



Global Concessional Financing Facility Trust Fund

Financial Report

Prepared by the Trustee

As of June 30, 2018



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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.”



GCFE Trust Fund Financial Summary as of June 30, 2018

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 June 30, 2018, contributions and outstanding pledges to the GCFE Trust Fund totaled USDeq. 574.28 million.¹ Of this amount, USD 494.69 million has been deposited into the GCFE Trust Fund.

Investment Income:

As of June 30, 2018, the GCFE Trust Fund earned investment income of approximately USD 4.56 million on the liquid balances in the Trust Fund. The GCFE Trust Fund portfolio has returned 0.73% during the first two quarters of calendar year 2018. The GCFE Trust Fund balance is allocated to a short term fixed income portfolio.

Funding Approvals:

As of June 30, 2018, the GCFE Steering Committee had approved funding from the GCFE Trust Fund totaling USD 496.78 million to cover Concessionality Amounts and Implementation Support Agency (ISA) Costs, as well as administrative costs of the GCFE 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 June 30, 2018 amounted to USDeq. 79.24 million.

Funds Available for GCFE Steering Committee Funding Decisions:

Funds available to support GCFE funding decisions amounted to USD 2.47 million as of June 30, 2018.

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

² 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 June 30, 2018

In USD millions

| | Total | % of Total |
|--|---------------|---------------|
| <u>Supporting Country Pledges and Contributions</u> | | |
| Contributions | 499.28 | 86.9% |
| Pledges outstanding | 75.00 | 13.1% |
| Total Pledges outstanding and Contributions | 574.28 | 100.0% |
| <u>Cumulative Resources</u> | | |
| <u>Resources received</u> | | |
| Cash Receipts | 494.69 | 85.5% |
| Investment Income earned | 4.56 | 0.8% |
| Total Resources Received | 499.24 | 86.2% |
| <u>Resources not yet received</u> | | |
| Contributions not yet received | 4.60 | 0.8% |
| Pledges outstanding | 75.00 | 13.0% |
| Total Resources not yet received | 79.60 | 13.8% |
| Total Potential Resources (A) (in USD millions) | 578.84 | 100.0% |
| <u>Cumulative Funding Decisions</u> | | |
| Concessionality | 494.05 | 99.5% |
| ISA Costs | 0.53 | 0.1% |
| Administrative Budget | 2.20 | 0.4% |
| Total Funding Decisions Net of Cancellations (B) | 496.78 | 100.0% |
| Total Potential Resources Net of Funding Decisions (A) - (B) | 82.07 | |
| <u>Funds Available</u> | | |
| Funds Held in Trust with no restrictions | 79.24 | |
| Approved Amounts Pending Cash Transfers | 76.78 | |
| Total Funds Available to Support Steering Committee Decisions | 2.47 | |

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

2. Pledges and Contributions as of June 30, 2018

In millions

GCCF Pledges and Contributions

Updated as of June 30, 2018

| 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 USDeq. b/ |
|---------------------|--------|--|---------------|--|---------------------|--------|---------|--------|--------------------------------------|---------------------|--------|---------|--------------------------|
| | | | | Global | Lebanon / Jordan | Jordan | Lebanon | Total | Global | Lebanon / Jordan | Jordan | Lebanon | |
| Canada | CAD | 40.00 | 30.70 | - | 40.00 | - | - | 40.00 | - | 40.00 | - | - | 30.70 |
| 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 | 20.00 | 21.35 | - | 20.00 | - | - | 20.00 | - | 20.00 | - | - | 21.35 |
| Japan | USD | 110.00 | 110.00 | - | 60.00 | 15.00 | - | 75.00 | - | 60.00 | 15.00 | - | 75.00 |
| Japan | c/ JPY | - | - | - | - | - | - | - | - | - | - | - | - |
| Netherlands | EUR | 50.00 | 58.04 | - | 20.00 | - | 30.00 | 50.00 | - | 20.00 | - | 30.00 | 58.04 |
| Norway | NOK | 235.20 | 27.73 | - | 235.20 | - | - | 235.20 | - | 235.20 | - | - | 27.73 |
| 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 | 65.50 | 87.23 | - | - | 65.50 | - | 65.50 | - | - | 62.00 | - | 82.63 |
| United States | USD | 75.00 | 75.00 | - | - | 35.00 | - | 35.00 | - | - | 35.00 | - | 35.00 |
| Total | | | 574.28 | | | | | | | | | | 494.69 |

a/ Represents (1) actual US dollar value of paid-in cash contributions and (2) June 30, 2018 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

