

GEF/R.5/Inf.24
February 16, 2010

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

**FINANCIAL STATUS OF THE GEF TRUST FUND
AS OF DECEMBER 31, 2009**

(PREPARED BY THE WORLD BANK AS TRUSTEE)

Table of Contents

I.	Introduction	1
II.	Schedule of Funds Available as of December 31, 2009 as Compared to September 30, 2009	1
III.	GEF-4 Envelope – Projected Value through June 30, 2010	3
IV.	Investment Portfolio and Income.....	11
V.	Cumulative Resources of the GEF-4 Since Inception	13
VI.	Funding Decisions Since Inception	15

Tables

Table 1: Schedule of Funds Available	2
Table 1a: Restricted Resources	3
Table 2: GEF-4 Specific Funding Decisions (as compared to September 30, 2009)	4
Table 2a: GEF-4 Specific Funding Decisions (Scenario Analysis).....	7
Table 2b: Arrears	8
Table 2c: Exchange Rate Sensitivity Analysis	10
Table 3: GEF Trust Fund Asset Mix	11
Table 3a: Investment Returns on GEF Trust Fund	12
Table 3b: GEF Trust Fund Investment Income (FY basis)	12
Table 4: Cumulative Resources and Funding Decisions	13
Table 4a: IoCs Not Yet Deposited with the Trustee	14
Table 4b: Installment Receivables	14
Table 5: Funding Decisions Against Total Cumulative Resources	15
Table 5a: Funding Decisions by Agency – Projects and Fees	16
Table 5b: Project Funding Decisions by Focal Area	17
Table 5c: Project Funding Decisions by Replenishment	17
Table 5d: Funding Decisions – Trustee Commitments and Cash Transfers to Agencies.....	18

Annex

Annex 1: Schedule of Financial Status	19
---	----

**FINANCIAL STATUS OF THE GEF TRUST FUND
AS OF DECEMBER 31, 2009**

I. Introduction

1. This information note provides the latest available month-end financial information for the GEF Trust Fund (as of December 31, 2009). The tables in this note are updated from those provided for the October 14-15, 2009 meeting for the Fifth Replenishment.¹

**II. Schedule of Funds Available as of December 31, 2009 as Compared to
September 30, 2009**

2. **Table 1** (GEF Trust Fund – Schedule of Funds Available as of December 31, 2009 as Compared to September 30, 2009) shows that USDeq. 174 million was available as of December 31, 2009, representing a net decrease of USDeq. 12 million since September 30, 2009. As compared to the balance as of September 30, 2009, the Funds Available to support Council or CEO funding decisions has decreased, primarily because funding decisions were slightly higher than the amounts received by the Trustee from donors and investment income.

3. **Funds Held in Trust.** Funds Held in Trust reflect activities from cash transfer requests, new donor payments in cash and promissory notes, encashments of promissory notes, investment income, and the revaluation of the balance of promissory notes at month-end. Funds Held in Trust as of December 31, 2009 amounted to USDeq. 3,965 million, of which 25 % represented unencashed promissory notes. Compared with the balance on September 30, 2009, there was a net decrease of USDeq. 43 million mainly due to cash transfers made to Agencies.

4. Highlights between October 1, 2009 and December 31, 2009:

New donor payments: (1) Sixteen donors paid their 4th and final installment to the GEF-4; (2) Argentina made a partial payment of USD 65,392 towards their GEF-1 contribution arrears and informed the Trustee that the remaining balance will be paid during calendar year 2010; (3) Brazil paid USD 3.13 million towards a GEF-4 contribution and is in the process of signing an Instrument of Commitment (IoC).

- New Funding Decisions: New funding decisions arising from Council or CEO approvals amounted to USDeq. 171 million. Trustee commitments during this period totaled USD 53 million.
- Investment Income: Investment income amounted to USD 6 million.

¹ For a more detailed description, see GEF/R.5/Inf.16 “Financial Status of the GEF Trust Fund as of September 30, 2009” dated October 9, 2009 or the paper prepared for the March, GEF/R.5/5 “Review of the GEF Trust Fund: Contributions, Funding Availability and Financial Risk” dated March 11, 2009.

- Cash Transfers: The Trustee transferred USD 194 million to the Agencies for projects, project preparation grants, and fees.

