

GEF Council Meeting  
June 18 - 20, 2013  
Washington, D.C.

## **GEF TRUST FUND FINANCIAL REPORT**

*Summary of Financial Information  
As of March 31, 2013*

(Prepared by the Trustee)

# Global Environment Facility Trust Fund

## Financial Report

Prepared by the Trustee

*Summary of Financial Information*

*As of March 31, 2013*



## Table of Contents

Introduction .....	1
GEF Trust Fund Financial Summary as of March 31, 2013.....	2
Update since April 1, 2013 .....	3
1. GEF Trust Fund Summary – Inception through March 31, 2013 .....	4
2. Cumulative Resources and Funding Decisions .....	5
2a. Cumulative Resources .....	6
2b. Asset Mix and Investment Income.....	8
2c. Funding Decisions, Trustee Commitments and Cash Transfers to Agencies .....	9
3. Funding Availability .....	12
4. GEF-5 Specific Funding Decisions .....	13
Annex 1. GEF-5 Resource Envelope Projections .....	15
Annex 2. Special Initiative: Information Technology (IT) Systems Update .....	17



## Introduction

The information contained in this report is prepared based on financial information as of March 31, 2013.

The Global Environment Facility (GEF) was established in 1994 as an independent financial mechanism for providing grants and concessional funding to cover the incremental or additional costs of measures to assist in the protection of the global environment and to promote environmental sustainable development. Today, the GEF is the largest funder of projects focused on global environmental challenges and a global partnership among 182 countries, international institutions, non-governmental organizations, and the private sector. It provides grants for projects related to the following main areas: (i) biodiversity, (ii) climate change (mitigation and adaptation), (iii) international waters, (iv) land degradation, (v) ozone layer depletion, and (vi) persistent organic pollutants.

The report is produced by the Trustee in accordance with the Trustee's role in the GEF Trust Fund as set forth in Annex B of the GEF Instrument paragraph 4 (b) which states:

*“The responsibilities of the Trustee shall include in particular [...] the financial management of the Fund, including investment of its liquid assets, the disbursement of funds to the implementing and other executing agencies as well as the preparation of the financial report regarding the investment and use of the Fund's resources [...]”*

This report provides (i) a snapshot of the financial situation of the GEF Trust Fund since its inception to March 31, 2013 and some of the recent developments since the previous report; (ii) the details of financial activities of the GEF Trust Fund; and (iii) the status of implementation of the GEF-5 Replenishment. The report also provides two scenarios of financial projections of GEF resources through the GEF-5 replenishment period ending June 30, 2014. This report also provides the status and project development details of the World Bank's IT platform for Financial Intermediary Funds (FIFs) in which GEF participates.



## GEF Trust Fund Financial Summary as of March 31, 2013

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

GEF Contributing Participants have pledged SDR 9,122 million (USDeq. 12,891 million)<sup>1</sup> to date, of which SDR 8,954 million (USDeq. 12,646 million)<sup>2</sup> has been confirmed by depositing Instruments of Commitments (IoCs) or Qualified Instruments of Commitment (QIoCs) with the Trustee.

GEF-5 pledges totaled SDR 2,311 million (USDeq. 3,542 million), of which SDR 2,225 million (USDeq. 3,410 million)<sup>3</sup> has been confirmed by depositing IoCs or QIoCs with the Trustee.

As of March 31, 2013 GEF Contributing Participants paid USDeq. 2,335 million<sup>4</sup> towards their GEF-5 contributions.

### ***Investment Income***

As of March 31, 2013, cumulative investment income earned on the GEF Trust Fund balances amounted to USD 1,141 million. The investment income earned over the GEF-5 period amounted to USD 144 million (1.5% investment return). The prevailing low interest rate environment and risk of upward moves in yields means returns on fixed income assets are likely to remain very low in the near term.

### ***Funding Approvals and Commitments***

Cumulative net funding decisions (approvals by the GEF Council/CEO) to date amounted to USD 12,415 million<sup>5</sup> of which the GEF-5 funding decisions amounted to USD 2,482 million.<sup>6</sup> Net funding decisions between October 1, 2012 and March 31, 2013 amounted to USD 198 million (including administrative budget).<sup>7</sup>

As of March 31, 2013, committed amounts pending transfers to Agencies totaled USD 2,236 million representing a decrease of USD 77 million as compared to the status as of September 30, 2012.

### ***Cash Transfers***

Total cash transfers amounted to USD 318 million between October 1, 2012 and March 31, 2013. Of this amount, USD 298 million was transferred to Agencies for projects and project preparation grants.

### ***Funds Held in Trust and Funds Available for Council and CEO Funding Decisions***

**Funds Held in Trust**<sup>8</sup> reflect financial activities related to new donor payments (cash and promissory notes), encashment of promissory notes, investment income, cash transfers, and the revaluation of the balance of promissory notes at month-end. Funds Held in Trust as of March 31, 2013 amounted to USDeq. 4,820 million, of which 23% represented unencashed promissory notes.

**Funds available to support Council or CEO decision amounted to USD 558 million as of March 31, 2013.** This represents an increase of USD 310 million as compared to September 30, 2012.

<sup>1</sup> Does not include co-financing under the GEF Pilot Program.

<sup>2</sup> Includes partial payment by Italy to the GEF-5.

<sup>3</sup> Ibid.

<sup>4</sup> Valued using GEF-5 agreed exchange rates.

<sup>5</sup> Includes April 2013 Intersessional Work Program in the amount of USD 334 million pending GEF Council decision as of March 31, 2013.

<sup>6</sup> Ibid.

<sup>7</sup> Excludes April 2013 Intersessional Work Program in the amount of USD 334 million pending GEF Council decision as of March 31, 2013.

<sup>8</sup> Funds Held in Trust represents balance of cash, investments and unencashed promissory notes as of the reporting date.



## Update since April 1, 2013

### Contributions Update

#### *Deferred Contributions*

The “pro-rata” provisions in the GEF-1 through GEF-5 replenishment resolutions specify that if the donors that provided Qualified IoCs and whose share in the replenishment is above the agreed threshold<sup>9</sup> do not fulfill their obligation by unqualifying set proportions of their pledged contributions by specific dates, other donors have the right to instruct the Trustee to defer commitment of their contribution proportionate with the shortfall.

