



Global Concessional Financing Facility Trust Fund

Financial Report

Prepared by the Trustee

As of September 30, 2020



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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, 2020

Pledges and Contributions:

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

As of September 30, 2020, Contributions and outstanding Pledges to the GCFF Trust Fund totaled USDeq. 773.17 million.¹ Of this amount, USD 698.17 million has been deposited as cash into the GCFF Trust Fund.

Investment Income:

As of September 30, 2020, the GCFF Trust Fund earned investment income of approximately USD 7.05 million on the liquidity balances in the GCFF Trust Fund. In addition, the cumulative investment income received from Implementation Support Agencies (ISA) is USD 15.52 million.

Funding Approvals:

As of September 30, 2020, the GCFF Steering Committee had approved funding from the GCFF Trust Fund totaling USD 627.40 million to cover Concessionality amounts and ISA Costs, as well as Administrative Budget of the GCFF Coordination Unit and Trustee.

Funds Held in Trust:

Funds Held in Trust² reflect contributions paid-in from Supporting Countries, plus investment income, less cash transfers. Funds Held in Trust as of September 30, 2020 amounted to USDeq. 102.67 million.

Funds Available for GCFF Steering Committee Funding Decisions:

Funds available to support GCFF funding decisions amounted to USD 93.33 million as of September 30, 2020.

¹ This does not include potential pledges that may be provided if a Supporting Country enters into a loan agreement with IBRD wherein grant amounts may be generated to benefit GCFF.

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



1. GCFE Trust Fund Summary – Inception through September 30, 2020

In USD millions

| | Total | % of Total |
|---|---------------|---------------|
| Supporting Country Pledges and Contributions | | |
| Contributions | 723.17 | 93.5% |
| Pledges outstanding a/ | 50.00 | 6.5% |
| Total Pledges outstanding and Contributions | 773.17 | 100.0% |

| | | |
|--|---------------|---------------|
| Cumulative Resources | | |
| <u>Resources received</u> | | |
| Cash Receipts | 698.17 | 87.7% |
| Investment Income earned | 7.05 | 0.9% |
| Investment Income received from ISAs | 15.52 | 2.0% |
| Total Resources Received | 720.73 | 90.6% |
| <u>Resources not yet received</u> | | |
| Contributions not yet received | 25.00 | 3.1% |
| Pledges outstanding | 50.00 | 6.3% |
| Total Resources not yet received | 75.00 | 9.4% |
| Total Potential Resources (A) (in USD millions) | 795.73 | 100.0% |

| | | |
|---|---------------|---------------|
| Cumulative Funding Decisions | | |
| Concessionality | 622.75 | 99.3% |
| ISA Costs | 0.74 | 0.1% |
| Administrative Budget | 3.91 | 0.6% |
| Total Funding Decisions Net of Cancellations (B) | 627.40 | 100.0% |
| Total Potential Resources Net of Funding Decisions (A) - (B) | 168.33 | |

| | | |
|--|--------------|--|
| Funds Available | | |
| Funds Held in Trust with no restrictions | 102.67 | |
| Approved Amounts Pending Cash Transfers | 9.33 | |
| Total Funds Available to Support Steering Committee Decisions | 93.33 | |

a/ This does not include potential pledges that may be provided if a Supporting Country enters into a loan agreement with IBRD wherein grant amounts may be generated to benefit GCFE.

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

2. Pledges and Contributions as of September 30, 2020

In millions

| Supporting Country | Curr | Pledge in Currency of Contribution | USDeq. a/ | Effective (or signed) Contribution in Currency of Contribution | | | | | Receipts in Currency of Contribution | | | | Receipts in USD 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 | 507.10 | 78.92 | 437.10 | - | 70.00 | - | 507.10 | 437.10 | - | 70.00 | - | 78.92 |
| 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 | 134.56 | 134.56 | 14.56 | 60.00 | 25.00 | - | 99.56 | 14.56 | 60.00 | 25.00 | - | 99.56 |
| Netherlands | EUR | 53.00 | 61.43 | 3.00 | 20.00 | - | 30.00 | 53.00 | 3.00 | 20.00 | - | 30.00 | 61.43 |
| Norway | NOK | 404.20 | 46.41 | 30.00 | 374.20 | - | - | 404.20 | 30.00 | 374.20 | - | - | 46.41 |
| 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 | c/ USD | 40.30 | 40.30 | - | - | 40.30 | - | 40.30 | - | - | 40.30 | - | 40.30 |
| United Kingdom | GBP | 102.50 | 135.08 | 8.00 | - | 94.50 | - | 102.50 | 8.00 | - | 94.50 | - | 135.08 |
| United States | USD | 75.00 | 75.00 | 25.00 | - | 35.00 | - | 60.00 | - | - | 35.00 | - | 35.00 |
| Total | | | 773.17 | | | | | | | | | | 698.17 |

a/ Represents (1) actual US dollar value of paid-in cash contributions and/or (2) September 30, 2020 value of pledges outstanding and/or unpaid contribution amounts