Table 1: Schedule of Funds Available Updated as of December 31, 2009 (in USDeq. millions)				
		<u>As of December 31, 2009</u>	<u>As of September 30, 2009</u>	
		<u>USD eq. a/</u>		<u>USDeq. b/</u>
<u>1. Funds Held in Trust</u>		3,965		4,008
a. Cash and investments	2,986		3,039	
b. Unencashed promissory notes	979		968	
<u>2. Restricted Funds</u>		297		304
a. Deferred contributions in respect to the pro rata right	252		259	
b. Reserve to cover foreign exchange rate fluctuations	45		45	
<u>3. Funds Held in Trust with no Restrictions (3 = 1 - 2)</u>		3,667		3,704
<u>4. Approved Amounts Pending Disbursement</u>		3,494		3,518
a. Trustee committed	2,210		2,157	
b. Approved by Council but not yet CEO Endorsed	1,283		1,360	
c. Requested amounts for financing pending Council decision c/	-		-	
<u>5. Funds Available to Support Council or CEO Funding Decisions (5 = 3 - 4)</u>		174		186

a/ Valued on the basis of exchange rates of December 31, 2009.
 b/ Valued on the basis of exchange rates of September 30, 2009.
 c/ Represents either semiannual work program presented to Council or Intersessional work program.
 * The figures presented above are based on accounting records available as of December 31, 2009.

5. **Restricted resources** represented 7.5% of Funds Held in Trust. **Table 1a** (Restricted Resources) shows deferred contributions, comprising the following: Austria USDeq. 6 million, France USDeq. 61 million, Germany USDeq. 19 million and Japan USDeq. 166 million. The foreign exchange reserve represents approximately 1.1% of Funds Held in Trust. This reserve provides a buffer in the event that the GEF Trust Fund may not have sufficient funds to disburse against commitments already made by the Trustee, as a result of foreign exchange movements.

Table 1a: Restricted Resources
Status as of December 31, 2009 (in USDeq. millions)

	<u>USDeq.</u>	<u>Percentage</u>
Deferred Contributions		
Austria a/	6	2.0%
France b/	61	20.4%
Germany c/	19	6.5%
Japan b/	166	55.9%
Reserve to cover FX fluctuations	<u>45</u>	<u>15.1%</u>
Total Restricted Resources	297	100%

a/ Represents deferred contributions from the GEF-2.

b/ Represents deferred contributions from the GEF-2 and GEF-3.

c/ Represents deferred contributions from the GEF-3.

* The figures presented above are based on accounting records available as of December 31, 2009.

6. **Approved amounts pending disbursement** – There was a net decrease of USD 24 million since September 30, 2009 because the USD value of projects and fees previously Council approved moving through the project life cycle (CEO endorsement, Trustee committed, cash transfers to Agencies) was higher than new Council approvals during this time period.

III. GEF-4 Envelope – Projected Value through June 30, 2010

7. **Table 2** depicts the GEF-4 Envelope projected value through June 30, 2010, using December 31, 2009 exchange rates. The table also shows, for comparison, the previous reported balance as of September 30, 2009. Total GEF-4 specific funding decisions increased by USD 175 million which primarily represents the November 2009 Council work program. It should be noted that projected arrears to be paid includes USD 85.3 million and USD 5.7 million from the United States for GEF-4 and GEF-2 arrears respectively. Consequently, a release of deferred contributions of USD 10 million from the GEF-2 is projected. Net changes to initial approvals changed by USD 3 million due to the fact that additional allocations to GEF-4 projects and/or PPGs offset previous cancellations reported at September 30, 2009.

Table 2: GEF-4 Specific Funding Decisions (as compared to September 30, 2009)
(in US\$eq. millions)

				Status as of December 31, 2009	Status as of September 30, 2009
1. Target Replenishment Funding a/				3,100	3,100
2. Projected Available Resources During Remaining GEF-4 Period				563	827
<u>Estimated Funds available to support Council or CEO Financing Decisions</u>			174		186
	Potential Amount Available	of which Projected to be Available		Potential Amount Available	of which Projected to be Available
<u>Receivables</u>			228		477
- Arrears	262	91 b/		178	1 b/
- Due within 6 months c/	137	137		341	341
- Due between 7 and 12 months d/	-	-		135	135
- Due between 13 and 18 months	-	-		-	-
<u>Release of Deferred Contributions</u>			10		-
- Deferred Contributions	252	10		259	-
<u>IoCs not yet Deposited with the Trustee e/</u>	137	131	131	139	133
<u>Projected Investment Income</u>	20	20	20	31	31
<u>Total</u>	814	389		1,083	641
3. GEF-4 Specific Funding Decisions			2,535		2,360
<u>Approvals by Council</u>			2,368		2,203
- Projects + Fees		1,372			1,325
- Admin. Budget		67			67
- Special Initiatives		4			4
- Programmatic Initiatives		926			807
<u>Approvals by CEO</u>			172		166
- Projects + Fees (MSPs, EEAs)		147			141
- Project Preparation Activities + Fees		25			24
<u>Net Changes to Initial Approvals f/</u>			(6)		(9)
Pending decisions on Interessionals and Council meetings			-		-
- Projects, Fees, Admin Budget, Spcl Initiatives, Programmatic Initiatives					
4. Projected GEF-4 "Envelope" as of December 31, 2009 (4 = 2 + 3)			3,097		3,187
5. Excess (or Shortfall) as Measured Against the Target in Line 1 (5 = 4 - 1)			(3)		87

