



# Global Partnership for Education Fund

## Financial Report

Prepared by the Trustee

*As of June 30, 2012*



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## Introduction

The Global Partnership for Education Fund (GPEF) was established as a Financial Intermediary Fund in 2011 as part of the rebranding process of the Education for All Fast Track Initiative (EFA FTI), which started in 2002. The World Bank acts as the Trustee for the GPEF.

The Trustee provides administrative and financial services to the GPE Board of Directors (the Board) and contributors to the GPEF (Contributors), by receiving contributions from Contributors, investing liquid assets pending cash transfer, and transferring funds to the Supervising/Managing Entities. Working closely with the GPE Secretariat, the Trustee also records funding decisions made by the Board.

The Trustee is required to provide periodic reports to the Board on the financial status of the GPEF.<sup>1</sup> This is the first report prepared for the Board, based on financial information as of June 30, 2012.

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<sup>1</sup> The Trustee's financial status reports are publicly available at: [www.worldbank.org/fiftrustee](http://www.worldbank.org/fiftrustee)

## GPEF Trust Fund Financial Summary as of June 30, 2012

### **Contributions:**

Each Contributor enters into a Contribution Agreement or Arrangement with the Trustee to make a contribution to the GPEF. As of June 30, 2012, the Trustee had entered into Contribution Agreements or Arrangements with 11 Contributors for a total of USD eq. 1.1 billion in contributions. To date, the Trustee has received USD 425 million in cash from Contributors.

### **Investment Income:**

As of June 30, 2012, the GPEF earned investment income of approximately USD 1 million on the undisbursed balance of the GPEF. The GPEF portfolio has returned 0.23%<sup>2</sup> through the calendar year to June 30, 2012.

### **Funding Approvals:**

The cumulative funding decisions made by the Board through June 30, 2012 totaled USD 112 million. Of the total amount approved, USD 95 million represents Program Implementation Grant approvals.

### **Cash Transfers:**

Based on the Board funding decisions and in accordance with the terms of the Transfer Agreements between the Trustee and the Supervising/Managing Entities, the Trustee has transferred a total of USD 14 million up to June 30, 2012, including USD 9 million for Education Plan Development Grants and Program Implementation Grants.

### **Funds Held in Trust and Funds Available for GPE Board Funding Decisions**

**Funds Held in Trust**<sup>3</sup> reflect contributions paid-in from Contributors, investment income, and cash transfers. Funds Held in Trust as of June 30, 2012 amounted to USD 413 million.

**Funds available** to support the Board funding decisions amounted to USD 98 million as of June 30, 2012.

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<sup>2</sup> Represents non-annualized rate of return.

<sup>3</sup> Funds Held in Trust represents balance of cash, investments and unencashed promissory notes (if any) as of the reporting date.

## 1. GPEF Trust Fund Summary – Inception through June 30, 2012

In USD millions

	Total	% of Total
<b><u>Donor Contributions</u></b>		
Contributions	1,103.8	100.0%
<b>Total Contributions</b>	<b>1,103.8</b>	<b>100.0%</b>
<b><u>Cumulative Resources</u></b>		
<b><u>Resources received</u></b>		
Cash Receipts	425.2	38.5%
Investment Income earned	1.0	0.1%
<b>Total Resources Received</b>	<b>426.2</b>	<b>38.6%</b>
<b><u>Resources not yet received</u></b>		
Contributions not yet paid (A)	678.6	61.4%
Total resources not yet received	678.6	61.4%
<b>Total Potential Resources</b>	<b>1,104.8</b>	<b>100.0%</b>
Provision for Risk on Outstanding Contributions (A) x 15%	101.8	
<b>Total Potential Resources Net of Provision for Risk on Outstanding Contributions (B)</b>	<b>1,003.1</b>	
<b><u>Cumulative Funding Decisions</u></b>		
Education Plan Development Grant	0.8	0.7%
Program Implementation Grant	95.1	84.7%
Supervision Allocation	0.9	0.8%
Agency Fees	0.0	0.0%
Administrative Budgets	15.5	13.8%
<b>Total Funding Decisions Net of Cancellations (C)</b>	<b>112.3</b>	<b>100.0%</b>
Amounts pending GPE Board Funding Decisions (D)	216.1	
<b>Total Potential Resources (B) - (C) - (D)</b>	<b>674.7</b>	
<b><u>Funds Available</u></b>		
Funds Held in Trust with no Restrictions	412.7	
Approved Amounts Pending Cash Transfers	98.7	
Amounts pending GPE Board Funding Decisions	216.1	
<b>Total Funds Available to Support GPE Board Decisions</b>	<b>97.9</b>	

