



# Global Concessional Financing Facility Trust Fund

## Financial Report

Prepared by the Trustee

*As of September 30, 2019*



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## Introduction

The Global Concessional Financing Facility (GCFF) was established in July 2016 as part of the *New Financing Initiative to Support the Middle East and North Africa (MENA) Region* which aims to provide additional financing on more favorable terms to countries in the MENA region impacted by forced displacement, conflict and economic instability. In September 2016, the GCFF was expanded to a global facility in order to provide middle income countries the development support needed to address refugee crises across the globe.

This report covers the financial status of the GCFF Trust Fund, and is produced by the Trustee (World Bank) in accordance with the Trustee's role in the GCFF Operations Manual and Standard Provisions for the Contribution Agreements/Arrangements (Section 6):

*“The Trustee will maintain separate records and ledger accounts with respect to the funds deposited in the Trust Fund and transfers made therefrom. The Trustee will report to the Steering Committee semi-annually on the financial status of the Trust Fund, including information on the status of Contributions, investment income, Allocations, Commitments, transfers and funds available for approval by the Steering Committee.”*



## GCFF Trust Fund Financial Summary as of September 30, 2019

### ***Pledges and Contributions:***

A pledge represents a Supporting Country's expression of intent to make a contribution. Pledges are converted to Contributions by way of a countersigned Contribution Agreement/Arrangement.

As of September 30, 2019, contributions and outstanding pledges to the GCFF Trust Fund totaled USDeq. 731.19 million.<sup>1</sup> Of this amount, USD 620.51 million has been deposited into the GCFF Trust Fund.

### ***Investment Income:***

As of September 30, 2019, the GCFF Trust Fund earned investment income of approximately USD 4.87 million on the liquid balances in the Trust Fund. The GCFF Trust Fund portfolio has returned 2.02% during calendar year 2019. The GCFF Trust Fund balance is allocated to a short-term fixed income portfolio. In addition, the investment income received from Implementation Support Agencies is USD 10.51 million.

### ***Funding Approvals:***

As of September 30, 2019, the GCFF Steering Committee had approved funding from the GCFF Trust Fund totaling USD 517.80 million to cover Concessionality Amounts and Implementation Support Agency (ISA) Costs, as well as administrative costs of the GCFF Coordination Unit and Trustee.

### ***Funds Held in Trust:***

Funds Held in Trust<sup>2</sup> reflect contributions paid-in from Supporting Countries, plus investment income, less cash transfers. Funds Held in Trust as of September 30, 2019 amounted to USDeq. 124.02 million.

### ***Funds Available for GCFF Steering Committee Funding Decisions:***

Funds available to support GCFF funding decisions amounted to USD 118.09 million as of September 30, 2019.

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<sup>1</sup> In addition, Japan pledged to provide JPY 100 billion in loans that may be used by IBRD to generate additional grant contribution amounts.

<sup>2</sup> Funds Held in Trust represents balance of cash, investments and unencashed promissory notes (if any) as of the reporting date.

## 1. GCFF Trust Fund Summary – Inception through September 30, 2019

In USD millions

	Total	% of Total
<b><u>Supporting Country Pledges and Contributions</u></b>		
Contributions	620.51	84.9%
Pledges outstanding	110.68	15.1%
<b>Total Pledges outstanding and Contributions</b>	<b>731.19</b>	<b>100.0%</b>
<b><u>Cumulative Resources</u></b>		
<u>Resources received</u>		
Cash Receipts	620.51	83.1%
Investment Income earned	4.87	0.7%
Investment Income received from ISAs	10.51	1.4%
<b>Total Resources Received</b>	<b>635.89</b>	<b>85.2%</b>
<u>Resources not yet received</u>		
Contributions not yet received	-	0.0%
Pledges outstanding	110.68	14.8%
<b>Total Resources not yet received</b>	<b>110.68</b>	<b>14.8%</b>
<b>Total Potential Resources (A) (in USD millions)</b>	<b>746.57</b>	<b>100.0%</b>
<b><u>Cumulative Funding Decisions</u></b>		
Concessionality	514.35	99.3%
ISA Costs	0.57	0.1%
Administrative Budget	2.89	0.6%
<b>Total Funding Decisions Net of Cancellations (B)</b>	<b>517.80</b>	<b>100.0%</b>
<b>Total Potential Resources Net of Funding Decisions (A) - (B)</b>	<b>228.77</b>	
<b><u>Funds Available</u></b>		
Funds Held in Trust with no restrictions	124.02	
Approved Amounts Pending Cash Transfers	5.93	
<b>Total Funds Available to Support Steering Committee Decisions</b>	<b>118.09</b>	