- a/ Represents the target replenishment level as agreed, including new resources from Donors, projected investment income, and carryover of amounts from previous replenishments.
- b/ Represents the amounts that were due from the United States, India and Portugal which are expected to be paid in full.
- c/ Represents the remaining amounts from the third and fourth installments.
- d/ Represents amounts from the fourth installment.
- e/ Represents IoCs not yet received by the Trustee from Italy (EUR 88 million), Nigeria (SDR 4 million) and Pakistan (PKR 350 million).
The amount projected to be available comprises Italy (USD eq. 124 million) and Pakistan (USD eq. 4 million).
- f/ To fit the GEF Secretariat's RAF model, pre-GEF-4 project net changes were excluded from the calculation.
The total reductions to initial approvals (including GEF-4 and pre-GEF-4 projects) is USD 257 million.
- * The figures presented above are based on accounting records available as of December 31, 2009.

8. **Table 2a** shows the current projected USD value of the GEF-4 envelope based on the most recent information provided by Donors (Scenario A). It also shows the projected USD value of the GEF-4 envelope under a “best case scenario” (Scenario B).

9. Under Scenario A, the projected USD value of the GEF-4 envelope is USDeq. 3.1 billion, based on the following assumptions:

- Arrears amounting to USD 91 million are paid (including all GEF-4 arrears and USD 5.7 million of United States arrears from GEF-2);
- None of the arrears from GEF-1 and GEF-3 are paid, but USD 5.7 million is paid from GEF-2; and
- Corresponding deferred contributions amounting to USD 10 million are released.
- Italy and Pakistan deposit their Instruments of Commitment (IoC) with the Trustee and pay their contributions in full;
- Investment income amounting to USD 20 million is earned between December 31, 2009 and the end of GEF-4.

10. Based on these assumptions, the total projected envelope amount represents a shortfall of about USD 3 million when compared with the Target Replenishment Funding² as agreed value of the replenishment (USD 3,100 million). It is important to note the following when comparing the current value of the envelope with the Target Replenishment Funding:

- The actual investment income earned to date already surpasses the original projection,³ with six months of additional investment income still to be earned; and
- The current value of the envelope is reduced by the reserve for foreign exchange movements (USD 45 million), which was not taken into account in the Target Replenishment Funding.

11. Scenario B (“Best Case Scenario”) shows that if all the potential resources were to become available during the remaining GEF-4 period (i.e. arrears from GEF-1 to GEF-3 and deferred contributions from GEF-2 and GEF-3), the total projected envelope amount would be USDeq. 3.5 billion, an excess of USD 417 million (or about 13%) over the Target Replenishment Level.

12. Scenario B is based on the following assumptions with respect to the period between January 1, 2010 and June 30, 2010:

- All arrears are paid during the GEF-4 period (USDeq. 262 million; **Table 2b** shows a detailed breakdown);
- The corresponding deferred contributions are released (USDeq. 252 million); and

² Represents the target replenishment level as agreed including new resources from Donors, projected investment income, and carryover of amounts from previous replenishments.

³ The Trustee estimates that an additional USD 20 million will be earned during the final year of the GEF-4, bringing the estimated increase above the projection to USD 156 million.

- All outstanding IoCs are deposited with the Trustee and corresponding payments are received (USDeq. 137 million).

Table 2a: GEF-4 Specific Funding Decisions (Scenario Analysis)
Status as of December 31, 2009
(in USDeq. millions)