As of March 31, 2013, donors had released all previously deferred contributions related to the United States’ arrears to the GEF-2 and waived their rights to defer commitments of their GEF-5 contributions.

#### *Payments received since April 1, 2013*

On April 30, 2013, Canada unqualified and paid CAD 54.75 million towards their GEF-5 contribution, thus fulfilling their requirement to unqualify at least 75% of their GEF-5 contribution in FY13.

On May 9, 2013, the United States unqualified and paid USD 81.04 million towards their GEF-5 contribution. With this payment the unqualified amount of the United States’ GEF-5 contribution totals to USD 318.33 million (or 55.4% of their total GEF-5 pledge).

#### *IoC Deposits*

On May 9, 2013, Italy submitted Instruments of Commitment formalizing its pledges under GEF-4 (EUR 87.91 million) and GEF-5 (EUR 92 million).

### GEF-6 Replenishment Update

The first replenishment meeting was held on April 3-4, 2013, at the World Bank office in Paris. The meeting was co-chaired by Mr. Joachim von Amsberg, Vice-President, Concessional Finance and Global Partnerships, World Bank, and Ms. Naoko Ishii, CEO and Chairperson, Global Environment Facility. All documents submitted for this meeting can be found at the GEF website: [http://www.thegef.org/gef/replenishment\\_docs/1043/37](http://www.thegef.org/gef/replenishment_docs/1043/37). Co-chairs Summary and the detailed information about the meeting are presented in the Council document entitled “Report on GEF-6 Replenishment” (GEF/C.44/Inf.03).

<sup>9</sup> The agreed threshold was reduced from 20% in GEF-1 through GEF-4 to 5% in GEF-5.



## 1. GEF Trust Fund Summary – Inception through March 31, 2013

	Total (in SDR millions)
<b>Donor Pledges and Contributions (in SDR millions)</b>	
Received IoCs	8,954.0
GEF-4 IoCs not yet deposited	77.5
GEF-5 IoCs not yet deposited	90.2
<b>Total Donor Pledges and Contributions (in SDR millions)</b>	<b>9,121.7</b>

	Total (in USD millions)
<b>Cumulative Resources (in USD millions)</b>	
<u>Resources received</u>	
Cash Receipts	10,832.8
Unencashed promissory notes	1,102.0
Investment Income earned	1,141.4
Total Resources Received	13,076.2
<u>Resources not yet received</u>	
GEF-5 IoCs not yet deposited	122.7
GEF-4 IoCs not yet deposited	123.4
Installment Receivables	1,176.3
Total resources not yet received	1,422.4
<b>Total Cumulative Resources (A) (in USD millions)</b>	<b>14,498.6</b>

<b>Cumulative Funding Decisions (in USD millions)</b>	
Approvals by Council and CEO	12,974.5
Cancellations	(893.7)
Pending Decisions of Intersessional and Council Meetings	334.1
<b>Total Funding Decisions Net of Cancellations (B) (in USD millions)</b>	<b>12,414.9</b>
<b>Cumulative Resources Net of Funding Decisions (A) - (B) (in USD millions)</b>	<b>2,083.7</b>

<b>Funds Available (in USD millions)</b>	
Funds Held in Trust with no restrictions	4,758.3
Approved Amounts Pending Cash Transfers to Agencies	4,200.1
<b>Total Funds Available to Support Council or CEO Decisions (in USD millions)</b>	<b>558.2</b>



## 2. Cumulative Resources and Funding Decisions

In USD millions

	March 31, 2013	September 30, 2012
<b>1. Target Programming Level</b>	<b>13,657</b>	<b>13,657</b>
<b>2. Cumulative Resources</b>	<b>14,499</b>	<b>14,608</b>
<u>Resources not yet received</u>	<u>1,422</u>	<u>2,070</u>
GEF-5 IoCs not yet deposited with the Trustee	123	173
GEF-4 IoCs not yet deposited with the Trustee	123	120
Installment Receivables	1,176	1,777
<u>Resources received</u>	<u>13,076</u>	<u>12,538</u>
Cash receipts from installments and encashments	10,833	10,434
Unencashed promissory notes	1,102	970
Investment Income earned on undisbursed balances of GEF Trust Fund	1,141	1,135
<b>3. Cumulative Funding Decisions</b>	<b>12,415</b>	<b>11,883</b>
Approvals by Council and CEO	12,974	12,753
Cancellations	(894)	(870)
Pending decisions of Intersessional and Council Meetings	334	-
<b>4. Cumulative Resources Net of Funding Decisions (4 = 2 - 3)</b>	<b>2,084</b>	<b>2,725</b>
<b>5. Excess (shortfall) as Measured Against the Target in Line (5 = 2 - 1)</b>	<b>842</b>	<b>951</b>

### Snapshot of cumulative resources and funding decisions:

- The table above shows total Cumulative Resources of the GEF Trust Fund and the cumulative funding decisions made since inception of the GEF.
- The Target Programming Level amount represents the targeted new resources as agreed by Donors during replenishment discussions; it excludes the agreed carryover of arrears, deferred contributions, and paid-in funds not yet set aside.
- Of the total Cumulative Resources of USDeq. 14.5 billion, 10% (USDeq. 1.4 billion) represents resources not yet received. Of these, IoCs not yet deposited with the Trustee totaled to USDeq. 246 million and Installment Receivables under IoCs and QIoCs already deposited with the Trustee amounted to USDeq. 1.2 billion.
- Total funding decisions totaling USDeq. 12.4 billion represent about 86% of the total cumulative GEF resources.
- As of March 31, 2013, there was USD 334 million of Intersessional Work Program pending GEF Council decision.
- As of March 31, 2013, Cumulative Resources exceeded the Target Programming Level by USDeq. 842 million.