## 2. Contributions

*In USD millions*

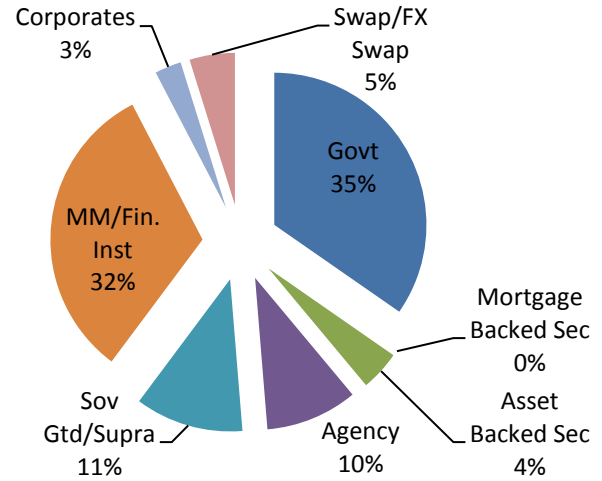
Contributor	Currency	Signed in Currency	Signed in USD eq.	Paid-In Contributions in Currency	Paid-In Contributions in USD
Australia	AUD	270.0	275.1	70.0	71.4
Canada	CAD	45.4	45.2	33.2	33.3
Denmark	DKK	270.0	48.1	270.0	48.1
Ireland	EUR	3.9	5.1	3.9	5.1
Japan	USD	2.4	2.4	2.4	2.4
Netherlands	EUR	120.0	152.4	30.0	39.2
Norway	NOK	550.0	91.9	200.0	33.5
Romania	EUR	0.1	0.1	0.1	0.1
Switzerland	CHF	5.0	5.5	5.0	5.5
Sweden	SEK	400.0	57.3	-	-
United Kingdom	GBP	269.6	420.6	119.6	186.6
<b>Total</b>			<b>1,103.8</b>		<b>425.2</b>

- The table shows the total contributions to the GPEF, defined as those for which Contribution Agreements or Arrangements have been signed by Contributors and the Trustee. The table shows the amount of the contribution in the respective currency and in USD equivalent (“Signed”), and the amount of the contribution received by the Trustee (“Contributions Paid-In”).
- As of June 30, 2012, the Trustee had entered into Contribution Agreements or Arrangements with 11 Contributors and has received USD 425 million in cash from these donors.
- Contributions receivable from the signed Contribution Agreements or Arrangements amounts to USD eq. 679 million on the basis of exchange rates as of June 30, 2012.
- The table does not include pledges as notified by a Contributor to the Trustee or the Secretariat. The Trustee is currently communicating with other potential Contributors who have expressed an interest in making a contribution to the GPEF.