	Scenario A		Scenario B
	Trustee Expectations		Best Case Scenario
1. Target Replenishment Funding a/	3,100		3,100
2. Projected Available Resources During Remaining GEF-4 Period	563		982
<u>Estimated Funds available to support Council or CEO Financing Decisions</u>	174		174
	Potential Amount Available	of which Projected to be Available	Potential Amount Available of which Projected to be Available
<u>Receivables</u>		228	399
- Arrears	262	91 b/	262
- Due within 6 months c/	137	137	137
- Due between 7 and 12 months d/	-	-	-
- Due between 13 and 18 months	-	-	-
<u>Release of Deferred Contributions</u>		10	252
- Deferred Contributions	252	10	252
<u>IoCs not yet Deposited with the Trustee e/</u>	137	131	137
<u>Projected Investment Income</u>	20	20	20
<u>Total</u>	814	389	814
3. GEF-4 Specific Funding Decisions	2,535		2,535
<u>Approvals by Council</u>	2,368		2,368
- Projects + Fees		1,372	1,372
- Admin. Budget		67	67
- Special Initiatives		4	4
- Programmatic Initiatives		926	926
<u>Approvals by CEO</u>	172		172
- Projects + Fees (MSPs, EEAs)		147	147
- Project Preparation Activities + Fees		25	25
<u>Net Changes to Initial Approvals f/</u>	(6)		(6)
- Net amount increase (decrease) on GEF-4 projects		(17)	(17)
- Net amount increase (decrease) on GEF-4 projects at time of Endorsement		(3)	(3)
- Additional allocations on GEF-4 projects or PPGs		9	9
- Additional allocations on pre-GEF-4 projects or PPGs		6	6
<u>Pending decisions on Intersessionals and Council meetings</u>	-		-
- Projects, Fees, Admin Budget, Spcl Initiatives, Programmatic Initiatives			
4. Projected GEF-4 "Envelope" as of December 31, 2009 (4 = 2 + 3)	3,097		3,517
5. Excess (or Shortfall) as Measured Against the Target in Line 1 (5 = 4 - 1)	(3)		417

a/ Represents the target replenishment level as agreed, including new resources from Donors, projected investment income, and carryover of amounts from previous replenishments.

b/ Represents the amounts which were due from the United States, India and Portugal which are expected to be paid in full.

c/ Represents the remaining amounts from the third and fourth installments.

d/ Represents amounts from the fourth installment.

e/ Represents IoCs not yet received by the Trustee from Italy (EUR 88 million), Nigeria (SDR 4 million) and Pakistan (PKR 350 million).

The amount projected to be available comprises Italy (USD eq. 124 million) and Pakistan (USD eq. 4 million).

f/ To fit the GEF Secretariat's RAF model, pre-GEF-4 project net changes were excluded from the calculation.

The total reductions to initial approvals (including GEF-4 and pre-GEF-4 projects) is USD 257 million.

* The figures presented above are based on accounting records available as of December 31, 2009.

13. **Table 2b** (Arrears) details the arrears to the GEF Trust Fund by Donor as of December 31, 2009.⁴ The United States has informed the Trustee that the U.S. Congress has appropriated USD 86.5 million to the GEF (USD 80 million for the fourth installment and USD 6.5 million for arrears) and that the payment is expected soon.

Table 2b: Arrears						
Status as of December 31, 2009 (in millions)						
Contributing Participant	Amount Paid as a % of Total		Currency	Arrears Amount	Arrears as a % of Total	
	Contribution	Repl.			Contribution	USD eq. a/
Argentina b/	55%	GF01	USD	2.3	46%	2.3
Egypt, Arab Republic of	87%	GF01	SDR	0.5	13%	0.8
India c/	75%	GF04	USD	2.3	25%	2.3
Nigeria	25%	GF03	SDR	3.0	75%	4.7
Portugal c/	75%	GF04	EUR	1.4	25%	2.1
United States d/	75%	GF04	USD	80.8	25%	80.8
United States	93%	GF03	USD	28.1	7%	28.1
United States d/	67%	GF02	USD	140.7	33%	140.7
Total						261.7

a/ Valued at December 31, 2009 exchange rates.

b/ Argentina made a partial payment of their GEF01 arrears in November 2009 and informed the Trustee that the remaining balance will be paid during calendar year 2010.

c/ India and Portugal paid their contributions in full in November 2009. However, confirmation from the Trustee's depository banks did not arrive until Jan 2010.

d/ The United States has informed the Trustee that the U.S. Congress has appropriated USD 86.5 million to the GEF (USD 80.8 million for the final installment of the GEF-4 and USD 5.7 million for GEF-2 arrears) and that the payment is expected soon.

* The figures presented above are based on accounting records available as of December 31, 2009.

14. The fund balance of GEF-4 consists of various currencies. Four hypothetical scenarios are presented to demonstrate the impact of changes in the value of the USD on the projected GEF-4 envelope balance. This is illustrated in **Table 2c** (Exchange Rate Sensitivity Analysis). This analysis assumes that all other factors (eg. receivables, approvals, investment income and net changes to initial approvals) remain the same; the exchange rate of USD to other currencies is the only variable. **Table 2c** demonstrates that if the USD depreciates by 15%, the total projected envelope amount would be USDeq. 3,207 million, an excess of USDeq. 107 million

⁴ According to Sub-paragraph 4(a) of the GEF-4 Replenishment Resolution, No. 2006-0008, "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." A similar provision is provided for in paragraph 4(a) in the GEF-3 Replenishment Resolution.

over the target Replenishment Level. Conversely, if the USD appreciates by 15%, then the total projected envelope amount would be USDeq. 3,016 million, for a shortfall of USDeq. 84 million from the Target Replenishment Level.

