



**Global Environment Facility**

May 19, 2009

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**REALLOCATION OF REMAINING GEF-4 RESOURCES**

## Executive Summary

1. The agreement on the fourth replenishment of the GEF Trust Fund, endorsed by the GEF Council in August 2006, included a target total allocation for GEF-4 of \$3.13 billion based on donor pledging of new resources, projected investment income to be earned during the GEF-4 period, as well as carry-over of funding comprising arrears, deferred contributions, and available funding from previous replenishments. The new resources were pledged in various currencies and were to be converted to US dollars at the exchange rates available at the time of receipt in cash.
2. The recent global economic crisis and the high volatility of currency exchange rate movements have led to significant shifts from month to month over the last year in the projected value of total GEF-4 programmable resources. Further, there is no certainty on when the financial markets may stabilize. Therefore, given the current uncertainty and volatility in the financial markets, including the direction of exchange rate movements against the US dollar, as well as the uncertainty on the timing of donor contribution payments, the GEF Secretariat and the Trustee discussed and agreed on a conservative methodology for projecting the programmable resources for the remaining months of the GEF-4 period.
3. The current projection from the Trustee of available programmable resources between April 30, 2009 and June 30 2010 is \$1.0 billion, based on the current spot rate. This amount takes into account exchange rate movements, actual donor contribution payments including promissory note encashment, deposits of Instruments of Commitment, actual arrears clearance and the corresponding release of deferred contributions, as well as actual investment earned. Taking into account the funding decisions of \$2.1 billion taken to date, the total projected GEF-4 envelope from the Trustee amounts to \$3.1 billion.
4. The GEF Secretariat, however, in view of the continuing uncertainty in the global financial markets, and the undeposited Instruments of Commitment (\$119 million), will use a more conservative estimate for total potential GEF-4 resources of \$ 3.0 billion. As these figures will change over time, an estimation of overall expected GEF-4 resources will be undertaken periodically, and further reallocations may be suggested to Council, as necessary.
5. The remaining amount within each focal area that would be available for programming under the current conservatively projected target amount for GEF-4 is shown in the last column of Table 1. Going forward, there has to be a re-balancing of programming between the different focal areas to ensure that target focal area shares are achieved, to the extent possible, by the conclusion of GEF4.
6. It is proposed that project concepts for biodiversity (BD) and climate change (CC) from countries with individual RAF allocations be processed and cleared up to the country allocation levels as of July 2008, until the overall cap for the focal area, as indicated in the attached table, is reached. If the financial situation improves, this cap may be adjusted upwards as we approach the end of GEF-4, allowing additional room for programming.
7. Project concepts from group allocation countries will also be processed until the limit of available funds, with priority given to concepts that belong to programmatic approaches approved by Council.

**8.** The Council is being asked to approve the reallocation of a total of \$ 35 million from the Corporate GEF Programmes, the ODS focal area, and the Capacity Building budgets to support the Poznan Technology Transfer Program, the Mediterranean Program and the Development Marketplace Program.

**DRAFT Recommended Council Decision by mail**

The Council, having reviewed by mail the document, *Reallocation of Remaining GEF-4 Resources*, agrees with the principles for allocating the remaining GEF-4 resources outlined in the paper. The Council mandates the Secretariat to implement the allocation of the remaining GEF-4 resources in accordance with these principles, and, in collaboration with the Trustee, to undertake periodic reviews of the projected available resources and to adjust the allocations as needed.

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## **Background**

1. The agreement on the Fourth Replenishment of the GEF Trust Fund, endorsed by the GEF Council in August 2006, included a target total allocation for GEF-4 of \$3.13 billion based on donor pledging of new resources, projected investment income to be earned during the GEF-4 period, as well as carry-over of funding comprising arrears, deferred contributions, and available funding from previous replenishments. The new resources were pledged in various currencies and were to be converted to US dollars at the exchange rates available at the time of receipt in cash.

2. Donor Participants agreed that an amount of up to \$120 million was to be used to fund the GEF corporate budget and special initiatives. The remaining resources, \$3.015 billion, was to be divided among the focal areas according to a set of agreed shares from the replenishment agreement for GEF 4, as follows: (Biodiversity (BD) 33%, Climate Change (CC) 33%, International Waters (IW) 12%, Land Degradation (LD) 10%, Persistent Organic Pollutants (POPs) 10 %, Ozone Depleting Substance (ODS) 1%, and Corporate Programs (1%).

3. The total actual replenishment resources and thus the resulting allocations in each focal area would, however, always be subject to actual contribution payments made by donors (including arrears), release of deferred contributions, changes in currency exchange rates against the US dollar on donors' contributions, investment income realized, and project cancellations.

4. As part of the GEF-4 replenishment agreement, a Resource Allocation Framework (RAF) was introduced for the BD and CC focal areas, under which 75% of the GEF-4 resources in each of these two focal areas were allocated to selected individual countries according to a country scoring algorithm based on a combination of RAF indicators; 15% of the resources were allocated as a 'group allocation' to the remaining countries, and 5% of the resources were set aside for global and regional projects and another 5% for global programs such as the Small Grants Program. Minimum and maximum allocations were decided for countries in the group allocation. It was also decided that individual country allocations would be recalculated at the mid-term of GEF-4 on the basis of updated indicators.