### 3. Asset Mix and Investment Income

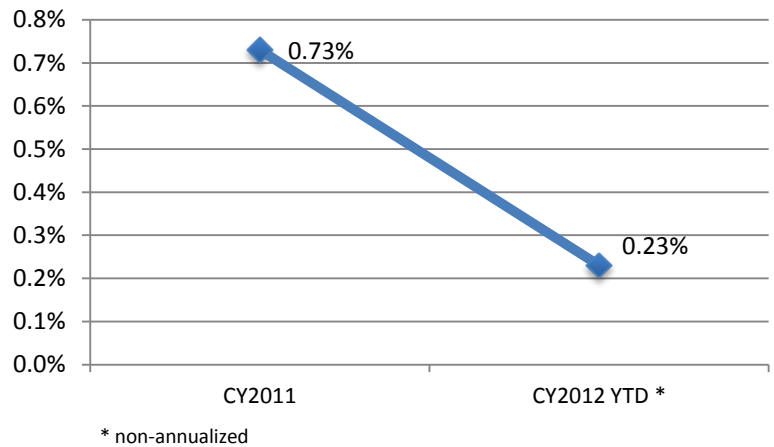
#### ASSET MIX

Cash assets 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. The assets in the Pool are managed in accordance with the investment strategy established for all trust funds administered by the World Bank. The Pool is actively managed so that the probability of incurring negative returns is no more than 1% over the applicable investment horizon.



#### INVESTMENT RETURNS

The GPEF funds are invested in a short horizon portfolio of the World Bank’s Trust Fund investment pool. This portfolio comprises bank deposits and investments in government bonds and money markets with an investment horizon of up to one year. The GPEF Trust Fund liquid portfolio (which totaled approximately USD 413 million at end-June 2012) has returned 0.23%<sup>4</sup> through the calendar year to June 30, 2012 and earned approximately USD 1 million in investment income since inception.



<sup>4</sup> Represents non-annualized rate of return

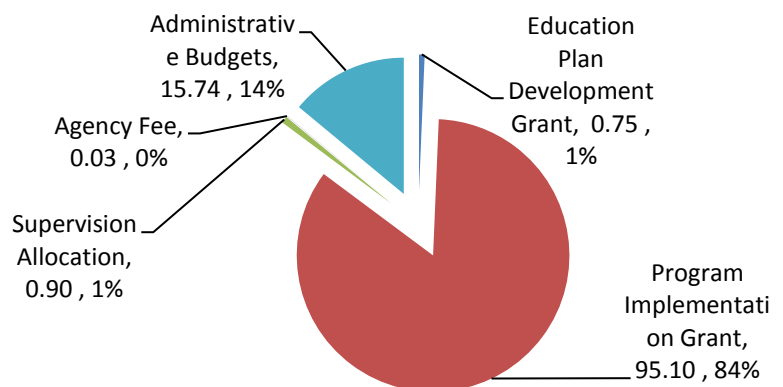
## 4. Cumulative Funding Decisions

In USD millions

Activity	Country/Title	Entity	Amount
Education Plan Development Grant	Madagascar	WB	0.25
	Uzbekistan	UNICEF	0.25
	Zimbabwe	WB	0.25
	<b>Sub-total</b>		<b>0.75</b>
Program Implementation Grant	Cote d'Ivoire	WB	41.40
	Guinea-Bissau	WB	12.00
	Mali	WB	41.70
	<b>Sub-total</b>		<b>95.10</b>
Supervision Allocation	Cote d'Ivoire Program Implementation Grant	WB	0.30
	Guinea-Bissau Program Implementation Grant	WB	0.30
	Mali Program Implementation Grant	WB	0.30
	<b>Sub-total</b>		<b>0.90</b>
Agency Fee	Madagascar Education Plan Development Grant	WB	0.00
	Uzbekistan Education Plan Development Grant	UNICEF	0.00
	Zimbabwe Education Plan Development Grant	WB	0.02
	<b>Sub-total</b>		<b>0.03</b>
Administrative Budgets	FY12 Secretariat (January - June 2012)		4.40
	FY12 Trustee (July 2011 - June 2012)		0.36
	FY13 Secretariat (July 2012 - June 2013)		10.00
	FY13 Trustee (July 2012 - June 2013)		0.47
	FY14 Trustee (July 2013 - Dec 2013)		0.24
<b>Sub-total</b>		<b>15.47</b>	
<b>Total</b>		<b>112.25</b>	

### SNAPSHOT OF FUNDING DECISIONS:

- The cumulative funding decisions made by the GPE Board up to June 30, 2012 amount to USD 112 million.
- The table does not include the amounts recommended by the GPE Financial Advisory Committee pending the Board decision.





