



June 30, 2013

# Global Environment Facility Trust Fund (GEF)

Administered by the International Bank for Reconstruction and Development as Trustee

**World Bank Reference: TF029840**

**Independent Auditors' Report and Statement of Receipts,  
Disbursements and Fund Balance**

**The World Bank Group**

Trust Funds Division, Client Services Department

Controller's Vice Presidency

[www.worldbank.org](http://www.worldbank.org)



**KPMG LLP**  
Suite 12000  
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## **Independent Auditors' Report**

Global Environment Facility (GEF) Council; and  
International Bank for Reconstruction and Development  
as Trustee of the Global Environment Facility Trust Fund – TF029840

We have audited the accompanying statement of receipts, disbursements and fund balance (the Statement) of the Global Environment Facility Trust Fund – TF029840 (the Trust Fund) under administration by the International Bank for Reconstruction and Development (the Trustee) for the year ended June 30, 2013, and the related notes to the Statement.

### ***Management's Responsibility for the Statement***

Management is responsible for the preparation and fair presentation of the Statement in accordance with the modified cash basis of accounting described in Note 4; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the Statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the Statement referred to above presents fairly, in all material respects, the receipts, disbursements and fund balance of the Trust Fund for the year ended June 30, 2013, in accordance with the modified cash basis of accounting described in Note 4.



***Basis of Accounting***

We draw attention to Note 4 to the Statement, which describes the basis of accounting. The Statement is prepared on the modified cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles (U.S. GAAP) or International Financial Reporting Standards (IFRS). Our opinion is not modified with respect to this matter.

***Emphasis of Matter***

The Statement was previously prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. As more fully described in Note 4 to the Statement, the Trustee elected, effective July 1, 2012, to change its method of preparing the Statement to the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. GAAP or IFRS.

**KPMG LLP**

Washington, DC  
November 4, 2013

# STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

For The Fiscal Year Ended June 30, 2013

Expressed in U.S. dollars unless otherwise noted

	<u>Notes</u>	
Contributions received	6	\$ 784,515,626
Net investment income		12,982,460
Investment income earned on GEF grant funds	7	<u>2,877,286</u>
<b>Total receipts</b>		<b><u>800,375,372</u></b>
Disbursements for grants and fees	9	799,260,257
Disbursements for administrative budgets:	10	
UNEP (STAP)		2,219,745
Secretariat and Evaluation Office		21,734,649
IBRD/Trustee		<u>4,236,500</u>
<b>Total disbursements</b>		<b><u>827,451,151</u></b>
Excess of (disbursements over receipts)/receipts over disbursements		(27,075,779)
<b>Fund balance:</b>		
Beginning of the year (Share of the cash and investment in the Pool)	4	<u>3,674,326,357</u>
<b>End of the year (Share of the cash and investment in the Pool)</b>	8	<b><u>\$ 3,647,250,578</u></b>

The accompanying notes are an integral part of the Statement of Receipts, Disbursements and Fund Balance.

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2013

*Expressed in U.S. dollars unless otherwise noted*

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## Note 1: Organization and Operations

On July 1, 1994 (date of inception, hereinafter referred to as “Inception”), the Global Environment Facility (“GEF”), was formally established as a financial mechanism by the Instrument for the Establishment of the Restructured Global Environment Facility (the “Instrument”). Further, the GEF Trust Fund (the “Trust Fund”) was established pursuant to the terms of the Instrument. Since inception, the Instrument has been amended periodically upon approval by the Assembly of the GEF (governing body of the GEF in which member countries participate) and adoption by the Implementing Agencies (see Note 3) and the Trustee of the Trust Fund (the “Trustee” as defined below).

The GEF provides funding to eligible countries for incremental costs of measures to achieve global environmental benefits in six focal areas specified in the Instrument, as amended: biological diversity, climate change, international waters, land degradation (primarily desertification and deforestation), ozone layer depletion, and persistent organic pollutants. Incremental costs of such other activities under Agenda 21 (the action plan of the 1992 United Nations Conference on Environment and Development) as agreed by the GEF Council (the “Council”) are eligible for funding if they achieve global environmental benefits in the focal areas.