5. It was furthermore agreed that the GEF Small Grants Program (SGP) and enabling activities for capacity building in GEF-4 would be funded by agreed contributions from the allocations to the focal areas.<sup>1</sup>

6. In July 2007, direct access to GEF funding was expanded from the three Implementing Agencies to include the seven Executing Agencies, and the corporate budget for the Agencies was replaced by an increase of the agency fee from 9% to 10%. Consequently, the amount originally targeted for corporate budgets and special initiatives was reduced from \$120 million to \$93 million.

### **RAF Mid-term Allocation**

7. By the mid-point of GEF-4, the US dollar had depreciated relative to its value in 2006. In consideration of this movement and a projected increase in investment income at the time, the Trustee projected that the total value of the replenishment target for GEF-4 would increase from \$ eq. 3.1 billion to \$ eq. 3.3 billion. At the mid-term reallocation of the RAF, the GEF Secretariat recalculated country allocations under the RAF using this projected increase in the target amount and on the basis of updated RAF indicators. The results were conveyed to Council on July 31, 2008.

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<sup>1</sup> *Summary of Negotiations on the Fourth Replenishment of the GEF Trust Fund* (GEF/C.29/3), p. 15, footnote 7.

8. In June 2008, Council also approved a set of rules guiding the RAF allocations to countries under the ‘Group.’<sup>2</sup> According to these rules, any guarantee of a minimum allocation for a group allocation country under the RAF was to be suspended as of January 2009. The paper also stated that any technically qualified PIF that fits within a programmatic approach for BD or CC that had been approved by the Council would be entered into the first available work program, once the PIF was cleared by the Secretariat, provided that it was cleared by September 1, 2009.<sup>3</sup>

9. At the time of the Council meeting in November 2008, it was anticipated that some countries with individual RAF allocations might not be able to fully program and utilize their allocations in GEF-4, and the question of how to reallocate unused funds under the RAF emerged against a background of relative optimism about the state of GEF 4 resources.

### Current Status of GEF Trust Fund

10. The Trustee periodically updates the projected value of the total expected resources in the Trust Fund. The events that trigger the changes in the projected value of the resources are the following: exchange rate movements, actual donor contribution payments including promissory note encashment, deposit of Instruments of Commitment, actual arrears clearance and the corresponding release of deferred contributions, as well as actual investment earned. The recent developments in the global financial markets during the last year, along with the volatility in exchange rate movements created significant shifts in the projected value of the total potential GEF-4 resources over the last year: \$ eq. 3.3 billion as of July 2008; and \$ eq. 3.0 billion<sup>4</sup> as of April 30 2009.

11. The Trustee has provided an updated status of the funding for GEF-4 as of April 30, 2009, and the details are provided in Table 3 with a total projected envelope for GEF-4 of \$ 3.068 million, based on the current spot rate. The reduction from the high point of \$ 3.3 billion as of the mid-term reallocation figures in July 2008, down to \$ 3.0 billion represents a reduction of around \$300 million or around 9 % from the mid-term reallocation figure.

12. Some of the increase in the available funds since March, 2009 is due to recent cancellations that have been stimulated by the Secretariat. In total, such cancellations and other net changes have allowed the Trustee to add \$ 224 million to the budget over the course of GEF-4. However, in view of the continuing uncertainty in the global financial markets, exchange rate movements, as well as actual timing of donor payments, and the undeposited Instruments of Commitment (\$119 million), the GEF Secretariat will use a more conservative estimate for total potential GEF-4 resources: \$ eq. 2.949 billion (3,068 - 119 = 2,949). A reserve of \$ 40 million has already been set aside as a buffer for future exchange rate fluctuations.

13. The Secretariat will keep these figures under review, based on Trustee’s periodic reports to Council and the Secretariat, and will recommend further reallocation, if necessary, for agreement by Council. To assist in buffering the ever changing situation, the Secretariat will review the stock of projects that were approved by

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<sup>2</sup> See paper:

[http://www.thegef.org/uploadedFiles/Policies/Resource\\_Allocation\\_Framework/GEF4\\_Indicative\\_Allocations/Rule%20for%20Group%20allocation%20countries%20from%2007.31.08.pdf](http://www.thegef.org/uploadedFiles/Policies/Resource_Allocation_Framework/GEF4_Indicative_Allocations/Rule%20for%20Group%20allocation%20countries%20from%2007.31.08.pdf)

<sup>3</sup> This date only applies to PIFs under Programmatic Approaches. All countries, including both individual and group allocation countries can continue submission of projects up to the end of GEF-4 until the resources are fully utilized under those specific allocations.

<sup>4</sup> The amount is based on assumptions including, but not limited to: (i) arrears from previous replenishments are not cleared; (ii) deferred contributions are not released; and (iii) all outstanding Instruments of Commitment are deposited.

Council prior to GEF-4 that have not met the target deadline for reaching endorsement. If warranted, the Secretariat will work with the relevant Agency to cancel the project. This will release additional resources that can be used.

14. The Secretariat will make further adjustments should any un-deposited Instruments of Commitment and corresponding contribution payments be received by the Trustee. The uncertainty related to exchange rates, and thereby the needed buffer, will also diminish towards zero as we approach the end of GEF-4, and this buffer will then be released for use.