Table 2c: Exchange Rate Sensitivity Analysis Status as of December 31, 2009 (in US\$eq. millions)				15% USD Depreciation		10% USD Depreciation		15% USD Appreciation		10% USD Appreciation	
1. Target Replenishment Funding a/	3,100				3,100		3,100		3,100		3,100
2. Projected Available Resources During Remaining GEF-4 Period	563			672		632		482		506	
<u>Estimated Funds available to support Council or CEO Financing Decisions</u>	174			242		217		124		139	
Potential Amount Available		Potential Amount Available		Potential Amount Available		Potential Amount Available		Potential Amount Available		Potential Amount Available	
of which Projected to be Available		of which Projected to be Available		of which Projected to be Available		of which Projected to be Available		of which Projected to be Available		of which Projected to be Available	
<u>Receivables</u>	228			245		239		215		219	
- Arrears	262	91 b/		260	91	260	91	259	91	259	91
- Due within 6 months c/	137	137		154	154	147	147	125	125	128	128
- Due between 7 and 12 months d/	-	-		-	-	-	-	-	-	-	-
- Due between 13 and 18 months	-	-		-	-	-	-	-	-	-	-
<u>Release of Deferred Contributions</u>	10			12		11		9		9	
- Deferred Contributions	252	10		291	12	277	11	224	9	232	9
<u>IoCs not yet Deposited with the Trustee e/</u>	131	131		154	154	145	145	114	114	119	119
- IoCs not yet Deposited with the Trustee e/	137	131		161	154	152	145	119	114	125	119
<u>Projected Investment Income</u>	20	20		20	20	20	20	20	20	20	20
- Projected Investment Income	20	20		20	20	20	20	20	20	20	20
<u>Total</u>	814	389		892	431	862	415	753	358	771	367
3. GEF-4 Specific Funding Decisions	2,535			2,535		2,535		2,535		2,535	
<u>Approvals by Council</u>	2,368			2,368		2,368		2,368		2,368	
- Projects + Fees	1,372			1,372		1,372		1,372		1,372	
- Admin. Budget	67			67		67		67		67	
- Special Initiatives	4			4		4		4		4	
- Programmatic Initiatives	926			926		926		926		926	
<u>Approvals by CEO</u>	172			172		172		172		172	
- Projects + Fees (MSPs, EEAs)	147			147		147		147		147	
- Project Preparation Activities + Fees	25			25		25		25		25	
<u>Net Changes to Initial Approvals f/</u>	(6)			(6)		(6)		(6)		(6)	
- Net amount increase (decrease) on GEF-4 projects	(17)			(17)		(17)		(17)		(17)	
- Net amount increase (decrease) on GEF-4 projects at time of Endorsement	(3)			(3)		(3)		(3)		(3)	
- Additional allocations on GEF-4 projects or PPGs	9			9		9		9		9	
- Additional allocations on pre-GEF-4 projects or PPGs	6			6		6		6		6	
<u>Pending decisions on Intersessionals and Council meetings</u>	-			-		-		-		-	
- Projects, Fees, Admin Budget, Spcl Initiatives, Programmatic Initiatives	-			-		-		-		-	
4. Projected GEF-4 "Envelope" as of December 31, 2009 (4 = 2 + 3)	3,097			3,207		3,166		3,016		3,041	
5. Excess or (Shortfall) as Measured Against the Target in Line 1 (5 = 4 - 1)	(3)			107		66		(84)		(59)	
a/ Represents the target replenishment level as agreed, including new resources from Donors, projected investment income, and carryover of amounts from previous replenishments.											
b/ Represents the amounts that were due from the United States, India and Portugal which are expected to be paid in full.											
c/ Represents the remaining amounts from the third and fourth installments.											
d/ Represents amounts from the fourth installment.											
e/ Represents IoCs not yet received by the Trustee from Italy (EUR 88 million), Nigeria (SRD 4 million) and Pakistan (PKR 350 million). The amount projected to be available comprises Italy (USD eq. 124 million) and Pakistan (USD eq. 4 million).											
f/ To fit the GEF Secretariat's RAF model, pre-GEF-4 project net changes were excluded from the calculation. The total reductions to initial approvals (including GEF-4 and pre-GEF-4 projects) is USD 257 million.											
* The figures presented above are based on accounting records available as of December 31, 2009.											