b/ Represents actual USD receipts

c/ Represents grant amount only

Note: totals may not add up to due to rounding



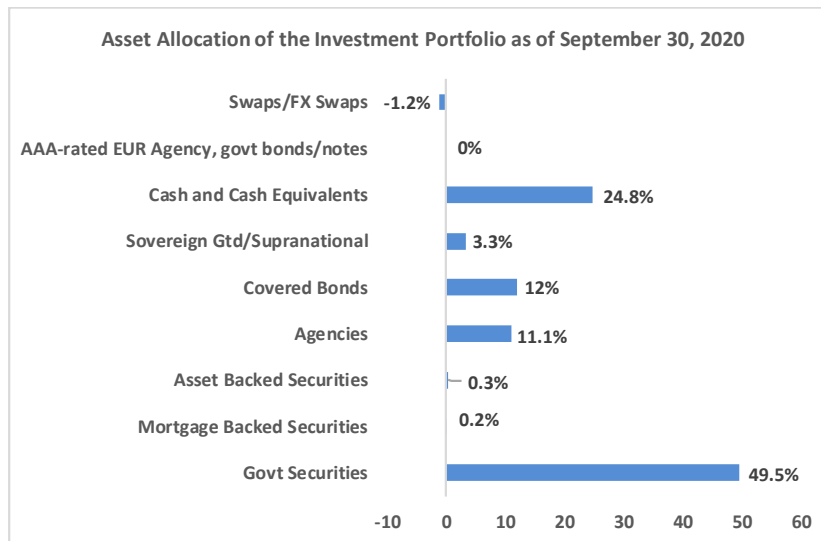
3. Asset Mix and Investment Income

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. Within this pool, the GCFF funds are invested in a short term, high quality fixed income portfolio with an investment horizon of up to one year.

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.

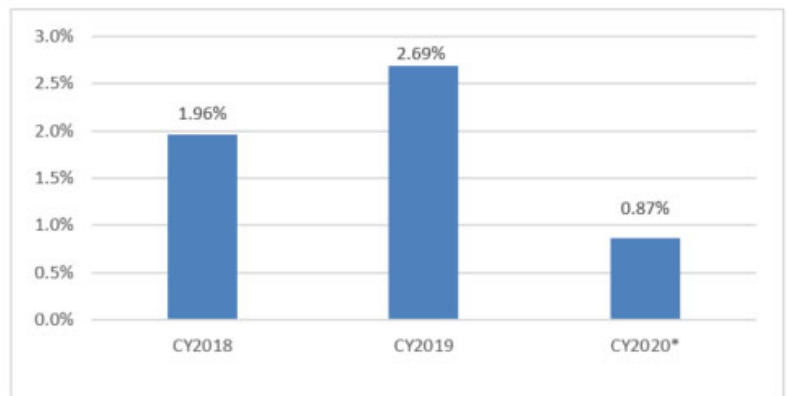
The portfolio allocation by asset class has the largest allocations to government securities and money-market instruments.



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.

INVESTMENT RETURNS

The GCFF funds are invested in accordance with the investment strategy established for all trust funds administered by the World Bank and has earned approximately USD 7.05 million in investment income since inception. The portfolio returns during calendar year 2020 was 0.87% non-annualized.



*non-annualized

4. Cumulative Funding Decisions as of September 30, 2020

In USD millions

| Concessionality | ISA | Global | Lebanon / Jordan | Jordan | Lebanon | Total |
|--|------|---------------|---------------------|---------------|--------------|---------------|
| Colombia - Fiscal Sustainability, Competitiveness and Migration Development | IBRD | 31.50 | - | - | - | 31.50 |
| Colombia - Improving Quality of Healthcare Services and Efficiency | IBRD | 37.60 | - | - | - | 37.60 |
| Ecuador - Second Inclusive and Sustainable Growth Development Policy Financing | IBRD | 6.00 | - | - | - | 6.00 |
| Jordan - Economic Opportunities | IBRD | - | 11.24 | 39.76 | - | 51.00 |
| Jordan - Ain Ghazal Wastewater | EBRD | - | 1.95 | - | - | 1.95 |
| Jordan - Energy and Water Development Policy Loan | IBRD | - | - | 25.00 | - | 25.00 |
| Jordan - West Irbid Wastewater | EBRD | - | 2.50 | - | - | 2.50 |
| Jordan - Emergency Health | IBRD | - | 7.95 | 5.95 | - | 13.90 |
| | IsDB | - | 12.01 | 8.99 | - | 21.00 |
| Jordan - Emergency Health (Add'l Financing) | IBRD | - | 18.17 | 40.73 | - | 58.90 |
| Jordan - Education Reform Support | IBRD | - | 41.88 | 10.42 | - | 52.30 |
| Jordan - Education Reform Support (Add'l Financing) | IBRD | - | 3.49 | 15.11 | - | 18.60 |
| Jordan - First Equitable Growth and Job Creation | IBRD | 11.26 | 18.45 | 81.29 | - | 111.00 |
| Jordan - Youth, Technology and Jobs Project | IBRD | - | - | 36.90 | - | 36.90 |
| Lebanon - Roads and Employment | IBRD | - | 28.91 | - | 16.49 | 45.40 |
| Lebanon - Health Resilience | IBRD | - | 24.16 | - | 0.04 | 24.20 |
| | IsDB | - | 5.89 | - | 0.01 | 5.90 |
| Lebanon - Greater Beirut Public Transport | IBRD | 25.39 | 32.35 | - | 12.07 | 69.80 |
| Lebanon - Municipal Investment Program | IBRD | - | 1.77 | - | 7.53 | 9.30 |
| | | 111.75 | 210.72 | 264.15 | 36.13 | 622.75 |
| ISA Costs | | | | | | |
| EBRD | | - | 0.17 | - | - | 0.17 |
| IsDB | | - | 0.05 | 0.01 | 0.00 | 0.07 |
| IBRD | | 0.12 | 0.15 | 0.18 | 0.05 | 0.50 |
| | | 0.12 | 0.38 | 0.20 | 0.05 | 0.74 |
| Administrative Budget | | | | | | |
| Coordination Unit | | 0.28 | 1.31 | 0.59 | 0.04 | 2.22 |
| Trustee | | 0.19 | 0.96 | 0.51 | 0.03 | 1.69 |
| | | 0.47 | 2.27 | 1.10 | 0.07 | 3.91 |
| Total Funding Decisions | | 112.34 | 213.37 | 265.44 | 36.26 | 627.40 |