### **Principles for Allocating the Remaining GEF-4 Resources**

15. Allocations under the Resource Allocation Framework, whether individual country allocations or group allocations, are not entitlements. They are an indication of the envelope of resources that could be available to each country to finance projects that meet GEF's strategic objectives and technical criteria and that are approved in accordance with GEF procedures.

16. Council was informed as part of the mid-term reallocation that "actual amounts available during the GEF-4 period may be higher or lower than the indicative amounts and depend on many factors, including the actual receipt and value of donor payments to the GEF Trust Fund, changes in investment income and exchange rates."<sup>5</sup>

17. The present challenge then is to manage the reduction in available GEF-4 resources in a way that respects previous Council agreements and commitments to the maximum extent possible and, at the same time, provides sufficient operational flexibility and ensures that all available funds are utilized in GEF-4. Elements that need to be taken into consideration in the allocation of the remaining GEF-4 resources include the agreed funding of the corporate budget and the programmatic approaches, the agreed shares between the focal areas, the RAF allocations for the BD and CC focal areas, including global and regional exclusions, and the amounts already committed into projects and programs.

18. These various elements that need to be taken into consideration are shown in figurative format in the attached Table 1 and described in the following paragraphs:

19. Following the Replenishment Agreement, the amounts for the GEF Corporate Budget (reduced to \$93 million) and the Earth Fund (\$56 million) are deducted from the revised target amount, which has been set at \$ 2,949 million and the remaining \$2,800 million is distributed among the focal areas according to the shares agreed at replenishment (see Table 1 column E for further details ).

20. Next, according to the previously agreed contributions from each focal area, the budgeted amounts for the Small Grants Program (SGP), the Capacity Building Program/Enabling Activities (EA/CB) and the global and regional exclusions (GRE) for BD and CC are subtracted from the focal areas. The total global allocation for the SGP (\$110 million) has already been disbursed, while the remaining SGP funding which was submitted to Council in April, 2009, is derived from individual country allocations for CC and BD and is charged to those allocations.

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<sup>5</sup> See letter from CEO to Council of July 31, 2008 on mid-term re-allocation



21. The \$50 million amount set aside for the global and regional exclusion (GRE) in the BD focal area is fully programmed. The results and details of these projects are shown in Table 5. It is recommended not to revise this amount, as it has been already agreed and committed.

22. On the GRE for the CC focal area (GRE CC), the Secretariat intends to use \$18 million of these funds to support the Poznan Technology Transfer Program. Originally, in the November, 2008 Council meeting (see Summary of Chairs), it was agreed to use \$5 million of GRE CC money, as the level of unspent allocations was large enough for the Council to consider a reallocation away from individual allocation countries that had not used much of their allocation. However, with the worsening financial situation, it has become necessary to move more funds away from the GRE CC in order to meet the agreements with GEF Council and the Convention to support the Poznan Technology Transfer Program to an adequate level. Further details of the GRE utilization for BD and CC are attached as Tables 5 and 6, respectively.

23. In addition, it is proposed to reallocate \$17 million from other unspent budget lines (see Table 2) to support the Poznan Technology Transfer Program. The total available from the GEF Trust Fund for the Poznan Program would therefore be \$35 million (\$17+\$18 million). An additional \$15 million was also approved by the SCCF Council in November 2008 to be deployed from the SCCF Technology Transfer window for the same purpose. The total available resources for the Poznan Program could now provide up to \$50 million in GEF-4 towards its aims and objectives.

24. The total for all the above-mentioned programming amounts \$2,949 million (see column F on Table 1 for further details). The total of expenditures, to date, on all of the allocations has been represented in column G on Table 1 with the latest figure from the Trustee of \$2,065 million. However, in order to show funding decisions for each focal area, it is necessary to use GEF Secretariat figures that attribute project expenditures, including fees, against the focal areas, including those affected by the RAF. However, the GEF Secretariat has not been able to reconcile all differences between its figures and those of the Trustee. The difference is shown as a figure of \$1.45 million for eventual attribution to the relevant budget lines, once reconciliation is completed. The remaining funds available, after all funding decisions have been considered, are derived from columns F and G and are represented as column H of Table 1.

### **Reallocation of Uncommitted Envelopes**

25. There is some potential for reallocation from three envelopes:

- (a) The allocation for Capacity Building is currently under-utilized with \$27 million remaining unspent. It is proposed to reallocate 12 million from this envelope<sup>6</sup>;
- (b) The allocation for Corporate GEF Program is under-utilized with all \$15 million remaining unspent. It is proposed to reallocate \$8 million from this envelope;<sup>7</sup> and

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<sup>6</sup> Utilization of capacity building funds was delayed due to the precondition of preparing the National Capacity Self Assessment by countries was unexpectedly slow; hence, few countries were able to submit CB projects. To-date, 25 countries have received CB project funding and the remaining funding of \$13 million is sufficient to cover a few new projects that are in preparatory phase, including those from SIDs and LDCs.

<sup>7</sup> The Corporate GEF Program is a continuous program across replenishment periods, and progress in GEF-3 carries over to GEF-4, resulting in smaller amounts needed in GEF-4 and its resources underutilized. However, as we move into GEF-5, renewed resources will be needed to this continuous effort of enhancing relations with key stakeholders.

- (c) The Ozone Depleting Substances focal area has attracted relatively few eligible proposals, with \$35 million remaining unspent.<sup>8</sup> It is proposed that \$15 million of these resources be reallocated, as it has been discovered that the remaining \$20 million would cover the project needs for this focal area.