IV. Investment Portfolio and Income

15. **Table 3** (GEF Trust Fund Asset Mix) illustrates the composition of instruments in the GEF Trust Fund portfolio as of December 31, 2009. Assets held in trust by the World Bank (as the Trustee), including the GEF Trust Fund, are maintained in a commingled investment portfolio (the “Pool”) for all trust funds administered by the World Bank. The assets in the Pool are managed in accordance with the investment strategy established for all trust funds administered by the World Bank. The Pool is actively managed so that the probability of incurring negative returns is no more than 1% over the applicable investment horizon.

Table 3: GEF Trust Fund Asset Mix
As of December 31, 2009 (in USD millions)

<u>Asset Class</u>	<u>Percentage</u>
Domestic Govt	31%
Mortgage Backed Sec	27%
Asset Backed Sec	6%
Agency	7%
Sovereign/Govt Gtd	21%
Money Market	8%
Corporate	0%
	<hr/> 100%

16. **Table 3a** (Investment Returns on GEF Trust Fund) outlines the investment returns on GEF Trust Fund for the calendar year to date, the fiscal year to date, the previous calendar year, and the previous fiscal year. The GEF Trust Fund has earned investment income amounting to 2.82% on the USD 3 billion average balance for the calendar year, which is higher than returns of approximately 2% for the pooled Trust Fund portfolio over the same period.

17. Returns in 2008 were high relative to historical levels due to capital appreciation in the low-risk assets in the portfolio that performed well during the financial crisis. An increase in investor risk appetite in 2009, and ongoing low yield environment, has resulted in lower returns for those assets compared to 2008. GEF portfolio returns were adversely affected by the negative returns in government bond and mortgage backed security asset classes. However, overall returns for the GEF liquid portfolio remains positive both for calendar year 2009 and fiscal year to date.

Table 3a: Investment Returns on GEF Trust Fund

As of December 31, 2009 (in USD millions)

<u>Fund Balance</u>	<u>Dec-09</u>	<u>CY to date</u>	<u>FY to date</u>	<u>Prev. CY</u>	<u>Prev. FY</u>
2,986	-0.75%	2.82%	1.36%	6.45%	5.58%

* The figures presented above are based on accounting records available as of December 31, 2009.

18. **Table 3b** (GEF Trust Fund Investment Income) shows investment income earned on the GEF Trust Fund balance as of December 31, 2009. The total amount of investment income earned since the beginning of GEF-1 (July 1, 1994) is USD 901 million.

- GEF-4 realized investment income to date is USD 504 million, representing an excess of USD 136 million over the amount projected at the close of the GEF-4 replenishment negotiations.
- During the remaining GEF-4 period, the Trustee estimates that investment income will amount to approximately USD 20 million.

Table 3b: GEF Trust Fund Investment Income (FY basis) a/

Status as of December 31, 2009 (in USD millions)

	<u>Investment Income</u>			
	<u>Projected</u>	<u>Realized</u>		<u>Rate of Return</u>
GEF-1	- b/	106		4.2% d/
GEF-2	- b/	166		5.7% d/
GEF-3	130	125		1.9% d/
GEF-4	368	504 c/		5.5% e/
Total	498	901 a/		

a/ Total investment income does not include investment income earned during the Pilot Phase (USD 31 million). Total investment income as of December 31, 2009, including Pilot Phase, amounts to USD 932 million.

b/ Projected investment income was not included as a financial component in the GEF-1 and GEF-2 replenishment agreements.

c/ This amount includes realized investment income as of December 31, 2009.

d/ Rate of return calculated using average annual trust fund balance for each replenishment period.

e/ Rate of return as of December 31, 2009.

* The figures presented above are based on accounting records available as of December 31, 2009.

V. Cumulative Resources of the GEF-4 Since Inception

19. **Table 4** (Cumulative Resources and Funding Decisions) shows the total Cumulative Resources of the GEF Trust Fund and the cumulative funding decisions made since inception of the GEF. The Cumulative Resources of USDeq. 10.6 billion include resources not yet received (which comprise IoCs not yet deposited with the Trustee) and Installment Receivables. Cumulative Resources exceed the Target Programming Level by USDeq. 500 million.