Note: Sub-totals may not add up to due to rounding

## 2. Pledges and Contributions as of September 30, 2019

*In millions*

Supporting Country	Curr	Pledge in Currency of Contribution	USDeq. a/	Effective (or signed) Contribution					Receipts in Currency of Contribution				Receipts in USDeq. b/
				Global	Lebanon / Jordan	Jordan	Lebanon	Total	Global	Lebanon / Jordan	Jordan	Lebanon	
Canada	CAD	57.00	43.46	17.00	40.00	-	-	57.00	17.00	40.00	-	-	43.46
Denmark	DKK	437.10	68.33	437.10	-	-	-	437.10	437.10	-	-	-	68.33
European Commission	EUR	5.00	5.36	-	5.00	-	-	5.00	-	5.00	-	-	5.36
Germany	EUR	91.48	102.41	-	67.65	23.83	-	91.48	-	67.65	23.83	-	102.41
Japan	USD	120.00	120.00	-	60.00	25.00	-	85.00	-	60.00	25.00	-	85.00
Japan	c/ JPY	-	-	-	-	-	-	-	-	-	-	-	-
Netherlands	EUR	53.00	61.43	3.00	20.00	-	30.00	53.00	3.00	20.00	-	30.00	61.43
Norway	NOK	265.20	31.21	30.00	235.20	-	-	265.20	30.00	235.20	-	-	31.21
Sweden	SEK	180.00	20.24	-	180.00	-	-	180.00	-	180.00	-	-	20.24
Sweden	USD	30.00	30.00	10.00	20.00	-	-	30.00	10.00	20.00	-	-	30.00
United Kingdom	d/ USD	40.30	40.30	-	-	40.30	-	40.30	-	-	40.30	-	40.30
United Kingdom	GBP	102.50	133.45	8.00	-	65.50	-	73.50	8.00	-	65.50	-	97.77
United States	USD	75.00	75.00	-	-	35.00	-	35.00	-	-	35.00	-	35.00
<b>Total</b>			<b>731.19</b>										<b>620.51</b>

a/ Represents (1) actual US dollar value of paid-in cash contributions and (2) September 30, 2019 value of pledges outstanding, contribution amounts pending FX, and unpaid amounts.

b/ Represents actual USD receipts

c/ Japan pledged to provide JPY 100bn in additional loans that may be used by IBRD to generate additional grant contribution amounts

d/ Represents grant amount only

*Note: totals may not add up to due to rounding*

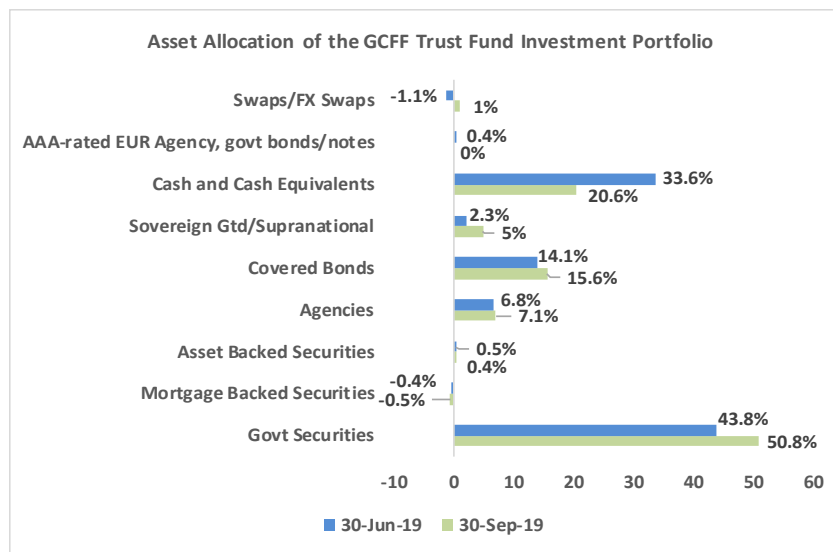


### 3. Asset Mix and Investment Income

#### ASSET MIX

Funds held in trust by the World Bank (as the Trustee) are maintained in a commingled investment portfolio (the “Pool”) for all trust funds administered by the World Bank. On July 1, 2015, the World Bank formally adopted the Conditional Value-at-Risk (CVaR) measure as the risk constraint in the management of trust funds. Funds are managed such that the expected maximum loss, as measured by the CVaR, at the portfolio’s investment horizon, is not to exceed 1% with 99% confidence.

The portfolio allocation by asset class has the largest allocations to government securities and money-market instruments.

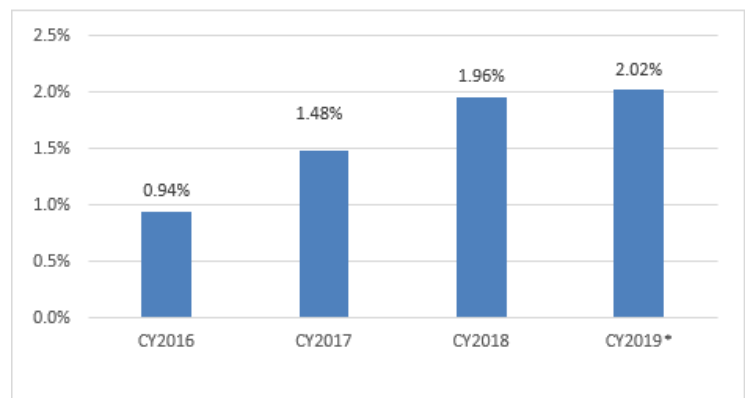


*Note: The negative position in swaps is primarily due to changes in foreign currency exchange (FX) rates in cross currency basis swaps. Such swap instruments are used to implement currency hedges on bond positions within the portfolio. These hedges remain in place.*