26. From the above-mentioned re-allocations, a total of \$35 million is available for reprogramming along the following lines:

- (a) \$17 million for the new *Poznan Technology Transfer Program* in the CC focal area in support of the Council-approved agreement;<sup>9</sup>
- (b) \$16 million for the Mediterranean Program (with the World Bank as the lead Agency) to be presented to the Council in June 2009;<sup>10</sup> and
- (c) \$2 million for the Development Marketplace Program implemented through the World Bank.<sup>11</sup>

27. If by June 2009, no project proposals are submitted for funding under the Corporate Program allocation or the ODS allocation, then we will propose further redeployment of the remaining resources.

### *Programming in the Focal Areas*

28. For the two focal areas under the influence of the RAF (BD and CC), it will not be possible, within the reduced target amount, to accommodate all the projects from countries with individual allocations, up to the level of the revised RAF allocation as of July 2008.<sup>12</sup> One possibility would be, therefore, to recalculate all the individual RAF allocations in consideration of the revised target amount. This option is not considered viable for the following reasons:

- (a) Some countries have actually already programmed and received approval of their project concepts for their entire RAF allocation;

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<sup>8</sup> Some delay in the ODS portfolio was planned because the GEF Agencies are first conducting HCFC surveys to form the basis for well substantiated requests for future funding. These are now close to completion, and the Agencies are working to prepare PIFs for submission. We have also been waiting for the results from the first Impact Evaluation of the GEF - available in June - to develop new activities and programs. Another reason for lower uptake rate has been the cancellation of a large (\$20million) project to phase out methyl bromide.

<sup>9</sup> At its November 2008 meeting, the Council agreed to support the Poznan Technology Transfer Program with \$50 million. It is proposed that the program be funded from allocations from the CC global and regional allocations (\$18 million), the SCCF (\$15 million) and \$17 million from resources freed up from actions mentioned in paragraphs 25. Since the approval by Council of the program in November, GEF has submitted an interim report to SBI which was posted on the web on the status of the TT Program implementation.

<sup>10</sup> This \$16 million will add to the current balance of \$38 million in the IW focal area and will be used to support the Mediterranean Program. The 'Mediterranean Environmental Sustainable Development Program' consists of 10 International Waters projects, 5 of which come to the June WP. The IW-funded projects will total c.\$ 50 million with fees and projected co-financing of \$737 million

<sup>11</sup> The Development Marketplace (DM) is a grant competition program run by the World Bank and IFC with GEF as partner to this Program. The focus this year is on "Adaptation" with an opportunity to reward innovative ideas that have the potential to make a difference for sustainable development with a tradition of blending agriculture aspects with CC and BD (see breakdown in Table 4).

<sup>12</sup> There are indications that the remaining RAF funds will be fully utilized, considering that the total of approved programmatic approaches in the BD and CC focal areas is expected to use up to \$250 million under the programs.

- (b) It was a central part of the RAF agreement for GEF-4 to do one and only one recalculation at the mid-point of GEF-4;
- (c) The target amount will still have to be readjusted again as we approach the end of GEF-4, and it is not operationally possible for countries and Agencies to rescale individual project concepts to a moving budget target; and
- (d) The RAF agreement for GEF-4 explicitly states that the individual RAF allocation to a country represents a budget frame, not an entitlement to that amount.

29. It is proposed that any project concept for BD and CC from countries with individual RAF allocations be processed and cleared up to the country allocation levels as of July 2008, until the overall cap for that focal area as indicated in Table 1 is reached. As described and on the assumption that the financial situation does not deteriorate, or even experiences some improvement, this cap may be adjusted upwards as we approach the end of GEF-4, allowing additional room for programming.

30. It is also proposed that project concepts from group allocation countries will be processed and cleared up to the maximum that was to be allowed for any country in the re-calculations of July 2008, up to the limit of available funds.

31. Considering the other focal areas, it will be necessary to freeze further programming in the International Waters and Land Degradation focal areas<sup>13</sup> to ensure a reasonable balance among focal areas. However, programming will continue in the POPS focal area within the limits set by the total revised allocation available.

32. The remaining amount within each focal area that would be available for programming under the current estimated target amount for GEF-4 after subtraction of the amounts already committed to projects is shown in column H of the table in Table 1.

33. It should be noted that other important programs such as the Biosafety Program and the SGP have not been discussed in this paper since they are proceeding as planned. The Biosafety Program Framework Document was endorsed by Council in April 2008 and many projects under the Program have been processed and Agencies are preparing additional projects to be submitted in the future work programs; Likewise, the SGP has been programmed and processed as planned; with the submission of the final project in the April 2009 work program with funding from the individual allocation countries, the SGP has received all its funding allocations for GEF-4 and will program them, as normal.