## 2a. Cumulative Resources

In USD millions

### INSTRUMENTS OF COMMITMENT (IoCs) TO BE DEPOSITED

Contributing Participant	Replenishment	Currency of Obligation	Amount	USDeq.	Percentage
Italy	GEF-4	EUR	87.9	117.2	95.0%
Nigeria	GEF-4	SDR	4.0	6.2	5.0%
<b>Total GEF-4 IoCs Not Yet Deposited</b>				<b>123.4</b>	<b>100.0%</b>
Brazil	GEF-5	USD	12.3	12.3	10.0%
Greece	GEF-5	EUR	4.4	5.9	4.8%
Italy a/	GEF-5	EUR	68.1	87.3	71.1%
Nigeria	GEF-5	SDR	4.0	5.8	4.8%
Pakistan	GEF-5	PKR	499.6	5.5	4.5%
Portugal	GEF-5	EUR	4.4	5.9	4.8%
<b>Total GEF-5 IoCs Not Yet Deposited</b>				<b>122.7</b>	<b>100.0%</b>

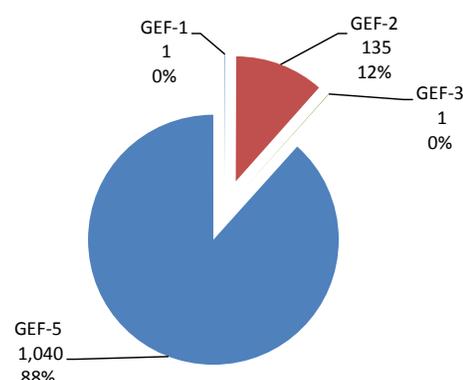
a/ Italy pledged a total of EUR 92 million to the GEF-5. A total of EUR 23.9 million has been received to date.

- Since the adoption of the GEF-5 Replenishment Resolution No. 2010-0004 on July 19, 2010, as of March 31, 2013, twenty-eight<sup>10</sup> Contributing Participants have deposited their IoCs or QIoCs in the form and substance agreed under the GEF-5 Replenishment Resolution.
- On May 9, 2013 (after the cut-off date of this report), Italy submitted Instruments of Commitment formalizing its pledges under GEF-4 (EUR 87.91 million) and GEF-5 (EUR 92 million, which includes the partial payment made earlier).

<sup>10</sup> Includes Italy, which made a partial payment to the GEF-5 as of March 31, 2013, but did not formally submit their GEF-5 IoC as of March 31, 2013.

## INSTALLMENT RECEIVABLES BY REPLENISHMENT

As of March 31, 2013, Installment Receivables under IoCs and QIoCs deposited with the Trustee amounted to USDeq. 1,176 million. Of this, 88% represents GEF-5 installments, based on the IoCs and QIoCs received by the Trustee as of March 31, 2013. The remaining 12% of installment receivables represent GEF-1, GEF-2 and GEF-3 arrears.



## ARREARS

As of March 31, 2013, cumulative arrears amounted to USDeq. 344 million. Of this amount, USDeq. 137 million represents arrears under GEF-1, GEF-2 and GEF-3. GEF-5 arrears totaled USDeq. 207 million.

Contributing Participant	Repl.	Currency	Arrears Amount	USD eq.
Egypt	GEF-1	SDR	0.53	0.80
United States	GEF-2	USD	134.97	134.97
Nigeria	GEF-3	SDR	0.67	1.00
Spain	GEF-5	EUR	10.11	12.96
United States	GEF-5	USD	193.95	193.95
<b>Total</b>				<b>343.68</b>

## RESTRICTED RESOURCES

Restricted resources represent funds received from Contributing Participants but not available for funding decisions by the GEF Council and the GEF CEO.

As of March 31, 2013, restricted resources totaled USDeq. 61 million comprising:

- (i) GEF-5 contributions pre-paid and not yet released (USD 1 million); and
- (ii) a foreign exchange reserve<sup>11</sup> of USD 60 million.

Contributions previously deferred for commitments had been fully released.

	USDeq.	Percentage
Deferred Contributions	-	0%
Pre-paid Contributions	1	2%
<b>Total Restricted Contributions</b>	<b>1</b>	<b>22%</b>
Reserve to cover FX fluctuations	60	98%
<b>Total Restricted Resources</b>	<b>61</b>	<b>120%</b>

<sup>11</sup> A foreign exchange reserve of USD 60 million provides a buffer in the event that the GEF Trust Fund may not have sufficient funds to disburse against commitments already made by the Trustee as a result of currency exchange rate movements.



## 2b. Asset Mix and Investment Income

The undisbursed cash balance of the GEF Trust Fund is maintained in a commingled investment portfolio ("Pool") for all trust funds managed by IBRD and is allocated. The Pool is actively managed so that the probability of incurring negative returns is no more than 1% over the applicable investment horizon.

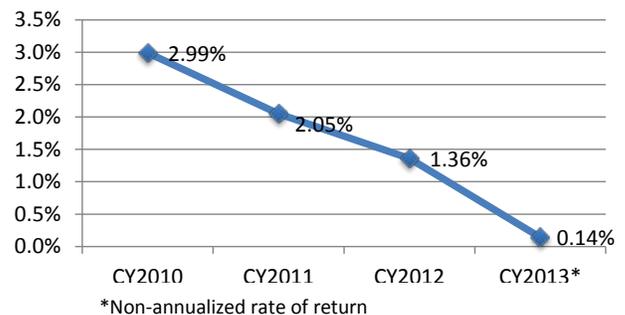
### ASSET MIX

The portfolio allocation by asset class is dominated by government securities, mortgage backed securities (MBS) and money-market instruments. Allocations have been relatively stable over time; the largest shift was from MBS into government securities, continuing a trend over the past two years, enabling the Trust Fund to capture gains from enhanced returns on these securities and to maintain the risk profile noted above.



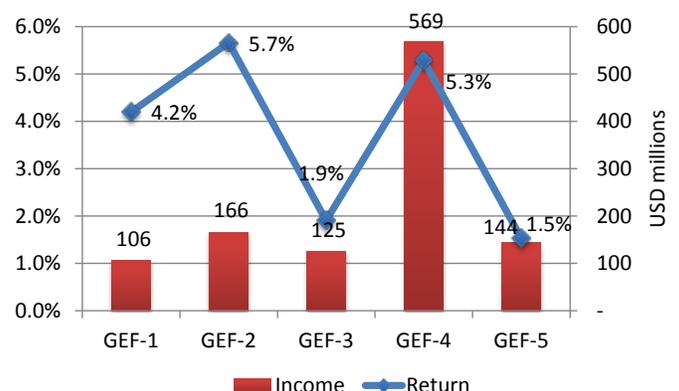
### INVESTMENT RETURNS

The portfolio's performance continues to be modest as the level of fixed income yields continued to fall to historically low levels. The portfolio's performance gains were primarily driven by high quality sovereign bonds in the United States and Europe and agency MBS.