The Trust Fund is administered by the International Bank for Reconstruction and Development (“IBRD”) as Trustee. The resources of the Trust Fund, held in trust by the Trustee, are kept separate and apart from the resources of IBRD.

The responsibilities of the Trustee include the mobilization of resources for the Trust Fund, financial management of the Trust Fund, investment of funds as well as disbursement of funds to the Implementing and Executing Agencies (see Note 3), in accordance with the provisions of the Instrument and decisions made by the Council.

## Note 2: Summary of Replenishments

As of June 30, 2013, there have been five replenishment cycles under which the Trustee was authorized to accept contributions to the Trust Fund, as follows:

GEF-1: July 1, 1994 – June 30, 1998: \$2.01 billion

GEF-2: July 1, 1998 – June 30, 2002: \$2.67 billion

GEF-3: July 1, 2002 – June 30, 2006: \$2.93 billion

GEF-4: July 1, 2006 – June 30, 2010: \$3.34 billion

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2013

*Expressed in U.S. dollars unless otherwise noted*

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GEF-5: July 1, 2010 – June 30, 2014: \$4.34 billion

On July 19, 2010, the World Bank Executive Directors adopted IBRD Resolution No. 2010-0004 entitled "Global Environment Facility Trust Fund Fifth Replenishment of Resources (the "GEF-5 Resolution")" thereby authorizing the IBRD, as Trustee of the Trust Fund, to manage the resources made available under the fifth replenishment of resources to the Trust Fund (the "GEF-5").

## Note 3: Implementing and Executing Agencies and Other Bodies

Under the Instrument, there are three Implementing Agencies: IBRD, the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) (jointly, the "IAs", each individually, an "IA"). Specific responsibilities are assigned to each of the IAs, the GEF Secretariat (the "Secretariat"), the Trustee and the Scientific and Technical Advisory Panel (STAP). GEF resources are allocated to each of those parties pursuant to the terms of the Instrument. In addition, the GEF Council decided in 2003 that the GEF Monitoring and Evaluation Unit shall operate functionally independent and report directly to the GEF Council.

The Secretariat coordinates the formulation of projects included in the annual work program, oversees its implementation, and ensures that operational strategy and policies are followed. The Secretariat is supported administratively by IBRD but operates in an independent manner to discharge the responsibilities assigned to it under the Instrument.

The GEF Chief Executive Officer ("CEO") is appointed by the Council on the joint recommendation of the IAs and heads the Secretariat. The GEF provides full direct access to the following organizations (jointly, the "Executing Agencies" or "EAs", each individually, an "EA") in addition to three IAs mentioned above:

- Asian Development Bank (ADB)
- African Development Bank/African Development Fund (collectively AfDB)
- European Bank for Reconstruction and Development (EBRD)
- Food and Agriculture Organization of the United Nations (FAO)
- Inter-American Development Bank (IADB)
- International Fund for Agriculture and Development (IFAD)
- United Nations Industrial Development Organization (UNIDO)

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2013

*Expressed in U.S. dollars unless otherwise noted*

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## Note 4: Basis of Preparation

The Trust Fund's financial statement is prepared on a modified cash basis as defined below. The financial statement for the prior year was prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This Statement of Receipts, Disbursements and Fund Balance (the "Statement") has been prepared on the cash receipts and disbursements basis of accounting, modified to record the Trust Fund's share in the pooled cash and investments at fair value (modified cash basis of accounting). Accordingly, net investment income includes realized and unrealized investment income/loss.

The modified cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("U.S. GAAP") or International Financial Reporting Standards ("IFRS"); therefore, the Statement is not intended to be a presentation in conformity with U.S. GAAP or IFRS. Receipts, with the exception of net investment income, as described above and in Note 5, are reported when collected (i.e. when credited to the Trust Fund) rather than when pledged/ earned, and disbursements are reported when paid (i.e. when debited to the Trust Fund) rather than when incurred.

For example, the following transactions may be incurred in a different period than reported: (1) contributions not credited to the Trust Fund at the period end date due to timing or other reasons, (2) repostings of disbursements in the ordinary course of business, as deemed necessary, and (3) any refunds of previous disbursements.