### *Funding for National Communications*

34. Provisions will be made for funding national communications that are due during GEF-4 to the UNFCCC and CBD. Funding for this will be drawn from the country allocations and group allocations in the CC and BD focal areas where possible, and otherwise covered from the GREs. The estimated cost will be \$ 27.5 million for CC (each UNFCCC National Communication is estimated at \$550,000 including the Agency fee for 50 countries) and \$ 1 million for the 40 National Reports due to the Convention on Biological Diversity. (Each CBD National Report is estimated at \$ 25,000 including the Agency fee). The funding amount and the

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<sup>13</sup> Further programming in the IW focal area will not be possible, after taking into consideration the programming for the Mediterranean Program. Likewise, in the LD focal area, no further programming will take place after its remaining \$18 million is fully utilized.

number of countries are estimates provided by the GEF Agencies managing the national communications portfolio based on their surveys on the status of national communications in a number of countries

***Requested Council Decision***

35. The sum of the proposed reallocations is set out in Table 2 and indicates that the Council is being asked to approve the reallocation of funds from the Corporate GEF Programmes, the ODS focal area, and the Capacity Building budgets for a total of \$35 million to support the Poznan Technology Transfer Program, the Mediterranean Program and the Development Marketplace Program.

TABLE 1: GEF-4 RESOURCES UTILIZATION AND REALLOCATION AS OF MAY 1, 2009

**GEF-4 Resources Utilization and Proposed Reallocation, as of May 1st 2009**

A GEF Focal Areas and Corporate Program	B C		D	E	F	G	H	I
	Initial GEF-4 Allocations		Revised Mid Term GEF-4 Allocations	Revised GEF-4 Allocations - April 2009	Actual Situation in GEF-4 of allocations and expenditures as of May 1st 2009			
	August 2006 Targeted Allocations		Revised GEF-4 Allocation as of April 30, 2008	Revised GEF-4 Allocations as of April 30, 2009*	Revised GEF-4 Allocations net of SGP, GRE, Cap Bld, EF, etc	GEF-4 Resources utilized (set aside) by Trustee to date	Remaining funds available as of May 1st 2009	Proposed disposition of funds as of May 1st 2009
	(\$ million)	Share	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)
<b>GEF-4 Target</b>	<b>3,130.00</b>		<b>3,309.00</b>	<b>2,949.00</b>	<b>2,949.00</b>	<b>2,065.00</b>	<b>884.00</b>	<b>884.00</b>
<b>GEF-4 Programmable Resources</b>	<b>3,010.00</b>	<b>100%</b>	<b>3,160.00</b>	<b>2,800.00</b>	<b>2,545.00</b>	<b>1,783.24</b>	<b>761.76</b>	<b>754.76</b>
Biological diversity	1000.00	33.2%	1030.00	929.88	830.38	576.31	254.07	254.07
Climate change	1000.00	33.2%	1030.00	929.88	830.38	504.92	325.46	325.46
International waters	355.00	11.8%	366.00	330.11	310.11	273.39	36.72	52.72
Land degradation	300.00	10.0%	309.00	278.96	260.96	249.53	11.43	11.43
Ozone layer depletion	40.00	1.3%	41.00	37.20	37.20	1.73	35.47	20.47
Persistent organic pollutants	300.00	10.0%	309.00	278.96	260.96	176.36	84.60	84.60
Corporate Programs (CSP/NDI)	15.00	0.5%	15.00	15.00	15.00	1.00	14.00	6.00
<b>Corporate budget</b>	<b>120.00</b>		<b>93.00</b>	<b>93.00</b>	<b>93.00</b>	<b>45.00</b>	<b>48.00</b>	<b>48.00</b>
<b>Technology Transfer Program: CC</b>								<b>17.00</b>
<b>Earth Fund</b>	<b>0.00</b>		<b>56.00</b>	<b>56.00</b>	<b>56.00</b>	<b>56.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Corporate and Core Programs</b>					<b>255.00</b>	<b>179.31</b>	<b>75.69</b>	<b>65.69</b>
Small Grants Program (SGP)					110.00	110.00	0.00	0.00
EA/CB/LDC-SIDs					45.00	13.85	31.15	19.15
Development Gateway					0.00	0.00	0.00	2.00
GRE Biodiversity					50.00	30.67	19.33	19.33
GRE Climate Change					50.00	24.79	25.21	25.21
Differences between GEF and Trustee as of 1 May 2009						1.45	(1.45)	(1.45)
<b>Total</b>	<b>3,110.00</b>		<b>3,309.00</b>	<b>2,949.00</b>	<b>2,949.00</b>	<b>2,065.00</b>	<b>884.00</b>	<b>884.00</b>

\* Trustee predicted shortfall of approx. \$400 million, January 31st from \$ 3.3 billion figure due to net effects of dollar depreciation, investment income, cancellations and reconciliation

\* Further unrealized resources from undeposited instruments of commitments lead to a projected further \$ 119 million reduction as of May 1st 2009

\* Further resources obtained in GEF 4 from cancellation of projects and reconciliation are included in this chart as of 1st May 2009

TABLE 2: PROPOSED BUDGET ADJUSTMENTS TO MEET PROGRAMMING NEEDS IN GEF-4, AS OF MAY 1 2009

<b>Focal Area / Budget line</b>	<b>Proposed additional funding for specific budget lines</b>	<b>Proposed reduction of funding on specific budget lines</b>
	<b>(\$ millions)</b>	<b>(\$ millions)</b>
<b>Biological diversity</b>		
<b>Climate change</b>		
<b>International waters</b>	<b>16</b>	
<b>Land degradation</b>		
<b>Ozone layer depletion</b>		<b>15</b>
<b>Persistent organic pollutants</b>		
<b>Corporate Programs (CSP/NDI)</b>		<b>8</b>
<b>CC Technology Transfer Program</b>	<b>17</b>	
<b>Development Gateway Programme</b>	<b>2</b>	
<b>Small Grants Program (SGP)</b>		
<b>EA/CB/LDC-SIDs</b>		<b>12</b>
<b>GRE Biodiversity</b>		
<b>GRE Climate Change</b>		
<b>Total</b>	<b>35</b>	<b>35</b>