### INVESTMENT INCOME

The total amount of investment income earned since the beginning of GEF Pilot phase is USD 1,141 million. Since the beginning of the GEF-5 replenishment period, USD 144 million has been earned in the GEF Trust Fund (representing 1.5% average return). The prevailing low interest rate environment and risk of upward moves in yields means returns on fixed income assets are likely to remain very low in the near term.

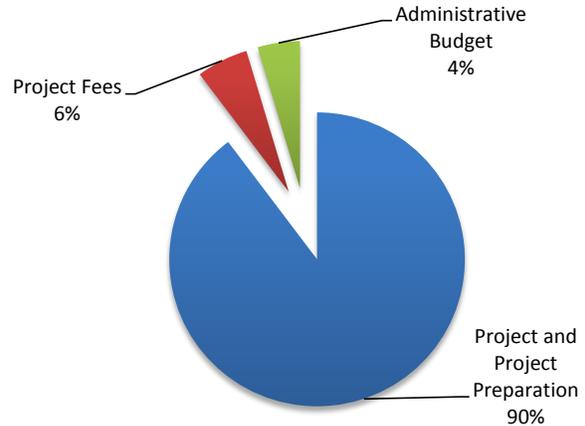




## 2c. Funding Decisions, Trustee Commitments and Cash Transfers to Agencies

### CUMULATIVE FUNDING DECISIONS

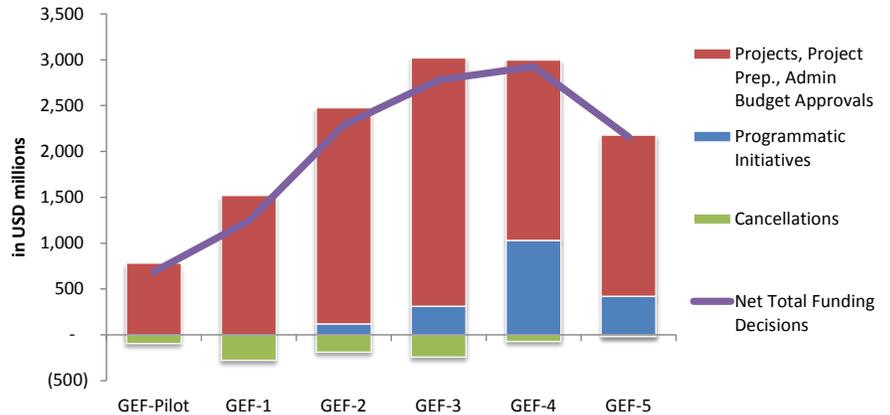
Since inception to March 31, 2013 funding approvals made by the Council and CEO totaled USD 12,974 million, of which 90% was approved for Projects and Project Preparation activities.



### FUNDING DECISIONS BY REPLENISHMENT

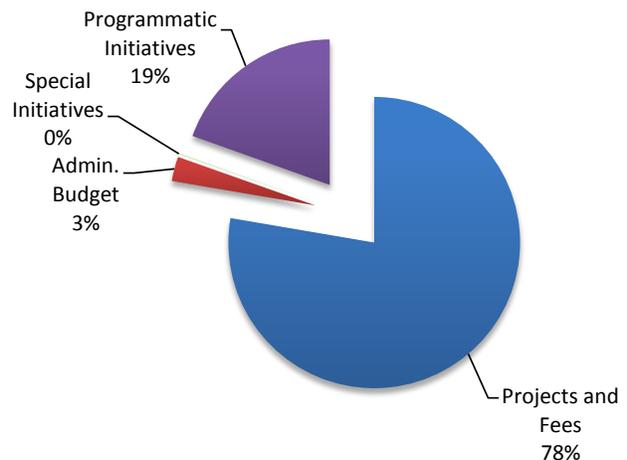
Funding decisions by Replenishment show the cumulative funding decisions including cancellations. Cumulative funding cancellations totaled USD 894 million.

GEF-5 funding decisions to date amount to USD 2.1 billion (excluding pending decisions on Council meetings).



### GEF-5 FUNDING DECISIONS

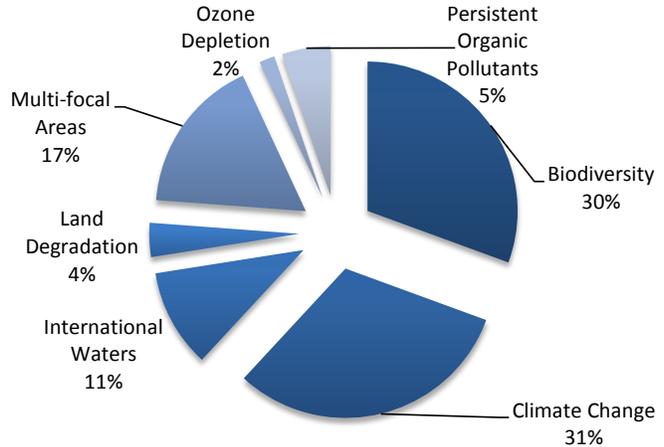
Of the total amount of USD 2.1 billion approved to date by the GEF Council and GEF CEO under the GEF-5, Programmatic Initiatives comprise 19% of GEF-5 funding decisions, while Projects not attached to Programmatic Initiatives and Fees comprise 78% of GEF-5 funding decisions