*Mortgage Backed Securities allocation includes To-Be-Announced (TBA) contracts for which only Mark-to-market (MTM) is used to calculate the value of the position which, as a result, could be negative.*

#### INVESTMENT RETURNS

The GCFF funds are invested in accordance with the investment strategy established for all trust funds administered by the World Bank. The GCFF funds are invested in a short-term fixed income portfolio with an investment horizon of one year. The GCFF Trust Fund portfolio earned approximately USD 4.87 million in investment income since inception.



\*non-annualized



## 4. Cumulative Funding Decisions

In USD millions

<u>Concessionality</u>	<u>ISA</u>	<u>Global</u>	<u>Lebanon / Jordan</u>	<u>Jordan</u>	<u>Lebanon</u>	<u>Total</u>
Colombia - Fiscal Sustainability, Competitiveness and Migration Development	WB	31.50	-	-	-	31.50
Jordan - Ain Ghazal Wastewater	EBRD	-	1.95	-	-	1.95
Jordan - Economic Opportunities	WB	-	11.24	39.76	-	51.00
Jordan - Energy and Water Development Policy Loan	WB	-	-	25.00	-	25.00
Jordan - West Irbid Wastewater	EBRD	-	2.50	-	-	2.50
Jordan - Emergency Health	WB	-	7.95	5.95	-	13.90
	IsDB	-	12.01	8.99	-	21.00
Jordan - Emergency Health (Add'l Financing)	WB	-	18.17	40.73	-	58.90
Jordan - Education Reform Support	WB	-	41.88	10.42	-	52.30
Jordan - First Equitable Growth and Job Creation	WB	11.26	18.45	81.29	-	111.00
Lebanon - Roads and Employment	WB	-	28.91	-	16.49	45.40
Lebanon - Health Resilience	WB	-	24.16	-	0.04	24.20
	IsDB	-	5.89	-	0.01	5.90
Lebanon - Greater Beirut Public Transport	WB	25.39	32.35	-	12.07	69.80
		<b>68.15</b>	<b>205.46</b>	<b>212.14</b>	<b>28.60</b>	<b>514.35</b>
<b>ISA Costs</b>						
EBRD		-	0.17	-	-	0.17
IsDB		-	0.05	0.01	0.00	0.07
WB		0.05	0.14	0.12	0.02	0.33
		<b>0.05</b>	<b>0.36</b>	<b>0.13</b>	<b>0.02</b>	<b>0.57</b>
<b>Administrative Budget</b>						
Coordination Unit		0.19	0.87	0.50	0.04	1.61
Trustee		0.13	0.66	0.46	0.03	1.28
		<b>0.33</b>	<b>1.53</b>	<b>0.96</b>	<b>0.07</b>	<b>2.89</b>
<b>Total Funding Decisions</b>		<b>68.52</b>	<b>207.36</b>	<b>213.23</b>	<b>28.69</b>	<b>517.80</b>

Note: totals may not add up due to rounding





## 5. Funds Available as of September 30, 2019

In USD millions

	<u>Total</u>	<u>Global</u>	<u>Lebanon / Jordan</u>	<u>Jordan</u>	<u>Lebanon</u>	
<b>1. Cumulative Receipts</b>	<b>635.89</b>		<b>111.76</b>	<b>271.22</b>	<b>216.66</b>	<b>36.25</b>
a. Cash receipts from Supporting Countries	620.51	108.48		262.81	214.57	34.65
b. Investment Income earned	4.87	1.20		2.64	0.82	0.21
c. Investment Income received from ISAs	10.51	2.08		5.77	1.26	1.39
<b>2. Cumulative Cash Transfers</b>	<b>511.87</b>		<b>68.52</b>	<b>201.43</b>	<b>213.23</b>	<b>28.68</b>
a. Concessional	508.45	68.15		199.57	212.14	28.59
b. ISA Costs	0.53	0.05		0.33	0.13	0.02
C. Administrative Budget	2.89	0.33		1.53	0.96	0.07
<b>3. Funds Held in Trust ( 3 = 1 - 2 )</b>	<b>124.02</b>		<b>43.23</b>	<b>69.79</b>	<b>3.43</b>	<b>7.57</b>
<b>4. Funding Decisions Pending Cash Transfer</b>	<b>5.93</b>		-	<b>5.92</b>	-	<b>0.01</b>
<b>5. Funds available to support Steering Committee decisions ( 5 = 3 - 4 )</b>	<b><u>118.09</u></b>		<b><u>43.23</u></b>	<b><u>63.87</u></b>	<b><u>3.43</u></b>	<b><u>7.56</u></b>

Note: totals may not add up due to rounding