TABLE 3: TRUSTEE STATUS OF GEF-4 RESOURCES AS OF APRIL 30, 2009

<b>Schedule 2 - GEF-4 Specific Funding Decisions</b>			
Status as of April 30, 2009			
(in USDeq. millions)			
<b>1. Target Replenishment Funding a/</b>			<b>3,100</b>
<b>2. Projected Available Resources During Remaining GEF-4 Period</b>			<b>1,015</b>
<u>Estimated Funds available to support Council or CEO Financing Decisions</u>			<b>185</b>
	Potential Amount Available	of which Projected to be Available	
<u>Receivables</u>			<b>660</b>
- Arrears	238	62 b/	
- Due within 6 months c/	126	126	
- Due between 7 and 12 months d/	373	373	
- Due between 13 and 18 months d/	99	99	
<u>Release of Deferred Contributions</u>			-
- Deferred Contributions	241	-	
<u>IoCs not yet Deposited with the Trustee e/</u>	125	119	<b>119</b>
<u>Projected Investment Income</u>	51	51	<b>51</b>
<u>Total</u>	<b>1,253</b>	<b>830</b>	
<b>3. GEF-4 Specific Funding Decisions</b>			<b>2,053</b>
<u>Approvals by Council</u>			<b>1,922</b>
- Projects + Fees		1,192	
- Admin. Budget		43	
- Special Initiatives		2	
- Programmatic Initiatives		684	
<u>Approvals by CEO</u>			<b>143</b>
- Projects + Fees (MSPs, EEAs)		125	
- Project Preparation Activities + Fees		18	
<u>Net Changes to Initial Approvals</u>			<b>(12)</b>
- Reductions (cancellations) on GEF-4 projects, Administrative Budget and Special Initiatives f/		(12)	
<u>Pending decisions on Intersessionals and Council meetings</u>			-
- Projects, Fees, Admin Budget, Spcl Initiatives, Programmatic Initiatives		-	
<b>4. Projected GEF-4 "Envelope" as of April 30, 2009 ( 4 = 2 + 3 )</b>			<b>3,068</b>
<b>5. Excess or (Shortfall) as Measured Against the Target in Line 1 ( 5 = 4 - 1 )</b>			<b>(32)</b>
<p>a/ Represents the target replenishment level as agreed, including new resources from Donors, projected investment income, and carryover of amounts from previous replenishments.</p> <p>b/ Represents the amounts that were due from Belgium and United States on November 30, 2008 and South Africa on April 30, 2009, which are expected to be paid in full.</p> <p>c/ Represents the remaining amounts from third installment.</p> <p>d/ Represents amounts from fourth installment.</p> <p>e/ Represents IoCs not yet received by the Trustee from Italy (EUR 88 million), Nigeria (SRD 4 million), Pakistan (PKR 350 million). The amount projected to be available comprises of Italy (USD eq. 118 million) and Pakistan (USD eq. 4 million).</p> <p>f/ To fit the GEF Secretariat's RAF model, pre-GEF-4 project net changes were excluded from the calculation. The total reductions to initial approvals (including GEF-4 and pre-GEF-4 projects) is USD 224 million.</p>			

TABLE 4: BREAKDOWN OF DEVELOPMENT MARKETPLACE RESOURCES

	PROJECT AMOUNT	AGENCY FEE
CLIMATE CHANGE GLOBAL	\$1,000,000	\$ 50,000
BIODIVERSITY	500,000	20,000
INTERNATIONAL WATERS	200,000	20,000
LAND DEGRADATION	<u>300,000</u>	<u>30,000</u>
TOTAL	\$2,000,000	\$200,000
GRAND TOTAL (INCLUDING AGENCY FEE)		<b>\$2,200,000</b>