This Statement is presented in U.S. dollars, which is the functional and presentation currency of the Trust Fund.

The accompanying Statement includes receipts, disbursements and fund balance of the Trust Fund for the fiscal year ended June 30, 2013. This Statement does not include receipts, disbursements and fund balance of the IA, the Secretariat, STAP, the Evaluation Office, nor the EA. Furthermore, for purposes of this Statement, amounts relating to UNEP include STAP, and similarly, amounts relating to the Secretariat include the Evaluation Office which is responsible for undertaking evaluations that involve a set of projects from more than one IA or EA.

*Prior Reporting Basis* - The prior year financial statements were prepared under IFRS and the Net Trust Resources as of June 30, 2012 represented the net assets of the Trust Fund. Under the modified cash basis of accounting, Fund Balance represents the net assets of the Trust Fund, which was presented as Share of Cash and

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2013

Expressed in U.S. dollars unless otherwise noted

Investments in the Pool in the prior year financial statements and was unaffected by the change in reporting basis. The Fund Balance is reconciled to the Net Trust Resources as follows:

<b>Net Trust Resources as of June 30, 2012, as reported on an IFRS basis</b>	<b>\$3,337,728,643</b>
Adjustments required to present fund balance on the modified cash basis:	
Less asset accruals	
Promissory demand notes, net	1,002,873,777
Investment income receivable from Agencies	3,709,232
Advances to Agencies	2,523,746
IoC receivables, net	<u>1,015,807,751</u>
Subtotal	<u>2,024,914,506</u>
Add liability accruals	
Grant liabilities	2,351,183,130
Fee liabilities	9,562,386
Administrative budgets liabilities	<u>766,704</u>
Subtotal	<u>2,361,512,220</u>
<b>Fund Balance:</b>	<b><u><u>\$3,674,326,357</u></u></b>
<b>Share of Cash and Investments in the Pool (as previously reported) as of June 30, 2012, modified cash basis</b>	

## Note 5: Significant Accounting Policies

*Share of the Cash and Investments in the Pool* - Amounts paid into the Trust Fund, but not yet disbursed, are managed by IBRD, which maintains an investment portfolio (the "Pool") for all of the trust funds administered by IBRD, the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID) (collectively the World Bank Group). IBRD, on behalf of the World Bank Group, maintains all trust fund assets separate and apart from the funds of the World Bank Group. The Pool is divided into sub-portfolios to which allocations are made based on fund specific investment horizons, risk tolerances and/or other eligibility requirements for trust funds with common characteristics as determined by IBRD, on behalf of

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2013

*Expressed in U.S. dollars unless otherwise noted*

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the World Bank Group. An individual sub-portfolio may hold all or a portion of the types of financial instruments held by the Pool.

Generally, the Pool includes cash and liquid financial instruments such as government and agency obligations, time deposits, money market securities, and asset-backed securities. Additionally, the Pool includes derivative contracts such as currency forward contracts, currency swaps, interest rate swaps, and contracts to purchase or sell mortgage-backed securities to-be-announced (TBAs). Payables and receivables associated with the investment activities are also included in the Pool. The Pool may also include securities pledged as collateral under repurchase agreements as well as derivatives with other counterparties. The Pool may also include securities receivable from resale agreements as well as derivatives for which it has accepted collateral.

The Pool is a trading portfolio and is reported at fair value, with realized and unrealized gains/losses included in net investment income. The share of the pooled cash and investments represents the Trust Fund's share of the Pool's fair value at the end of each reporting period.

*Use of Estimates* - The preparation of this Statement in conformity with the modified cash basis of accounting requires management to make estimates and assumptions based upon information available as of the date of this Statement. Actual results could differ from these estimates. Areas in which management makes estimates and assumptions in determining the amounts to be recorded include the fair value of financial instruments.

*Translation of Currencies* - Transactions in currencies other than the U.S. dollar are recorded at the market rates of exchange in effect on the date of the transaction. At the end of each reporting period, fund balances that are not denominated in U.S. dollars are revalued at the market rate of exchange prevailing at the end of the reporting period. Any adjustment resulting from currency exchange rate changes is recognized as foreign currency adjustments in the Statement.

