the nature of this exercise, the extent of auditing that must be undertaken by the external auditors, and the dependency upon external parties (i.e., the Agencies) for certain information, may affect the completion date. The Trustee, together with the Bank's Accounting Department and external auditors, is proceeding as expeditiously as possible, and will keep the Council informed of any significant developments.

28. The financial statements of the GEF Secretariat are also being audited at this time. The audit is likely to be completed and an opinion issued by December 2007. This is a consolidated financial statement of the main activities of the secretariat and that of the evaluation office.

Global Environment Facility Trust Fund
 Commitments and Payments for the Purpose of Calculating Voting Rights
 (Includes payments on contribution plus the grant equivalent of co-financing and parallel financing made under the GEF pilot program)
 as of September 30, 2007
(expressed in SDR millions as agreed)

	Pilot Phase		GEF-1			GEF-2			GEF-3			GEF-4			Total Contributions Paid	
Contributing Participants	Core Contribution	Co-/Parallel Financing	Commitment	Contributions Paid	% Paid	Commitment	Contributions Paid	% Paid	Commitment	Contributions paid	% Paid	Commitment	Contributions paid	% Paid	Total Contributions Paid	As % of total GEF Contributions Paid
1 Argentina	0.0	0.0	3.6	1.8	50.0%	a/			a/			a/			1.8	0.03%
2 Australia	9.7	7.4	20.8	20.8	100.0%	23.5	23.5	100.0%	27.6	27.6	100.0%	31.0	7.8	25.0%	96.7	1.68%
3 Austria	26.0	0.0	14.3	14.3	100.0%	14.7	14.7	100.0%	17.7	17.7	100.0%	22.3	5.6	25.0%	78.3	1.36%
4 Bangladesh	0.0	0.0	2.0	2.0	100.0%	a/			a/			a/			2.0	0.03%
5 Belgium	5.0	5.3	22.9	22.9	100.0%	24.9	24.9	100.0%	33.0	33.0	100.0%	42.3	10.6	25.0%	101.7	1.77%
6 Brazil	4.0	0.0	4.0	4.0	100.0%	a/			a/			a/			8.0	0.14%
7 Canada	6.3	0.0	61.8	61.8	100.0%	74.6	74.6	100.0%	80.9	80.9	100.0%	89.2	22.3	25.0%	245.9	4.27%
8 China	4.0	0.0	4.0	4.0	100.0%	6.0	6.0	100.0%	8.4	8.4	100.0%	7.1	1.8	25.0%	24.2	0.42%
9 Cote d'Ivoire	2.0	0.0	4.0	4.0	100.0%	4.0	4.0	100.0%	4.0	4.0	100.0%	a/			14.0	0.24%
10 Czech Republic	0.0	0.0	4.0	4.0	100.0%	4.0	4.0	100.0%	4.5	4.5	100.0%	4.7	4.7	100.0%	17.2	0.30%
11 Denmark	16.3	0.0	25.1	25.1	100.0%	20.9	20.9	100.0%	28.0	28.0	100.0%	38.1	9.5	25.0%	99.7	1.73%
12 Egypt	4.0	0.0	4.0	3.5	86.7%	a/			a/			a/			7.5	0.13%
13 Finland	20.4	0.0	15.5	15.5	100.0%	16.1	16.1	100.0%	20.9	20.9	100.0%	28.5	7.1	25.0%	80.0	1.39%
14 France	110.1	0.0	102.3	102.3	100.0%	105.5	105.5	100.0%	128.8	128.8	100.0%	128.7	32.2	25.0%	478.9	8.32%
15 Germany	110.0	0.0	171.3	171.3	100.0%	160.3	160.3	100.0%	231.6	231.6	100.0%	201.1	c/	47.3	720.6	12.52%
16 Greece	0.0	0.0	3.6	3.6	100.0%	4.0	4.0	100.0%	4.5	4.5	100.0%	5.3	1.3	25.0%	13.4	0.23%
17 India	4.0	0.0	6.0	6.0	100.0%	6.6	6.6	100.0%	8.0	8.0	100.0%	6.7	1.7	25.0%	26.2	0.46%
18 Indonesia	4.0	0.0	a/			a/			a/			a/			4.0	0.07%
19 Ireland	0.0	0.0	1.7	1.7	100.0%	4.0	4.0	100.0%	4.5	4.5	100.0%	5.3	1.4	25.6%	11.6	0.20%
20 Italy	65.1	0.0	75.7	75.7	100.0%	66.0	66.0	100.0%	83.0	83.0	100.0%	b/			289.8	5.04%
21 Japan	27.4	19.1	296.0	296.0	100.0%	300.7	300.7	100.0%	333.4	333.4	100.0%	208.0	52.0	25.0%	1028.5	17.88%
22 Korea	0.0	0.0	4.0	4.0	100.0%	4.0	4.0	100.0%	4.4	4.4	100.0%	4.5	1.1	25.0%	13.5	0.23%
23 Luxembourg	0.0	0.0	4.0	4.0	100.0%	4.0	4.0	100.0%	4.0	4.0	100.0%	4.0	1.0	25.0%	13.0	0.23%
24 Mexico	4.0	0.0	4.0	4.0	100.0%	4.0	4.0	100.0%	4.0	4.0	100.0%	4.0	1.0	25.0%	17.0	0.30%
25 Netherlands	37.7	0.0	51.0	51.0	100.0%	53.1	53.1	100.0%	64.8	64.8	100.0%	74.7	74.7	100.0%	281.2	4.89%
26 New Zealand	0.0	0.0	4.0	4.0	100.0%	4.0	4.0	100.0%	4.0	4.0	100.0%	4.0	1.0	25.0%	13.0	0.23%
27 Nigeria	4.0	0.0	a/			4.0	4.0	100.0%	4.0	1.0	25.0%	b/			9.0	0.16%
28 Norway	19.6	3.3	22.3	22.3	100.0%	22.8	22.8	100.0%	20.0	20.0	100.0%	24.1	6.0	25.0%	94.0	1.63%
29 Pakistan	4.0	0.0	4.0	4.0	100.0%	4.0	4.0	100.0%	4.0	4.0	100.0%	b/			16.0	0.28%
30 Portugal	4.5	0.0	4.0	4.0	100.0%	4.0	4.0	100.0%	4.0	4.0	100.0%	4.8	1.2	25.0%	17.7	0.31%
31 Slovak Republic	0.0	0.0	4.0	4.0	100.0%	a/			a/			a/			4.0	0.07%
32 Slovenia	0.0	0.0	a/			1.0	1.0	100.0%	1.1	1.1	100.0%	4.4	1.1	25.0%	3.2	0.06%
33 South Africa			a/			a/			a/			4.0	1.5	36.8%	1.5	0.03%
34 Spain	10.0	0.0	14.0	14.0	100.0%	12.0	12.0	100.0%	15.1	15.1	100.0%	18.1	18.1	100.0%	69.2	1.20%
35 Sweden	24.5	0.0	41.6	41.6	100.0%	42.1	42.1	100.0%	57.0	57.0	100.0%	76.2	76.2	100.0%	241.4	4.20%
36 Switzerland	30.1	10.7	32.0	32.0	100.0%	32.0	32.0	100.0%	45.9	45.9	100.0%	b/			150.6	2.62%
37 Turkey	4.0	0.0	4.0	4.0	100.0%	4.0	4.0	100.0%	4.0	4.0	100.0%	4.0	1.0	25.0%	17.0	0.30%
38 United Kingdom	54.7	0.0	96.0	96.0	100.0%	101.2	101.2	100.0%	149.9	149.9	100.0%	171.9	43.0	25.0%	444.9	7.73%
39 United States	0.0	109.7	306.9	306.9	100.0%	313.4	210.8	67.3% d/	339.2	316.2	93.2% d/	218.2	54.0	24.8%	997.6	17.34%
Total	615.5	155.5	1,438.1	1,435.8		1,445.3	1,342.8		1,744.2	1,718.2		1,435.0	486.0		5,753.6	