Table 4: Cumulative Resources and Funding Decisions Inception to December 31, 2009 (in USD eq. millions)			
1. Target Programming Level a/			10,115
2. Cumulative Resources b/			10,616
<u>Resources not yet received</u>		<u>536</u>	
IoCs not yet Deposited with the Trustee	137		
Installment Receivables c/	399		
<u>Resources received d/</u>		<u>10,080</u>	
Cash receipts from Installments and Encashments	8,169		
Unencashed Promissory Notes	979		
Investment Income Earned on Undisbursed Balances of GEF Funds e/	932		
3. Cumulative Funding Decisions			9,627
Approvals by Council and CEO		10,340	
Cancellations		(713)	
Pending decisions on Intersessionals and Council meetings		-	
4. Cumulative Resources Net of Funding Decisions (4 = 2 - 3)			988
5. Excess (shortfall) as Measured Against the Target in Line 1 (5 = 2 - 1)			500
<p>a/ This amount represents the <u>targeted new resources</u> as agreed by Donors during replenishment discussions; it excludes the agreed carryover of arrears, deferred contributions, and paid-in funds not yet set aside.</p> <p>b/ This amount represents the actual USD value of resources to the GEF Trust Fund since the Pilot Phase of the GEF.</p> <p>c/ Represents IoCs deposited with the Trustee but not yet converted into cash or notes.</p> <p>d/ Includes restricted contributions that are not yet available to support GEF operations.</p> <p>e/ Includes realized investment income from Pilot Phase to December 31, 2009.</p> <p>* The figures presented above are based on accounting records available as of December 31, 2009.</p>			

20. Financial Status of the GEF Trust Fund, inception to December 31, 2009 is also presented in **Annex 1** (Schedule of Financial Status).

21. In **Table 4a**, IoCs not yet deposited with the Trustee are in respect of pledges from Italy (USDeq. 127 million), Nigeria (USDeq. 6 million) and Pakistan (USDeq. 4 million). Until received in cash, these resources are subject to fluctuations in exchange rates.

Table 4a: IoCs Not Yet Deposited with the Trustee a/

Status as of December 31, 2009

(in USDeq. millions) b/

<u>Contributing Participant b/</u>	<u>Currency of Obligation</u>	<u>USDeq.</u>	<u>Percentage</u>
Italy	EUR	127	92.4%
Nigeria	SDR	6	4.6%
Pakistan	PKR	4	3.0%
Total IoCs Not Yet Deposited		137	

a/ Represents pledges made during the GEF-4 discussions.

b/ Valued at December 31, 2009 exchange rates

* The figures presented above are based on accounting records available as of December 31, 2009.

22. **Table 4b** (Installment Receivables) shows that the majority (56% of installment receivables) represents GEF-4 installments that are due between January 1, 2010 and the end of the GEF-4 period (i.e. June 30, 2010). The remaining 44% of the installments due represents arrears, due mainly from the United States (in respect of GEF-2 and GEF-3).

Table 4b: Installment Receivables

Status as of December 31, 2009 (in USDeq. millions)

<u>Replenishment</u>	<u>USDeq.</u>	<u>Percentage</u>
GEF-1 a/	3	0.8%
GEF-2 b/	141	35.3%
GEF-3 c/	33	8.2%
GEF-4 d/	222	55.7%
Total Installments	399	

a/ Represents the arrears of Argentina and Egypt.

b/ Represents the arrears of the United States.

c/ Represents the arrears of Nigeria and the United States.

d/ Represents outstanding installments from the GEF-4.

* The figures presented above are based on accounting records available as of December 31, 2009.

VI. Funding Decisions Since Inception

23. **Table 5** (Funding Decisions Against Total Cumulative Resources – Inception to December 31, 2009) shows initial funding decisions made by the Council and the CEO. Total funding decisions represent about 97% of cumulative GEF resources.

- This amount has been offset by cumulative cancellations totaling USD 712 million, or about 7% of approvals.
- Total net cumulative funding decisions (including pending decisions) amount to USD 9.6 billion, about 91% of cumulative GEF resources.

Table 5: Funding Decisions Against Total Cumulative Resources		
Inception to December 31, 2009 (in USD millions)		
	Funding Decisions	Percentage against Total Cumulative Resources
Project and Project Preparation a/	9,287	87.5%
Project Fees	563	5.3%
Administrative Budget	489	4.6%
Total	10,340	97.4%
Total Cumulative Resources	10,616	
a/ Includes Programmatic Initiatives.		
* The figures presented above are based on accounting records available as of December 31, 2009.		

24. **Table 5a** (Funding Decisions by Agency – Projects and Fees – Inception to December 31, 2009) shows the total funding decisions by Implementing Agencies since inception of the GEF Trust Fund, including the Pilot Phase.

- 84% of the funding decisions for projects and fees were approved for IBRD and UNDP.
- The share approved for UNEP amounts to about 9%; the remaining 7% was approved funding to the other seven Agencies.