*Net investment income* – Net Investment income consists of the Trust Fund's allocated share of the following: interest income earned by the Pool, realized gains/losses from sales of securities, and unrealized gains/losses resulting from recording the assets held by the Pool at fair value.

## **Note 6: Contributions Received**

The Trust Fund receives its funding primarily from contributions, arising in the course of ordinary activities, provided by the participants contributing to the Trust Fund ("Contributing Participants"). Contributing Participants provide IoCs as a means of indicating their commitment to contribute to the Trust Fund. The IoCs

## NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

**June 30, 2013**

*Expressed in U.S. dollars unless otherwise noted*

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can be qualified or unqualified. Contributing Participants satisfy their obligations under the IoCs through the payment of cash or by depositing non-negotiable, non-interest-bearing demand notes, or similar obligations with the Trustee in accordance with the payment schedules set forth in the respective replenishment resolutions. In accordance with the modified cash basis of accounting, IoCs are not recorded in the Statement, but rather, cash contributions received in order to extinguish the IoCs are recorded. Contributions received by the Trust Fund in various currencies are converted into U.S. dollars by IBRD upon receipt of funds. Foreign currency transaction gains or losses, if any, are borne by the Trust Fund and are reported in contributions.

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2013

Expressed in U.S. dollars unless otherwise noted

Cash contributions received during the fiscal year ended June 30, 2013 are presented below.

<b>Contributing Participants</b>	<b>Amounts Received June 30, 2013</b>
Australia	\$ 20,883,774
Austria	12,722,151
Belgium	22,832,700
Canada	52,898,551
China	3,445,000
Denmark	17,437,400
Finland	17,597,580
France	44,228,079
Germany	95,406,002
India	2,250,000
Ireland	1,829,244
Italy	26,929,126
Japan	114,077,424
Korea, Republic of	1,856,665
Luxembourg	1,433,797
Mexico	2,222,910
Netherlands	50,918,370
New Zealand	1,754,916
Norway	12,714,564
Pakistan	322,485
Portugal	739,172
Russian Federation	2,500,000
Slovenia	898,502
South Africa	1,452,967
Sweden	23,812,987
Switzerland	30,151,501
Turkey	543,552
United Kingdom	65,816,100
United States	154,840,107
<b>Total Contributions</b>	<b>\$ 784,515,626</b>

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2013

*Expressed in U.S. dollars unless otherwise noted*

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## **Note 7: Investment Income Earned on GEF Grant Funds**

As part of normal operations, the Trust Fund transfers large amounts to the IAs and EAs (“agencies”) in order for them to execute GEF projects. These agencies will not immediately disburse these funds, due to the nature of the projects. Furthermore, the agencies earn interest income on these funds while being held, pending their disbursement. The agencies are required, by virtue of financial procedure agreements (“FPA”s) between the agencies and the Trustee, to report and remit this income to the Trust Fund upon request by the Trustee. In accordance with the modified cash basis of accounting, investment income is recognized when received by the Trust Fund.

## **Note 8: Fair Value of the Financial Instruments**

The Trust Fund’s share in the Pool is not traded in any market; however, the underlying assets within the Pool are reported at fair value. All investment decisions are made and performance is monitored at the Pool level. The disclosure on fair value measurement and fair value hierarchy is therefore at the Pool level. The fair value of the Trust Fund’s share of the cash and investments in the Pool at the end of each reporting period is also disclosed.

### ***Fair Value Measurements***

IBRD, on behalf of the World Bank Group, has an established and documented process for determining fair value. Fair value is based upon quoted market prices for the same or similar securities, where available. Financial instruments for which quoted market prices are not readily available are valued based on discounted cash flow models. These models primarily use market-based or independently-sourced market parameters such as yield curves, interest rates, volatilities, foreign exchange rates and credit curves, and may incorporate unobservable inputs. Selection of these inputs involves judgment. The Pool may include financial instruments such as government and agency obligations, time deposits, money market securities, asset-backed securities, securities purchased under resale agreements and securities sold under repurchase agreements, and derivatives.