Note: totals may not add up due to rounding



5. Funds Available as of September 30, 2020

In USD millions

| | Total | Global | Lebanon / Jordan | Jordan | Lebanon |
|---|---------------|---------------|------------------|---------------|--------------|
| 1. Cumulative Receipts | 720.73 | 127.82 | 290.10 | 265.87 | 36.94 |
| a. Cash receipts from Supporting Countries | 698.17 | 123.04 | 278.00 | 262.47 | 34.65 |
| b. Investment Income earned | 7.05 | 1.81 | 3.79 | 1.12 | 0.32 |
| c. Investment Income received from ISAs | 15.52 | 2.97 | 8.31 | 2.28 | 1.97 |
| 2. Cumulative Cash Transfers | 618.06 | 112.34 | 211.59 | 265.44 | 28.69 |
| a. Concessionality | 613.45 | 111.75 | 208.96 | 264.15 | 28.60 |
| b. ISA Costs | 0.71 | 0.12 | 0.37 | 0.20 | 0.02 |
| c. Administrative Budget | 3.91 | 0.47 | 2.27 | 1.10 | 0.07 |
| 3. Funds Held in Trust (3 = 1 - 2) | 102.67 | 15.49 | 78.51 | 0.43 | 8.25 |
| 4. Funding Decisions Pending Cash Transfer | 9.33 | - | 1.77 | - | 7.56 |
| 5. Funds available to support Steering Committee decisions (5 = 3 - 4) | 93.33 | 15.49 | 76.73 | 0.43 | 0.69 |

Note: totals may not add up due to rounding

Glossary

| Term | Definition |
|------------------------------------|--|
| Cash and Investments | The Trust Fund's share in the co-mingled cash and investment pool. |
| Cash Contribution | Contribution or Installment provided in the form of cash, including promissory note encashments |
| Cash Transfer | Cash payment made to an Implementation Support Agency under a Financial Procedures Agreement |
| Contribution | The funds provided and to be provided by a Supporting Country to a Trust Fund, as specified in the Contribution Agreement/Arrangement, or in the Instrument of Commitment |
| Contribution Agreement/Arrangement | An agreement or arrangement between a World Bank entity, as Trustee, and a Supporting Country, setting forth specific terms for the receipt and use of a specific Contribution for a specific Trust Fund |
| Contribution Paid-In | Contribution or Installment provided in the form of cash, Promissory Note or other instruments acceptable to the Trustee |
| Contribution Receivable | Any portion of a Contribution that is not a Qualified Contribution to be received in the form of Cash or Promissory Note |
| EBRD | European Bank for Reconstruction and Development |
| Financial Intermediary Fund (FIF) | Financial arrangements that leverage a variety of public and private resources in support of global development initiatives and partnership. These Funds involve financial engineering or complex finance schemes, or where the Bank provides a specified set of administrative, financial or operational services |
| Financial Procedures Agreement | An agreement or arrangement between a World Bank entity, as Trustee, and Partner Entity for the commitment and transfer of funds by the Trustee to the Partner Entity under terms that do not involve Bank responsibility post-transfer |
| Funding Availability | Assets available to support funding decisions, as calculated under a specific basis of commitment. |
| Funds Held in Trust | Cash and Investments plus unencashed Promissory Note balance |
| IBRD | International Bank for Reconstruction and Development |
| Implementation Support Agency | Any agency receiving funds from a FIF, which is responsible for managing those funds for project activities as approved by the governing body |
| Investment Income | Returns (realized and unrealized) on cash and investments, allocated to individual Trust Funds |
| IsDB | Islamic Development Bank |
| Pledge | A Contributor's expression of its intention to make a Contribution |
| Promissory Note (if applicable) | A document consisting of a promise to pay that is non-interest bearing and payable on demand |