a/ Designates a country which is not a Contributing Participant to the replenishment.

b/ Designates Contributing Participants who have not yet submitted an Instrument of Commitment.

c/ Germany pledged SDR 201.1 million to the GEF-4. Germany deposited an Instrument of Commitment in the amount of SDR 189.18 million; the German Government has undertaken to use its best efforts to obtain the approval of Parliament for the remaining amount of SDR 11.92 million.

d/ The U.S. Administration's FY08 budget request to the Congress included USD 26.8 million to partially pay its arrears.

Global Environment Facility Trust Fund
Arrears and Deferred Contributions
As of September 30, 2007
(in millions)

1. Arrears

<i>Details of Arrears</i>						
Contributing Participant	Amount Paid as a % of Total Contribution	Repl.	Currency	Amount	Arrears as a % of Total Contribution	USD equ.
United States	24.75%	GEF-4	USD	0.80	25.00%	0.80
Nigeria	25.00%	GEF-3	SDR	3.00	75.00%	4.66
United States	93.22%	GEF-3	USD	<u>29.16</u>	6.78%	<u>29.16</u>
				32.16		33.82
United States	67.29%	GEF-2	USD	140.67	32.71%	140.67
Argentina	50.00%	GEF-1	USD	2.50	50.00%	2.50
Egypt	86.70%	GEF-1	SDR	<u>0.53</u>	13.30%	<u>0.83</u>
				3.03		3.33
						178.61

2. Deferred Contributions

Details of Deferred Contributions					
Contributing Participant	Repl.	Currency	Amount	As a % of total contribution	USD equ.
France	GEF-3	EUR	11.12	6.78%	13.97
Germany	GEF-3	USD	19.91	6.78%	19.91
Japan	GEF-3	JPY	3,306.22	6.78%	<u>28.38</u>
Sub-total					62.26
Austria	GEF-2	EUR	4.20	25.0%	5.93
France	GEF-2	EUR	32.88	25.0%	46.44
Japan	GEF-2	JPY	12,188.58	25.0%	<u>104.62</u>
Sub-total					156.99
Total deferred contributions					219.25

Total arrears and deferred contributions**397.86**

1/ The U.S. Administration's FY08 budget request to the Congress included USD 26.8 million to partially pay its arrears.

GLOBAL ENVIRONMENT FACILITY TRUST FUND

Schedule of Funds Available
Updated as of October 9, 2007
(in USD eq.)

USD eq.

1. Funds held in Trust		3,817,947,678
Cash and investments	2,507,992,002	
Promissory notes	1,309,955,677	
2. Restricted Funds		254,265,436
Deferred contributions in respect to the pro rata right	219,265,436	
Contributions not released (i.e. pre-payments of installments)	0	
Reserve to cover foreign exchange rate fluctuations	35,000,000	
3. Funds held in Trust with no restrictions (3 = 1 - 2)		3,563,682,242
4. Allocations pending disbursement		3,060,702,883
Amounts endorsed by CEO and approved by the Agency	1,543,978,796	
Amounts endorsed by CEO but not yet approved by Agency	398,958,639	
Amounts allocated by Council but not yet CEO endorsed	1,084,462,652	
Monthly approvals pending confirmation from Agencies	33,302,796	
5. Funds Available for Council Allocation or CEO Approval (5 = 3 - 4)		502,979,359