



# Global Concessional Financing Facility Trust Fund

## Financial Report

Prepared by the Trustee

*As of December 31, 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 December 31, 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 December 31, 2020, Contributions and outstanding Pledges to the GCFF Trust Fund totaled USDeq. 786.74 million.<sup>1</sup> Of this amount, USD 736.74 million has been deposited as cash into the GCFF Trust Fund.

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

As of December 31, 2020, the GCFF Trust Fund earned investment income of approximately USD 7.15 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 December 31, 2020, the GCFF Steering Committee had approved funding from the GCFF Trust Fund totaling USD 663.27 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 Trust<sup>2</sup> reflect contributions paid-in from Supporting Countries, plus investment income, less cash transfers. Funds Held in Trust as of December 31, 2020 amounted to USD 127.22 million.

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

Funds available to support GCFF funding decisions amounted to USD 96.15 million as of December 31, 2020.

<sup>1</sup> 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.

<sup>2</sup> 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 December 31, 2020

In USD millions

	Total	% of Total
<b>Supporting Country Pledges and Contributions</b>		
Contributions	736.74	93.6%
Pledges outstanding a/	50.00	6.4%
<b>Total Pledges outstanding and Contributions</b>	<b>786.74</b>	<b>100.0%</b>

<b>Cumulative Resources</b>		
<u>Resources received</u>		
Cash Receipts	736.74	91.0%
Investment Income earned	7.15	0.9%
Investment Income received from ISAs	15.52	1.9%
<b>Total Resources Received</b>	<b>759.42</b>	<b>93.8%</b>
<u>Resources not yet received</u>		
Contributions not yet received	-	0.0%
Pledges outstanding	50.00	6.2%
<b>Total Resources not yet received</b>	<b>50.00</b>	<b>6.2%</b>
<b>Total Potential Resources (A) (in USD millions)</b>	<b>809.42</b>	<b>100.0%</b>

<b>Cumulative Funding Decisions</b>		
Concessionality	658.55	99.3%
ISA Costs	0.81	0.1%
Administrative Budget	3.91	0.6%
<b>Total Funding Decisions Net of Cancellations (B)</b>	<b>663.27</b>	<b>100.0%</b>
<b>Total Potential Resources Net of Funding Decisions (A) - (B)</b>	<b>146.15</b>	

<b>Funds Available</b>		
Funds Held in Trust with no restrictions	127.22	
Approved Amounts Pending Cash Transfers	31.07	
<b>Total Funds Available to Support Steering Committee Decisions</b>	<b>96.15</b>	

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 December 31, 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	524.20	59.99	30.00	494.20	-	-	524.20	30.00	494.20	-	-	59.99
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	25.00	-	35.00	-	60.00
<b>Total</b>			<b>786.74</b>										<b>736.74</b>

a/ Represents (1) actual US dollar value of paid-in cash contributions and/or (2) December 31, 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