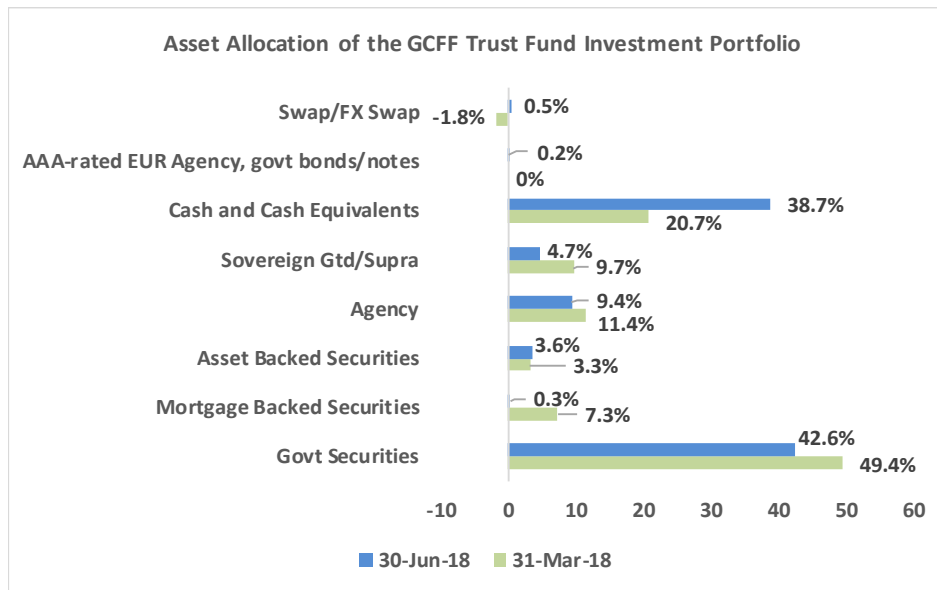


3. Asset Mix and Investment Income

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.

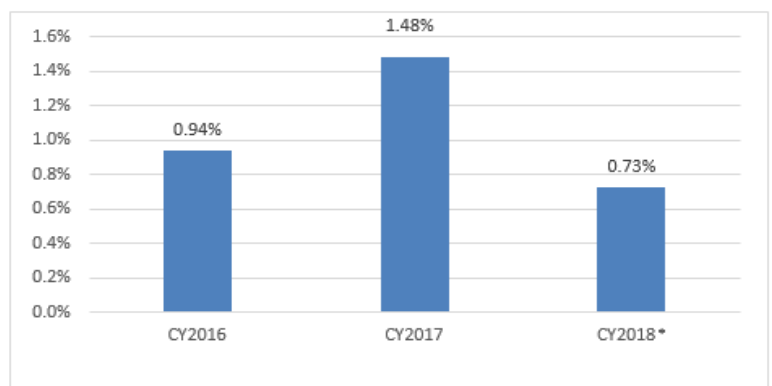
The portfolio allocation by asset class has the largest allocations to government securities and money-market instruments.



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.

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 4.56 million in investment income since inception.



*non-annualized



4. Cumulative Funding Decisions

In USD millions

| Concessionality | ISA | Global | Lebanon / | | Lebanon | Total |
|---|------|--------------|---------------|---------------|--------------|---------------|
| | | | Jordan | Jordan | | |
| 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 - 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 |
| Lebanon - National Jobs P4R | WB | 41.34 | 22.52 | - | 6.25 | 70.10 |
| | | 77.98 | 209.81 | 171.41 | 34.85 | 494.05 |
| ISA Costs | | | | | | |
| EBRD | | - | 0.17 | - | - | 0.17 |
| IsDB | | - | 0.05 | 0.01 | 0.00 | 0.07 |
| WB | | 0.04 | 0.14 | 0.09 | 0.02 | 0.29 |
| | | 0.04 | 0.36 | 0.11 | 0.02 | 0.53 |
| Administrative Budget | | | | | | |
| Coordination Unit | | 0.19 | 0.45 | 0.50 | 0.03 | 1.16 |
| Trustee | | 0.14 | 0.41 | 0.46 | 0.02 | 1.04 |
| | | 0.33 | 0.85 | 0.96 | 0.05 | 2.20 |
| Total Funding Decisions | | 78.35 | 211.03 | 172.48 | 34.93 | 496.78 |

Note: totals may not add up due to rounding



5. Funds Available as of June 30, 2018

In USD millions

| | <u>Total</u> | <u>Global</u> | <u>Lebanon / Jordan</u> | <u>Jordan</u> | <u>Lebanon</u> |
|---|--------------------|--------------------|-------------------------|--------------------|--------------------|
| 1. Cumulative Receipts | 499.24 | 79.14 | 211.34 | 173.65 | 35.11 |
| a. Cash receipts from Supporting Countries | 494.69 | 78.33 | 208.77 | 172.93 | 34.65 |
| b. Investment Income earned | 4.56 | 0.81 | 2.57 | 0.72 | 0.46 |
| 2. Cumulative Cash Transfers | 420.00 | 36.76 | 182.48 | 172.14 | 28.61 |
| a. Concessionalty | 418.05 | 36.65 | 181.40 | 171.41 | 28.59 |
| b. ISA Costs | 0.46 | 0.02 | 0.32 | 0.11 | 0.02 |
| c. Administrative Budget | 1.49 | 0.10 | 0.76 | 0.63 | 0.00 |
| 3. Funds Held in Trust (3 = 1 - 2) | 79.24 | 42.38 | 28.86 | 1.50 | 6.50 |
| 4. Funding Decisions Pending Cash Transfer | 76.78 | 41.59 | 28.54 | 0.34 | 6.31 |
| 5. Funds available to support Steering Committee decisions (5 = 3 - 4) | <u>2.47</u> | <u>0.79</u> | <u>0.32</u> | <u>1.17</u> | <u>0.18</u> |

Note: totals may not add up due to rounding