### FUNDING DECISIONS BY FOCAL AREA

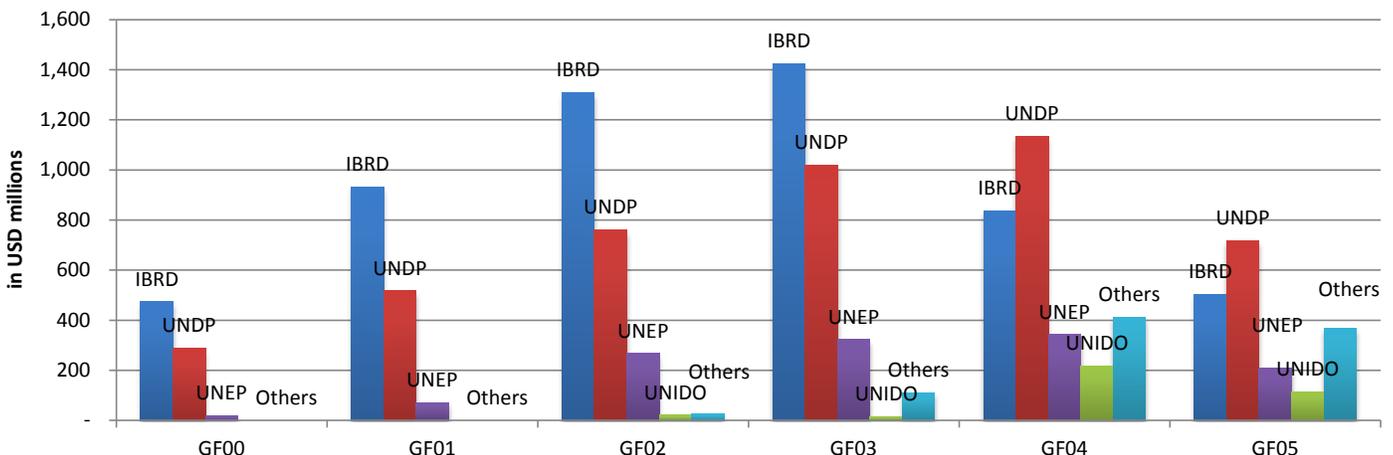
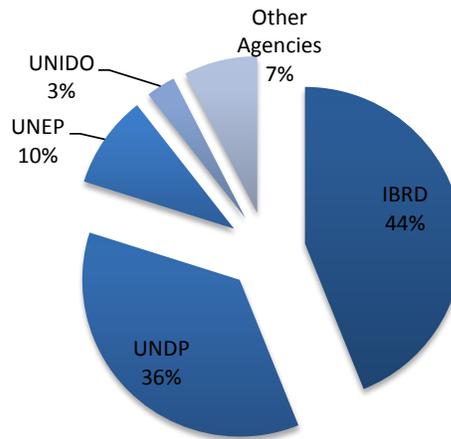
Funding Decisions by Focal Area show cumulative funding for projects only and excludes fees. Projects in the areas of biodiversity and climate change represent approximately 62% of the cumulative funding approved to date.



### FUNDING DECISIONS BY AGENCY

The chart shows that 80% of the cumulative approvals for projects (including related fees) were for implementation by IBRD and UNDP. UNEP's share of the total is 10% while the seven other Agencies received 10% of the funding.

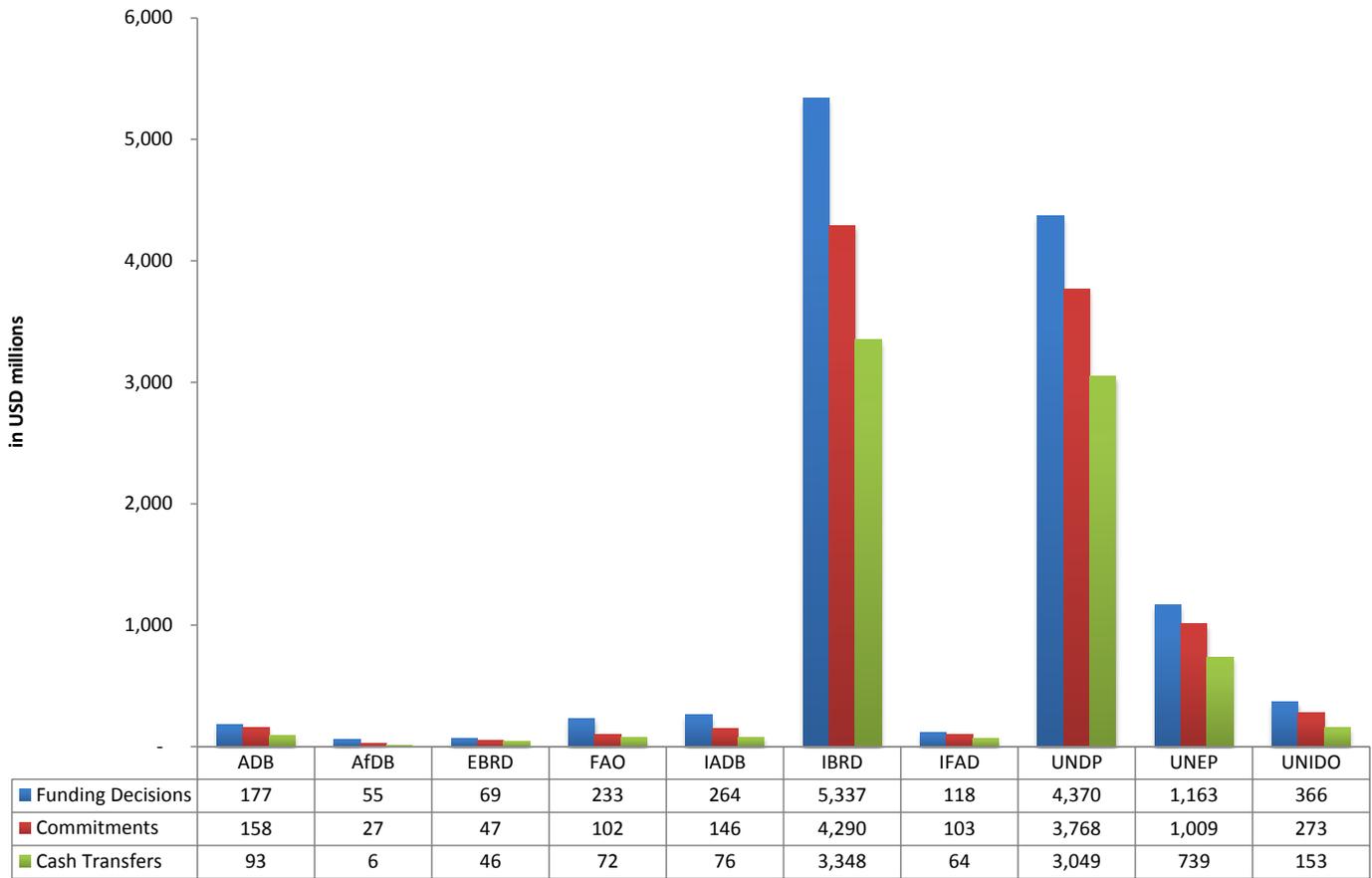
The shares of funding approvals to the Agencies change over the time. IBRD's share fell from 61% in the GEF Pilot to 26% in the GEF-5. UNDP's share remained stable over the years and amounted to 38% in the GEF-5. UNEP's share increased from 2% in the GEF Pilot to 11% in the GEF-5. Combined share of other Agencies increased from 1% in the GEF-2 to 25% in the GEF-5.