**Table 5a: Funding Decisions by Agency –
Projects and Fees a/**
Inception to December 31, 2009 (in USD millions)

	<u>Funding Decisions</u>	<u>Percentage of Total Funding Decisions</u>
ADB	138	1.4%
AfDB	13	0.1%
EBRD	39	0.4%
FAO	83	0.8%
IADB	107	1.1%
IBRD	4,668	47.7%
IFAD	94	1.0%
UNDP	3,527	36.0%
UNEP	899	9.2%
UNIDO	222	2.3%
Total	9,790	100%

a/ Includes stand alone projects, projects attached to Programmatic Initiatives, fees and project preparation activities.

* The figures presented above are based on accounting records available as of December 31, 2009.

25. **Table 5b** (Project Funding Decisions by Focal Area) shows the breakdown of Council and CEO cumulative funding decisions by focal area, taking into account only the amounts approved for projects (i.e. excluding fees). Projects in the areas of biodiversity and climate change represent approximately 65% of the cumulative funding approved to date.

Table 5b: Project Funding Decisions by Focal Area

Inception to December 31, 2009 (in USD millions)

Focal Area	Funding Decisions a/	Percentage
Biodiversity	2,954	32.9%
Climate Change	2,890	32.2%
International Waters	1,098	12.2%
Land Degradation	359	4.0%
Multi-focal Areas	1,136	12.6%
Ozone Depletion	171	1.9%
Persistent Organic Pollutants	380	4.2%
Total	8,988	

a/ Includes Funding Decisions for Projects attached to Programmatic Initiatives.

* The figures presented above are based on accounting records available as of December 31, 2009.

26. **Table 5c** (Funding Decisions by Replenishment) shows the cumulative funding decisions by Replenishments including related cancellations.

Table 5c: Funding Decisions by Replenishment

Inception to December 31, 2009 (in USD millions)

	<u>GEF-Pilot</u>	<u>GEF-1</u>	<u>GEF-2</u>	<u>GEF-3</u>	<u>GEF-4</u>
Programmatic Initiatives Approved	-	-	119	312	926
Projects, Project Preparation and Administrative Budget Approvals	782	1,518	2,356	2,704	1,624
Total Funding Decisions	782	1,518	2,475	3,016	2,550
Minus Cancellations a/ b/	(92)	(267)	(166)	(166)	(21)
Net Total Funding Decisions	689	1,251	2,309	2,850	2,529

a/ Cancellations include unused amounts from closed projects, dropped projects, reductions from endorsements.

b/ Cancellation amounts by replenishment relate to projects approved during the respective replenishment period.

* The figures presented above are based on accounting records available as of December 31, 2009.

27. **Table 5d** (Funding Decisions – Trustee Commitments and Cash Transfers to Agencies) shows the cumulative commitments and cash transfers to the GEF Agencies from inception to December 31, 2009.

Table 5d: Funding Decisions
– Trustee Commitments and Cash Transfers to Agencies a/
Inception to December 31, 2009 (in USD millions)

	<u>Council/CEO</u>	<u>Trustee</u>	
	<u>Funding Decisions</u>	<u>Commitments b/</u>	<u>Cash Transfers</u>
ADB	138	78	40
AfDB	13	1	-
EBRD	39	1	1
FAO	83	40	15
IADB	107	56	24
IBRD	4,668	3,801	2,582
IFAD	94	79	53
UNDP	3,527	2,973	2,333
UNEP	899	717	554
UNIDO	222	113	57
Total	9,790	7,857	5,659

a/ Includes stand alone projects, projects attached to Programmatic Initiatives, fees and project preparation activities.

b/ Reflects initial Trustee commitments less cancellations and unused amounts from financially closed projects.

* The figures presented above are based on accounting records available as of December 31, 2009.

Schedule of Financial Status Inception to December 31, 2009 (in USDeq. millions)	
<u>Resource Envelope</u>	
Resources received from Donors	9,148
Installment receivables	399
IoC not yet deposited with the Trustee	137
Investment income	932
Total - Resource Envelope [a]	10,616
<u>Funding Decisions Net of Cancellations</u>	
Governing body approved funding 1/ [b]	9,790
<i>of which committed</i>	7,857
<i>of which disbursed to agencies/recipients</i>	5,659
Resource Envelope Net of Funding Decisions [a]-[b]. Excess/(shortfall)	825
Funding Decisions as a % of Resource Envelope	92%
<u>Funding Availability</u>	
Funds held in Trust with no restrictions	3,667
(-) Amounts set aside or committed pending Disbursement	3,494
Fund Held in Trust and Available for Funding	174
1/ Includes stand alone projects, project preparation activities, and fees.	
* The figures presented above are based on accounting records available as of December 31, 2009.	

Note: Figures presented in the tables may not add up due to rounding.