The techniques applied in determining the fair values of financial instruments are summarized below:

### ***Government and agency obligations and asset-backed securities***

Where available, quoted market prices are used to determine the fair value of government and agency obligations and asset-backed securities. For securities for which quoted market prices are not readily available, fair values are determined using model-based valuation techniques, either internally-generated or vendor-

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2013

*Expressed in U.S. dollars unless otherwise noted*

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supplied, that include the standard discounted cash flow method using market observable inputs such as yield curves, credit spreads, prepayment speeds, foreign exchange rates, and funding spreads.

### *Time deposits and money market securities*

Time deposits and money market securities are of a short term nature and unless quoted prices are available, they are reported at face value, which approximates fair value.

### *Securities purchased under resale agreements and securities sold under repurchase agreements*

Securities purchased under resale agreements and securities sold under repurchase agreements are of a short term nature and are reported at face value, which approximates fair value.

### *Derivative contracts*

Derivative contracts include currency forward contracts, currency swaps, interest rate swaps and contracts to purchase or sell TBA securities. Derivatives are valued using model based valuation techniques which include the standard discounted cash flow method with market observable inputs such as yield curves, foreign exchange rates, basis spreads and funding spreads.

### ***Fair Value Hierarchy***

Financial instruments representing the pooled investments for all of the trust funds administered by the World Bank Group are recorded at fair value on a recurring basis and are categorized based on the inputs to the valuation techniques as follows (in order of priority placed on the inputs):

- Level 1: Financial instruments whose values are based on unadjusted quoted prices for identical instruments in active markets.
- Level 2: Financial instruments whose values are based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; or pricing models for which all significant inputs are observable, either directly or indirectly for substantially the full term of the instrument.
- Level 3: Financial instruments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest priority level input that is significant to the fair

## NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

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Expressed in U.S. dollars unless otherwise noted

value measurement of the instrument in its entirety. Thus, a Level 3 fair value measurement of the instrument may include inputs that are observable (Level 2) and unobservable (Level 3).

The following tables present the Pool's fair value hierarchy for financial instruments measured at fair value on a recurring basis as of June 30, 2013. Payables and receivables associated with the investment activities and cash are not included in the fair value hierarchy tables as their carrying amounts approximate their fair values. The Trust Fund's share of the Pool's financial instruments may comprise varying proportions among the three levels.

*In millions of U.S. dollars*

	Fair Value Measurement as of June 30, 2013			Total
	Level 1	Level 2	Level 3	
Government and agency obligations	\$5,257	\$9,457	\$ -	\$14,714
Time deposits and money market securities	905	6,204	-	7,109
Asset-backed securities	-	2,829	-	2,829
Securities purchased under resale agreements and securities sold under repurchase agreements, net	80	(46)	-	34
Derivatives, net	-	59	-	59
<b>Total of financial instruments in the Pool at fair value</b>	<b>\$6,242</b>	<b>\$18,503</b>	<b>\$ -</b>	<b>\$24,745</b>

During the fiscal year ended June 30, 2013, neither transfers between any levels nor changes in the fair value of Level 3 securities were significant. Therefore, no further disclosures on these items are included.

### ***Risk Management Related to the Pool***

The Trust Fund is exposed to credit risk on its share in the cash and investments in the Pool. IBRD, on behalf of the World Bank Group, limits investments to those financial instruments with minimum credit ratings at the time of purchase in the U.S. markets or equivalent as follows:

- Government and agency obligations - issued or unconditionally guaranteed by government agencies rated at least AA- if denominated in a currency other than the home currency of the issuer. Obligations issued by an agency or instrumentality of a government, a multilateral organization or any other official entity require a minimum credit rating of AA-;
- Time deposits and money market securities - issued or guaranteed by financial institutions whose senior debt securities are rated at least A-;
- Asset-backed securities - minimum rating must be AAA; and
- Derivatives - counterparties must have a minimum rating of A-.

## NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

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IBRD, on behalf of the World Bank Group, may require collateral in the form of cash or other approved liquid securities from individual counterparties in connection with resale agreements as well as derivatives. This collateral serves to mitigate IBRD's exposure to credit risk. The risk is also mitigated through the application of eligibility criteria and volume limits for transactions with individual counterparties and through the use of mark-to-market collateral arrangements for derivatives.