## FUNDING DECISIONS, TRUSTEE COMMITMENTS AND CASH TRANSFERS TO AGENCIES

Funding Decisions by Trustee Commitments and Cash Transfers show the cumulative commitments and cash transfers to the GEF Agencies since inception.





### 3. Funding Availability

In USD millions

	As of Mar. 31, 2013 (a)	As of Sept. 30, 2012 (b)	Change (a) - (b)
<b>1. Funds Held In Trust</b>	<b>4,820</b>	<b>4,600</b>	<b>220</b>
a. Cash and investments	3,718	3,630	88
b. Unencashed promissory notes	1,102	970	132
<b>2. Restricted Funds</b>	<b>61</b>	<b>357</b>	<b>(295)</b>
a. Deferred Contribution in respect to the pro rata right	-	294	(294)
b. Pre-paid Contributions	1	3	(2)
c. Reserve to cover foreign exchange rate fluctuations	60	60	-
<b>3. Funds Held in Trust with no Restrictions ( 3 = 1 - 2 )</b>	<b>4,758</b>	<b>4,243</b>	<b>515</b>
<b>4. Approved Amounts Pending Cash Transfers to Agencies</b>	<b>4,200</b>	<b>3,994</b>	<b>206</b>
a. Trustee committed	2,236	2,314	(77)
b. Approved by Council but not yet CEO Endorsed	1,630	1,681	(51)
c. Requested amounts for financing pending decision	334	-	334
<b>5. Funds Available to Support Council or CEO Decisions ( 5 = 3 - 4 )</b>	<b>558</b>	<b>249</b>	<b>310</b>

#### Highlights for the period October 1, 2012 through March 31, 2013:

- **Funding Availability** increased by USDeq. 310 million over the prior reporting period as a result of:
  - **Funds Held in Trust** increased by USDeq. 220 million resulting from:
    - Cash receipts of USD 88 million,
    - Changes in values of promissory note balances and deposits of new promissory notes,
    - Investment Income earned during the past period of USDeq. 6.6 million,
    - Cash transfers for projects, project preparation grants, Agency fees and administrative budgets during the period of USD 318 million.
  - A decrease in deferred contributions due to France's, Germany's and Japan's release of their deferred contributions
  - New funding decisions made by the GEF Council and the CEO during the period including Intersessional Work Program pending Council's approval.



## 4. GEF-5 Specific Funding Decisions

In USD millions

<b>1. Target Replenishment Funding</b>			<b>4,340</b>
<b>2. Projected Available Resources during the GEF-5 Period</b>			<b>1,732</b>
Estimated Funds Available to Support Council or CEO Financing Decisions			558
	Potential Amount Available	of which Projected to be Available	
Receivables			1,040
Arrears	344	207	
Past-due	6	6	
Due in FY13	116	116	
Due in FY14	710	710	
Release of Restricted Contributions			1
Deferred Contributions	-	-	
Pre-paid Contributions	1	1	
IoCs not yet Deposited with the Trustee	246	86	86
Projected Investment Income	46	46	46
<b>Total</b>	<b>1,470</b>	<b>1,173</b>	
<b>3. GEF-5 Specific Funding Decisions</b>			<b>2,482</b>
Approvals by Council			2,070
Projects and Fees		1,591	
Admin. Budget		58	
Special Initiatives		1	
Programmatic Initiatives		420	
Approvals by CEO			78
Projects and Fees (MSPs, EEAs)		51	
Project Preparation Activities and Fees		28	
Net Changes to Initial Approvals			(1)
Pending decisions on Intersessional and Council meetings			
Projects, Fees, Admin Budget, Special Initiatives, Programmatic Initiatives			334
<b>4. GEF-5 "Envelope" as of March 31, 2013 (4 = 2 + 3)</b>			<b>4,214</b>
<b>5. Excess or (Shortfall) as Measured Against the Target in Line 1</b>			<b>(127)</b>



**Highlights for the period October 1, 2012 through March 31, 2013:**

- **Projected Available Resources** through the end of the GEF-5 period amounted to USD 1,732 million (41% of the total GEF-5 envelope).
- **GEF-5 Funding Decisions** amounted to USD 2,482 million (59% of the total GEF-5 envelope, including amounts pending decision).
- **The estimated shortfall of the GEF-5 Envelope Value** as measured against the Target Replenishment totals USD 127 million due to the revaluation of contribution receivables and the exclusion of some arrears and IoCs not yet deposited with the Trustee from the amounts projected to become available by the end of the GEF-5 replenishment period.
- The value of projected resources to be available is based on the following assumptions:
  - All outstanding IoCs under GEF-4 are not received from donors (*except for a portion of Italy's GEF-4 IoC, which is projected to become available to the extent that the amounts under the agreed IoC payment schedule occur within the GEF-5 replenishment period*);
  - Arrears from GEF-5 replenishment period are paid, while arrears from previous replenishments remain unpaid during the GEF-5 period;
  - All pre-paid GEF-5 contributions are made available for commitment;
  - All GEF-5 pledges are formalized and paid in full during the GEF-5 period (*except for a portion of Italy's GEF-5 IoC, which is not projected to become available within the GEF-5 replenishment period based on the agreed payment schedule*).