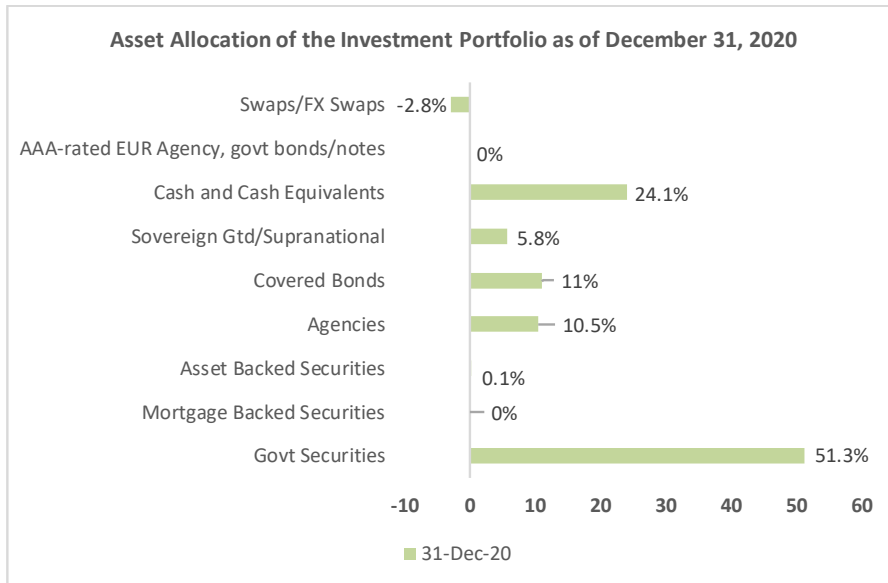
### 3. Asset Mix and Investment Income

#### 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.

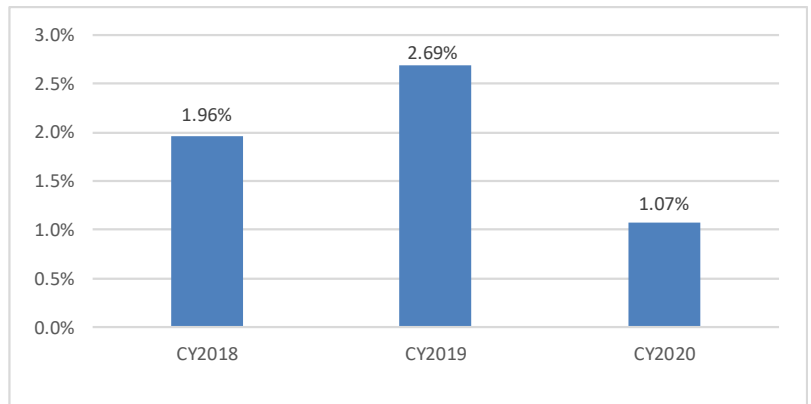
The portfolio allocation by asset class has the largest allocations to government securities and money-market instruments.



*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 7.15 million in investment income since inception. The portfolio returns during calendar year 2020 was 1.07%.





## 4. Cumulative Funding Decisions as of December 31, 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
Colombia - Resilient and Inclusive Housing	IBRD	21.70	-	-	-	21.70
Ecuador - Second Inclusive and Sustainable Growth Development Policy Financing	IBRD	6.00	-	-	-	6.00
Ecuador - Third Inclusive and Sustainable Growth Development Policy Financing	IBRD	14.10	-	-	-	14.10
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
		<b>147.55</b>	<b>210.72</b>	<b>264.15</b>	<b>36.13</b>	<b>658.55</b>
<b>ISA Costs</b>						
EBRD		-	0.17	-	-	0.17
IsDB		-	0.05	0.01	0.00	0.07
IBRD		0.19	0.15	0.18	0.05	0.57
		<b>0.19</b>	<b>0.38</b>	<b>0.20</b>	<b>0.05</b>	<b>0.81</b>
<b>Administrative Budget</b>						
Coordination Unit		0.28	1.31	0.59	0.04	2.22
Trustee		0.19	0.96	0.51	0.03	1.69
		<b>0.47</b>	<b>2.27</b>	<b>1.10</b>	<b>0.07</b>	<b>3.91</b>
<b>Total Funding Decisions</b>		<b>148.21</b>	<b>213.37</b>	<b>265.44</b>	<b>36.26</b>	<b>663.27</b>

Note: totals may not add up due to rounding





## 5. Funds Available as of December 31, 2020

*In USD millions*

	Total	Global	Lebanon / Jordan	Jordan	Lebanon
<b>1. Cumulative Receipts</b>	<b>759.42</b>	<b>152.85</b>	<b>303.75</b>	<b>265.87</b>	<b>36.95</b>
a. Cash receipts from Supporting Countries	736.74	148.04	291.58	262.47	34.65
b. Investment Income earned	7.15	1.84	3.86	1.12	0.33
c. Investment Income received from ISAs	15.52	2.97	8.31	2.28	1.97
<b>2. Cumulative Cash Transfers</b>	<b>632.20</b>	<b>126.47</b>	<b>211.59</b>	<b>265.44</b>	<b>28.69</b>
a. Concessionality	627.55	125.85	208.96	264.15	28.60
b. ISA Costs	0.74	0.16	0.37	0.20	0.02
c. Administrative Budget	3.91	0.47	2.27	1.10	0.07
<b>3. Funds Held in Trust ( 3 = 1 - 2 )</b>	<b>127.22</b>	<b>26.38</b>	<b>92.15</b>	<b>0.43</b>	<b>8.26</b>
<b>4. Funding Decisions Pending Cash Transfer</b>	<b>31.07</b>	<b>21.74</b>	<b>1.77</b>	<b>-</b>	<b>7.56</b>
<b>5. Funds available to support Steering Committee decisions ( 5 = 3 - 4 )</b>	<b>96.15</b>	<b>4.64</b>	<b>90.38</b>	<b>0.43</b>	<b>0.69</b>

*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