TABLE 5: BIODIVERSITY ALLOCATIONS AND UTILIZATIONS FROM THE GLOBAL AND REGIONAL EXCLUSION

ID	Title	Country	Agency	Type	Approval Date	GEF Grant	Fees	Total
2123	Conservation & Management of Pollinators for Sustainable Agriculture thr	Global	UNEP	FP	6/14/2007	1,000,000	98,066	1,098,066
2127	Conservation and Adaptive Management of Globally Important Agriculture	Global	FAO	FP	6/14/2007	1,000,000	120,714	1,120,714
2967	BS Regional Project for Implementing National Biosafety Frameworks in th	Regional	UNEP	PPG	9/25/2008	110,502		110,502
3183	Mitigating the Threats of Invasive Alien Species in the Insular Caribbean	Regional	UNEP	FP	2/22/2008	231,104	25,610	256,714
3361	Assessment and Recommendations on Improving Access of Indigenous Pe	Global	World Bank	MSP	9/17/2007	250,000	25,000	275,000
3414	Support to GEF Eligible CBD Parties for Carrying Out 2010 Biodiversity Targ	Global	UNDP/UNEP	MSP	11/7/2007	115,000	35,000	150,000
3414	Support to GEF Eligible CBD Parties for Carrying Out 2010 Biodiversity Targ	Global	UNDP/UNEP	MSP	11/7/2007	885,000	65,000	950,000
3420	PAS GEF Pacific Alliance for Sustainability (PROGRAM)	Regional	World Bank	PPG	8/15/2007	-	-	-
3420	PAS GEF Pacific Alliance for Sustainability (PROGRAM)	Regional	World Bank	PPG	8/15/2007	180,000	-	180,000
3449	SFM: Carbon Benefits Project (CBP): Modeling, Measurement and Monitor	Global	UNEP/World	FP	11/16/2007	780,250	78,025	858,275
3449	SFM: Carbon Benefits Project (CBP): Modeling, Measurement and Monitor	Global	UNEP/World	FP	11/16/2007	885,171	88,517	973,688
3562	Latin-America: Communication and Public Awareness Capacity-Building fo	Regional	World Bank	MSP	3/5/2008	900,000	90,000	990,000
3691	Tiger Futures: Mainstreaming Conservation in Large Landscapes	Global	World Bank	MSP	12/11/2008	950,000	95,000	1,045,000
3746	Support to GEF Eligible CBD Parties for Carrying out 2010 Biodiversity Targe	Global	UNDP/UNEP	MSP	39728	20000	35000	55,000
3746	Support to GEF Eligible CBD Parties for Carrying out 2010 Biodiversity Targe	Global	UNDP/UNEP	MSP	10/7/2008	980,000	65,000	1,045,000
3777	CBSP Sustainable Management of the Wildlife and Bushmeat Sector in Cer	Regional	FAO	FP	1/27/2009	2,627,272	262,727	2,889,999
3777	CBSP Sustainable Management of the Wildlife and Bushmeat Sector in Cer	Regional	FAO	PPG	1/27/2009	100,000		100,000
3781	SPWA Evolution of PA Systems with regard to Climatic, Institutional, Socia	Regional	UNEP	FP	1/27/2009	909,091	90,909	1,000,000
3790	Communities of Conservation: Safeguarding the World's Most Threatened	Global	UNEP	PPG	10/21/2008	50,000	-	50,000
3790	Communities of Conservation: Safeguarding the World's Most Threatened	Global	UNEP	FP	1/27/2009	1,775,000	182,500	1,957,500
3807	Project for Ecosystem Services (ProEcoServ)	Global	UNEP	PPG	10/21/2008	67,000	-	67,000
3807	Project for Ecosystem Services (ProEcoServ)	Global	UNEP	FP	1/27/2009	6,296,637	636,364	6,933,001
3811	International Commission on Land Use Change and Ecosystems	Global	UNEP	MSP	10/29/2008	1,000,000	100,000	1,100,000
3818	SFM Capacity Development for Climate Change Mitigation through Sustain	Global	World Bank	MSP	10/23/2008	333,000	33,000	366,000
3819	PAS Forestry and Protected Area Management	Regional	FAO	PPG	12/18/2008	350,000	35,000	385,000
3860	Threatened Species Partnership/Save Your Logo	Global	World Bank	FP	1/27/2009	4,900,000	510,000	5,410,000
3860	Threatened Species Partnership/Save Your Logo	Global	World Bank	PPG	12/22/2008	200,000		200,000
3920	Support to GEF Eligible CBD Parties for carrying out 2010 Biodiversity Targe	Global	UNEP	MSP	4/24/2009	1,000,000	100,000	1,100,000
					<b>GRE BD Total Approved</b>	<b>27,895,027</b>	<b>2,771,432</b>	<b>30,666,459</b>
ID	Title	Country	Agency	Type	Status	GEF Grant	Fees	Total
2820	ABS Capacity Building Africa		UNEP		Cleared for Work Program	350,000	35,000	385,000
3855	ABS Capacity Building Latin America and Caribbean		UNEP		Approved	850,000		850,000
3853	ABS Capacity Building ASEAN		UNEP		Approved	750,000		750,000
2906	CBFP Sustainable Financing of Protected Area Systems in Congo		UNDP		Cleared for Work Program	4,545,454	458,545	5,003,999
	SPWA Scaling Up the impact of good practices in BD and Poverty Allev		World Bank		Pre-Pipeline			935,000
	SPWA Capacity Building Initiative		World Bank		Pre-Pipeline			935,000
	UNFF Country Reporting				Pre-Pipeline			1,100,000
	CTI Economics of Fisheries project		ADB		Pre-Pipeline			200,000
	Sustainable Tourism project		UNEP		Pre-Pipeline			220,000
3856	BCH Clearinghouse II		UNEP		not yet cleared	2,500,000	250,000	2,750,000
3822	CBSP- A Regional Focus on Sustainable Timber Management in the Congo	Global	UNEP	FP	Cleared for Work Program	363,636	36,364	400,000
					<b>GRE BD total Pending</b>	<b>8,995,454</b>	<b>743,545</b>	<b>13,528,999</b>
					<b>GRE BD TOTAL</b>	<b>36,890,481</b>	<b>3,514,977</b>	<b>44,195,458</b>