**Annex 1** presents possible Low and High scenarios of the GEF-5 Resource Envelope.

## Annex 1. GEF-5 Resource Envelope Projections

				<i>Scenario A</i>					<i>Scenario B</i>
<b>1. Target Replenishment Funding</b>				<b>4,340</b>					<b>4,340</b>
<b>2. Projected Available Resources during the GEF-5 Period</b>				<b>1,419</b>					<b>1,869</b>
Estimated Funds Available to Support Council or CEO Financing Decisions			558					558	
	Potential Amount Available	of which Projected to be Available		Potential Amount Available	of which Projected to be Available				
Receivables			762				1,171		
Arrears	344	-		344	344				
Past-due	6	6		6	6				
Due in FY13	116	106		116	116				
Due in FY14	710	650		710	710				
Release of Restricted Contributions			1				1		
Deferred Contributions	-	-		-	-				
Pre-paid Contributions	1	1		1	1				
IoCs no yet Deposited with the Trustee	246	51	51	246	93		93		
Projected Investment Income	46	46	46	46	46		46		
<b>Total</b>	<b>1,470</b>	<b>861</b>		<b>1,470</b>	<b>1,316</b>				
<b>3. GEF-5 Specific Funding Decisions</b>				<b>2,482</b>					<b>2,482</b>
<b>4. GEF-5 "Envelope" as of March 31, 2013 (4 = 2 + 3)</b>				<b>3,901</b>					<b>4,351</b>
<b>5. Excess or (Shortfall) as Measured Against the Target in Line 1</b>				<b>(439)</b>					<b>10</b>

### Scenario A

The value of projected resources to be available is based on the following assumptions:

- All outstanding GEF-4 and GEF-5 IoCs are not received from donors *(except for portions of Italy's GEF-4 and GEF-5 IoCs which were projected to become available to the extent that the amounts under the agreed payment schedule occur within the GEF-5 replenishment period)*;
- Arrears from the GEF-5 replenishment period and from previous replenishments remain unpaid;
- Payment of the GEF-5 third and fourth installments due in FY13 and FY14 are adjusted based on GEF-5 payment performance.

### Scenario B

The value of projected resources to be available is based on the following assumptions:

- All outstanding IoCs under GEF-4 and GEF-5 are received from donors and paid in full *(except for portions of Italy's GEF-4 and GEF-5 IoCs which were not projected to become available within the GEF-5 replenishment period based on the agreed payment schedule)*;
- Arrears from the GEF-5 replenishment period and from previous replenishments are paid during the GEF-5 period.



## Annex 2. Special Initiative: Information Technology (IT) Systems Update

At the June 2012 GEF Council meetings, it was agreed that the Trustee begin implementation of the recommendations arising from the independent assessment of GEF systems completed in FY11. A total amount of \$1 million was approved for this initiative, of which \$850k is funded from the GEF Trust Fund, \$100k from the Least Developed Countries Fund (LDCF) and \$50k from the Special Climate Change Fund (SCCF). It was further agreed that the full PMIS functionality would be moved into an SAP platform and other World Bank systems, and supported by World Bank IT staff. The funding received from the GEF funds will be leveraged with funds received from other Financial Intermediary Funds (FIFs) to develop a common platform to support FIF program secretariat and Trustee functionality at the World Bank.

The objective of this initiative is to create an integrated technology platform, effective tools for communicating and collaborating with external partners and clients, streamlined reporting and analytics, and a common database for the FIF program secretariats and the Trustee. This IT initiative is led by the Trustee in consultation and cooperation with the FIF program secretariats, including the GEF Secretariat and GEF Evaluation Office. The GEF and EO staff contributed knowledge and expertise on current business operations and future state requirements to help ensure the system platform can support the unique characteristics of the GEF.

Development of a database in the World Bank's Enterprise Resource Planning system (i.e., SAP) is underway. This database will be used to store and manage project/program information and will be fully integrated with the Trustee database and is the major focus of the technology platform development. The development of a shared database contributes to a standardized platform for FIFs in order to ensure data integrity, eliminate costly reconciliations including those required due to audit findings, and provide a single source of data for management and decision making. In addition, all SAP hardware and software licenses and upgrades are supported by the World Bank's technology teams. SAP is secure, supports full audit trails, and benefits from the protection of the World Bank's firewalls. The data is backed up and is protected in the case of server faults or the need for contingency operations.

Key milestones reached:

- Current state business operations and technology functions of all of the in-house FIF secretariats analyzed and documented, gaps and opportunities identified
- Data requirements identified and documented across all FIFs
- "As-is" and "To-be" workflow with external partners (e.g., GEF Agencies) documented
- Business requirements and functional capabilities for SAP input identified and documented, including screen designs for SAP data entry
- Structures for SAP data tables and basic reports drafted
- Business requirements for an online secure space to facilitate GEF replenishment meetings drafted
- Secure electronic data sharing with UNIDO piloted and operationalized which enables the exchange of project information across entities, such as milestone dates, disbursements, cancellations, and financial closures.

The early phases of this IT initiative are addressing some of the key issues identified during the consultations with the GEF Secretariat and Evaluation Office, such as lack of integration between PMIS and the Trustee's STAR system, and transparency of project status data. Key next steps are as follows: (i) the GEF Secretariat and Trustee will develop a plan for the GEF to migrate its data to the new SAP database; (ii) begin user acceptance testing; (iii) begin functional requirements for automated workflow between FIF program secretariats, the Trustee and implementing agencies (i.e., GEF Agencies). Details of the IT initiative and the status of development are elaborated in the following section.



## FIF IT Project – Strategy and Project Lifecycle

**Overview:** The FIF Trustee has developed a cohesive IT solution that integrates in-house secretariats and FIF Trustee’s program/pipeline management, workflow, and financial transactions. The Business and IT have worked together to develop a strategic work program that ensures the projects complement each other and are well balanced across the Finance Strategic Business Priorities.