## 5. Funds Available

In USD millions

<b><u>1. Cumulative Receipts</u></b>		<b>426.2</b>
a. Cash Contributions from Contributors	425.2	
b. Investment Income earned on undisbursed balances of GPEF Funds	1.0	
<b><u>2. Cumulative Cash Transfer</u></b>		<b>13.6</b>
a. Projects	8.5	
b. Supervision Allocation	0.3	
c. Agency Fees	0.0	
d. Administrative Budgets	4.8	
<b><u>3. Funds held in Trust ( 3 = 1 - 2 )</u></b>		<b>412.7</b>
<b><u>4. Financial Reserve</u></b>		<b>-</b>
<b><u>5. Funds held in Trust with no Restrictions ( 5 = 3 - 4 )</u></b>		<b>412.7</b>
<b><u>6. Funding Decisions pending Cash Transfer</u></b>		<b>98.9</b>
a. Projects	87.4	
b. Supervision Allocation	0.6	
c. Agency Fees	0.0	
d. Administrative Budgets	11.0	
<b><u>7. Amounts pending GPE Board Funding Decisions</u></b>		<b>216.1</b>
<b><u>8. Funds available to support GPE Board Funding Decisions ( 8 = 5 - 6 - 7 )</u></b>		<b>97.6</b>

- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USD 413 million as of June 30, 2012.
- **Amounts pending GPE Board funding decisions** includes the allocations recommended by the GPE Financial Advisory Committee to the GPE Board as of June 30, 2012. This does not include the amount to be funded by other Trust Funds, such as the Catalytic Fund.
- **Funds available to support the GPE Board funding decisions** amounted to USD 98 million as of June 30, 2012.
- The table does not take into account contributions receivable from the signed Contribution Agreements or Arrangements.

## Glossary

Term	Definition
Cash and Investments	The Trust Fund's share in the co-mingled cash and investment pool.
Cash Contribution	Contribution or Installment thereof provided in the form of cash, <i>including</i> Encashments.
Cash Transfer	Cash payment made to a Partner Entity under a Transfer Agreement or a Financial Procedures Agreement.
Contribution	The funds provided and to be provided by a Donor to a Trust Fund, as specified in the Contribution Agreement/ Arrangement
Contribution Agreement/ Arrangement	An agreement or arrangement between a World Bank entity, as Trustee, and a Donor, setting forth specific terms for the receipt and use of a specific Contribution for a specific Trust Fund.
Contribution Paid-In	Contribution or Installment thereof provided in the form of cash, Promissory Note or other instrument acceptable to the Trustee.
Contribution Receivable	Contribution or Installment thereof, which is yet to be paid. It includes Contribution amounts not yet due and past due.
Financial Intermediary Fund (FIF)	Financial Intermediary Funds (FIFs) are multilateral financial mechanisms that support global development initiatives for which the World Bank i) always acts as financial Trustee, and ii) provides an agreed set of financial intermediary services, which include, but are not limited to, receiving, holding and transferring funds to recipients or other agencies for implementation. These services may also include customized financial services. In its Trustee role, the Bank is not responsible for or accountable to donors and FIF governing bodies for the use of funds after 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 Promissory Notes Receivable.
Investment Income	Returns (realized and unrealized) on cash and investments, allocated to individual Trust Funds.
Pledge	A Donor's expression of its intention to make a Contribution.
Promissory Note	A document consisting of a promise to pay that is non-interest bearing and payable on demand.
Transfer Agreement / Arrangement	An agreement or arrangement between a World Bank entity, as Trustee, and a Supervising/Managing Entity for the commitment and transfer of funds by the Trustee to the Recipient and Supervising/Managing Entity under terms that do not involve Bank responsibility post-transfer