TABLE 6: CLIMATE CHANGE ALLOCATION AND UTILIZATION FROM THE GLOBAL AND REGIONAL EXCLUSION

ID	Title	Country	Agency	Type	Status	GEF Grant	Fees	Totals
2095	Sustainable Management of the Water Resources of the la Plata Basin with Respect to the Regional	Global	UNEP	FP	Approved	1,000,000	90,000	1,090,000
2364	Integrated and Sustainable Management of Transboundary Water Resources in the Amazon Basin	Global	UNEP	FP	Approved	2,000,000	200,000	2,200,000
2915	CC P Namibia Adaptation to Climate Change through the improvement of traditional corridors	Global	UNDP	MSP	Approved	960,000	96,000	1,056,000
3024	SLEM - Sustainable Participatory Management of Natural Resources to Promote Ecosystems	Global	UNDP	MSP	Approved	227,272	22,727	249,999
3129	Sustaining Agricultural Biodiversity in the Face of Climate Change	Global	UNDP	FP	Approved	950,000	95,000	1,045,000
3129	Sustaining Agricultural Biodiversity in the Face of Climate Change	Global	UNDP	PPG	Approved	50,000	5,000	55,000
3134	Implementing Pilot Climate Change Adaptation Measures in Coastal Areas of Uruguay	Global	UNDP	MSP	Approved	975,000	100,000	1,075,000
3224	Establishing Sustainable Liquid Biofuels Production Worldwide (A Targeted Research Program)	Global	UNEP	MSP	Approved	970,000	97,000	1,067,000
3267	MENARID - Adaptation to Climate Change Using Agrobiodiversity Resources in the Amazon Basin	Global	World Bank	FP	Approved	4,000,000	400,000	4,400,000
3267	MENARID - Adaptation to Climate Change Using Agrobiodiversity Resources in the Amazon Basin	Global	World Bank	PPG	Approved	200,000	20,000	220,000
3415	Identification and Implementation of Adaptation Response Measures in the Drini-Mati Region	Global	UNDP	MSP	Approved	975,000	99,990	1,074,990
3417	Adaptation to Climate Change Impacts in Mountain Forest Ecosystems of Armenia	Global	UNDP	MSP	Approved	900,000	90,000	990,000
3417	Adaptation to Climate Change Impacts in Mountain Forest Ecosystems of Armenia	Global	UNDP	PPG	Approved	50,000	5,000	55,000
3420	PAS GEF Pacific Alliance for Sustainability (PROGRAM)	Regional	World Bank	PPG	Approved	120,000	12,000	132,000
3449	SFM: Carbon Benefits Project (CBP): Modeling, Measurement and Monitoring	Global	UNEP	FP	Approved	1,665,422	166,542	1,831,964
3457	Global Market Transformation for Efficient Lighting	Global	UNEP	PPG	Approved	200,000	20,000	220,000
3470	SLEM/CPP-Sustainable Rural Livelihood Security through Innovations in Land and Ecosystems	Global	World Bank	FP	Approved	4,000,000	400,000	4,400,000
3471	SLEM - Sustainable Land, Water and Biodiversity Conservation and Management for Incentives	Global	World Bank	FP	Approved	140,000	14,000	154,000
3472	SLEM-CPP-Integrated Land Use Management to Combat Land Degradation in Madagascar	Global	UNDP	FP	Approved	200,000	20,000	220,000
3589	CTI Coastal and Marine Resources Management in the Coral Triangle: Southeast Asia and the Pacific	Global	ADB	FP	Approved	810,000	81,000	891,000
3589	CTI Coastal and Marine Resources Management in the Coral Triangle: Southeast Asia and the Pacific	Global	ADB	PPG	Approved	100,000	10,000	110,000
3591	PAS Coastal and Marine Resources Management in the Coral Triangle of the Pacific - Indonesia	Regional	ADB	FP	Approved	909,100	90,910	1,000,010
3669	MENARID - Land and Water Optimization Project	Global	World Bank	FP	Approved	636,000	63,600	699,600
3818	SFM Capacity Development for Climate Change Mitigation through Sustainable Forest Management	Global	World Bank	MSP	Approved	333,000	33,000	366,000
3357	The GEF Earth Fund (formerly GEF Public-Private Partnership Fund)	Global	UNEP	PPG	Approved	190,000	-	190,000
<b>GRE CC Total Approved</b>						<b>22,560,794</b>	<b>2,231,769</b>	<b>24,792,563</b>

ID	Title	Country	Agency	Type	Status	GEF Grant	Fees	Total
3467	Building Baseline for Energy Efficiency Market Transformation	Global	UNEP	FP	Reviewed / being cleared	2,577,273	257,727	2,835,000
3467	Building Baseline for Energy Efficiency Market Transformation	Global	UNEP	PPG	Reviewed / being cleared	150,000	15,000	165,000
3822	CBSP- A Regional Focus on Sustainable Timber Management in the Congo basin	Global	UNEP	FP	Reviewed / being cleared	909,092	90,909	1,000,001
3888	Global Fuel Economy Initiative	Global	UNEP	MSP	Reviewed / being cleared	980,000	98,000	1,078,000
3928	Global Energy Assessment Developing a Common Method for CO2 Calculation for Urban Public Transport in Developing Asia,	Global	UNIDO	MSP	Cleared	1,000,000	100,000	1,100,000
		Global	ADB	MSP	Pre-Pipeline	1,000,000	100,000	1,100,000
<b>GRE CC Total Pending</b>						<b>6,616,365</b>	<b>661,636</b>	<b>7,278,001</b>

**GRE CC Total 29,177,159 2,893,405 32,070,564**