### Highlights

<p><b>Strategic Business Priorities</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Improve Risk Management and Controls: Centralized Shared Database</b> <ul style="list-style-type: none"> <li>▪ Enables FIF partners to collaborate, communicate, and access/disseminate information using standardized functionality.</li> <li>▪ Reduces the over reliance on spreadsheets, duplicate data entry, manual reconciliations, and errors caused by excessive manual interventions.</li> </ul> </li> <li>▪ <b>Deliver Uniform and Consistent Information Access: Self-Service Reporting</b> <ul style="list-style-type: none"> <li>▪ Facilitates 24/7 access to reports online whether scheduled or interactive.</li> <li>▪ Reduces dependency on Trustee for reporting and replaces manual and paper reporting.</li> </ul> </li> <li>▪ <b>Create Operational Efficiencies and Cost Savings: Automated Workflow</b> <ul style="list-style-type: none"> <li>▪ Permits knowledge to be shared more effectively between the Trustee teams, Secretariats and Agencies.</li> <li>▪ Establishes common baseline processes across FIF partners.</li> </ul> </li> <li>▪ <b>Modernize Business Processes: eBusiness</b> <ul style="list-style-type: none"> <li>▪ Employs cutting edge technology and design to public website while improving accessibility and user experience.</li> <li>▪ Advances how the Trustee interacts with its partners and clients by enhancing transparency and collaboration.</li> </ul> </li> </ul>
<p><b>Project Lifecycle</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Developed a Cohesive IT Solution with Manageable Scope</b> <ul style="list-style-type: none"> <li>▪ Business and IT worked together to develop a strategic work program that demonstrated explicit linkages of each project to the strategic priorities.</li> <li>▪ Partnered with Deloitte, in-house secretariats, and internal business staff to identify high-level requirements.</li> </ul> </li> <li>▪ <b>Obtained approval from FCIMT Governance Board for FIF IT Project in FY12.</b> <ul style="list-style-type: none"> <li>▪ Sought clearance from Business Subject Matter Experts, Office of Information Security, Enterprise Architect’s Office, and Project Management Office prior to going to Governance Board.</li> </ul> </li> <li>▪ <b>Established Detailed Business Requirements</b> <ul style="list-style-type: none"> <li>▪ Held intensive sessions with in-house secretariats staff to identify data requirements and to harmonize data.</li> </ul> </li> <li>▪ <b>Created a Resource MAP</b> <ul style="list-style-type: none"> <li>▪ Developed a coordinated staffing plan for the business and IT to ensure that the optimal resources are available to deliver the projects and established a dedicated development team.</li> </ul> </li> <li>▪ <b>Sub-divided Projects into Realistic Phases</b></li> <li>▪ <b>Execute Systems Development lifecycle for each phase</b> <ul style="list-style-type: none"> <li>▪ Systems development lifecycle consists of: Project Initiation, Scoping and planning, business and functional requirements, technical design and development, testing, rollout.</li> </ul> </li> </ul>



**FIF IT Project Status – Monthly status report for May 2013**

**Overall Status Summary:** Work to integrate in-house secretariat and trustee data is on-track and on-budget with an estimated completion date of December 2013. The first phase of the project to develop initial data tables and data entry screens in SAP to capture funding information is wrapping up systems testing and entering user acceptance testing. This phase is scheduled for production the end of June 2013.

**Highlights for FIF Standardized Technology Platform**

<p><b>Key Accomplishments</b></p>	<ul style="list-style-type: none"> <li>▪ Completed work with external consultant to develop business requirements and automated workflow designs for the FIF Platform</li> <li>▪ Completed functional requirements, technical design, and systems development for the initial Secretariat applications in SAP</li> <li>▪ Piloted collaboration space for IDA replenishment</li> </ul>
<p><b>Other Accomplishments</b></p>	<ul style="list-style-type: none"> <li>▪ Improve Risk Management and Controls: Centralized Shared Database               <ul style="list-style-type: none"> <li>▪ Gathered and harmonized data requirements across all FIFs</li> <li>▪ Created business, functional, and screen design for Secretariat data entry in SAP</li> <li>▪ Developed data tables, screens, and basic reports for Investment Plan and Project/program management in SAP</li> </ul> </li> <li>▪ Modernize Business Processes: eBusiness               <ul style="list-style-type: none"> <li>▪ Piloted Collaboration space with event management, document library and some collaboration features for IDA replenishment</li> <li>▪ Buy-in from eBusiness team to move forward on additional Collaboration space requirements prior to finalize bank-wide eBusiness strategy</li> </ul> </li> <li>▪ Create Operational Efficiencies and Cost Savings: Automated Workflow               <ul style="list-style-type: none"> <li>▪ Piloted data sharing with UNIDO and received OIS approval for data sharing method</li> </ul> </li> </ul>
<p><b>Next Steps</b></p>	<ul style="list-style-type: none"> <li>▪ Improve Risk Management and Controls: Centralized Shared Database               <ul style="list-style-type: none"> <li>▪ Begin user acceptance test and complete systems test</li> <li>▪ Start data migration to SAP</li> <li>▪ Functional requirements for phase II (Administrative budget, additional business rules, and workflow)</li> </ul> </li> <li>▪ Modernize Business Processes: eBusiness               <ul style="list-style-type: none"> <li>▪ Expand IDA pilot for GEF replenishment</li> <li>▪ Begin functional requirements for automated workflow</li> </ul> </li> </ul>
<p><b>Issues/Risks</b></p>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>



### Implementation Strategy

#### Improve Risk Management and

**Controls:** Centralized Shared Database

#### Features

- Storage and management of grant information
- Full integration between Trustee and Secretariat
- Single source of information for management and decision making

#### Benefits

- Ensures data integrity
- Data transparency
- Eliminates costly reconciliations
- Meets audit requirements
- SAP is secure, behind World Bank's firewalls, backed up and protected in case of contingency operations

#### Timing

- Development and testing in progress
- User acceptance testing and rollout completion for all FIFs targeted for completion end of CY13

#### Deliver Uniform and Consistent

**Information Access:** Self-Service Reporting

#### Features

- Supports report and dashboard development
- Supports data visualizations
- Reports can be uploaded to public website

#### Benefits

- Supports standard and canned reports
- Can run ad-hoc reports
- Contains integrated secretariat and trustee data
- Information is updated daily

#### Timing

- Move of Trustee specific data targeted for end of CY13
- Move of Secretariat specific data targeted for Q1 CY14

#### Modernize Business Processes and

**Create Operational Efficiencies and Cost Savings:** eBusiness and Automated Workflow

#### Features

- Collaboration Space
- Automated Workflow
- Document Library
- Contact Management
- Event Management

#### Benefits

- Transparency
- Eliminates doing business via email
- Process efficiency and data integrity
- Secure and easy to use

#### Timing

- Pilot for IDA already in production supporting document library, event management and some collaboration
- Development of collaboration space for GEF replenishment in progress
- Development on-board to move forward with other features prior to finalizing broader bank e-Business strategy
- Implementation TBD