Under resale agreements, IBRD, on behalf of the World Bank Group, has received securities as collateral with a fair value of \$80 million as of June 30, 2013 and is permitted to sell or repledge these securities. No securities have been sold or repledged as of June 30, 2013. As of June 30, 2013, the carrying amount of securities pledged as collateral under repurchase agreements was \$46 million.

The following is a summary of the collateral received/paid by IBRD, on behalf of the World Bank Group, in relation to derivatives as of June 30, 2013:

	<u>As of June 30, 2013</u>
Collateral received at fair value	\$13
Collateral permitted to repledge	13
of which, amount of collateral repledged	-
Collateral paid at carrying value	8

### ***Trust Fund's Share of the Cash and Investments in the Pool***

The Trust Fund's share of the cash and investments in the Pool, which was allocated to a sub-portfolio based on the specific investment horizons, risk tolerances and other eligibility requirements, has a fair value of \$3,647,250,578 as of June 30, 2013.

The following table presents investment holdings in the sub-portfolio in terms of the counterparty credit risk exposure and investment categories as of June 30, 2013:

<u>Counterparty credit ratings</u>	<u>June 30, 2013</u>
AA or greater	75%
A- or greater	99%
BBB+ or greater	100%

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

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*Expressed in U.S. dollars unless otherwise noted*

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<b>Types of financial instruments</b>	<b>June 30, 2013</b>
Government and agency obligations	63%
Time deposits and money market securities	15%
Asset-backed securities	22%
<b>Total</b>	<b>100%</b>

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## Note 9: Disbursements for Grants and Fees

The Trust Fund disburses grant funds to the three IAs as well as the seven EAs, who have entered into arrangements with the Trustee for their direct access to GEF resources to fund GEF projects. The Council has delegated to the GEF CEO its authority to approve projects whose funding size is \$1 million or less and enabling activities which are subject to expedited processes. Grants are payable to the IAs and EAs upon their request, and after they have also approved the projects.

Grants exceeding \$ 1 million, or grants for enabling activities which are not subject to expedited processes, must be approved by the Council and further endorsed by the GEF CEO.

The fund balance available to be committed may be less than the reported amount of fund balance as there is a time lag between when the GEF CEO endorses or approves funds for grants and fees and when funds are disbursed.

Fees are paid to the IAs and the EAs to cover expenses associated with the project cycle management of GEF projects. Fees are paid to the IAs and EAs upon their request.

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2013

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For the fiscal year ended June 30, 2013, disbursements for grants and fees are as follows:

	<u>For the year ended</u> <u>June 30, 2013</u>
<b>Grants</b>	
ADB	\$ 28,542,000
AfDB	765,200
EBRD	210,460
FAO	24,000,000
GEF Secretariat	2,818,117
IADB	16,500,000
IBRD/IA	227,988,628
IFAD	8,834,856
UNDP	352,000,000
UNEP	60,000,000
UNIDO	30,514,279
<b>Sub-total</b>	<b>\$ 752,173,540</b>
<b>Fees</b>	
ADB	\$ 2,570,442
AfDB	(360,000)
EBRD	498,941
FAO	-
GEF Secretariat	-
IADB	1,268,628
IBRD/IA	13,263,871
IFAD	755,318
UNDP	16,366,454
UNEP	7,737,318
UNIDO	4,985,745
<b>Sub-total</b>	<b>\$ 47,086,717</b>
<b>Total</b>	<b>\$ 799,260,257</b>

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

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## **Note 10: Disbursements for Administrative Budgets**

In accordance with the Instrument, the Council approves administrative budgets of the IAs, EAs, STAP, the Secretariat and Evaluation Office for administrative expenses incurred in the performance of their respective functions. In addition, the Trustee is reimbursed annually from the resources of the Trust Fund for expenses it incurs in the administration of the Trust Fund and for expenses incurred in administratively supporting the Secretariat. Administrative budget is paid to the entities upon their request.

## **Note 11: Subsequent Events**

Management has evaluated subsequent events through October 31, 2013, the date these financial statements were available to be issued and there are no subsequent events that would require adjustment to or disclosure in the financial statements.