GLOBAL PARTNERSHIP *for* EDUCATION

Financial Forecast

Meeting of the Board of Directors
Brussels, Belgium, 21-22 May 2013

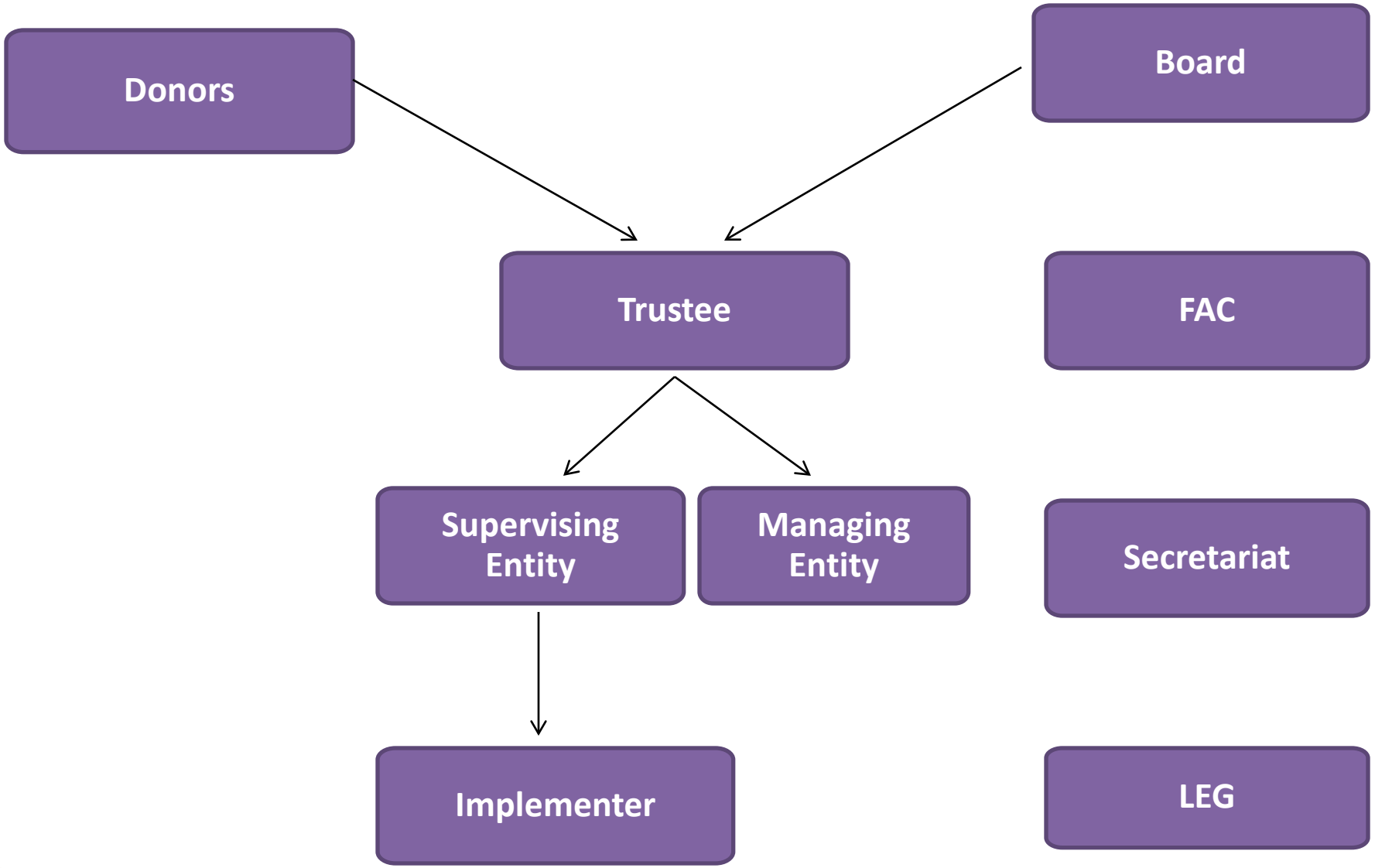
Why a Forecast?

- Forecast is used to provide information on how much funds are projected to be available to commit funding for Board approved allocations in the future.

- Forecast is a projection of future events and is therefore subject to significant change

- Forecast will be updated every 6 months

Funding Cycle



Understanding the Forecast	2012	2013
Opening Balance Cash and Promissory Notes	100	110
Total Committed	80	100
Total Uncommitted	20	10
INFLOWS	50	60
OUTFLOWS	40	50
NEW COMMITMENTS	60	40
Closing Balance Cash and Promissory Notes	110	120
Total Committed	100	90
Total Uncommitted	10	30

Opening Balance consists of actual assets held with the Trustee

The assets are either committed (and will be transferred to SEs/MEs or to cover other costs) or uncommitted (and available to finance new allocations)

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Inflows represent projected contributions of cash or promissory notes from donors, but also include cash from investments, and refunds from grants.

Outflows represent projected cash transfers primarily to SEs and MEs for program implementation grants.

New commitments are based on expected Board approvals primarily of implementation grants.

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The Closing Balance is calculated from the Opening Balance + Inflows less Outflows
100 + 50 – 40 = 110

The committed balance is calculated by taking the opening committed funds less outflows plus new commitments
80 – 40 + 60 =100

Uncommitted balance is calculated by taking opening uncommitted balance plus inflows less new commitments
20 + 50 – 60 = 10

Financial Forecast (US$ Millions)	2013	2014	2015-2017
Opening Balance Cash and Promissory Notes	1,021	1,026	1,224
Total Committed	942	935	748
Total Uncommitted	79	91	476
INFLOWS	470	813	2,018
OUTFLOWS	466	616	1,637
NEW COMMITMENTS	459	429	1,002
Closing Balance Cash and Promissory Notes	1,026	1,224	1,605
Total Committed	935	748	113
Total Uncommitted	91	476	1,492

Uncommitted Balance is low in 2013 as demand is high – Increased Risk of Disruption

Includes significant projected contributions but reduced substantially from November Forecast

Inflows in 2015-2017 will depend on the results of the replenishment and could change significantly

Reconciliation with November Forecast

(In USD Millions)	2012	2013	2014	2015	2016	2017	Overall
Projected Year End Uncommitted/Available Assets (as provided in November 2012)	126	116	461	558	942	1,581	1,581
Net Change from Prior Year	N/A	(47)	(25)	15	83	(32)	N/A
Positive/(Negative) Changes in Anticipated Contributions	(90)	5	(29)	0	0	0	(114)
(Increases)/Decreases in Anticipated Commitments	43	17	69	68	(115)	(57)	25
Net Change	(47)	(25)	15	83	(32)	(89)	(89)
Projected Year End Uncommitted/Available Assets (as of April 2013)	79	91	476	641	910	1,492	1,492

Short Term Forecast For Current Round

FORECAST 1 JULY 2013 – 31 DECEMBER 2013	**USD millions**
Estimated Available Assets on Hand 1 July 2013 (excluding projected contributions to 30 June 2013)	256
Pledged and Signed Contributions 1 July 2013 – 31 Dec 2013	216
Total Projected Assets	**472**
Other Costs (Secretariat, and Trustee budgets, expected commitments for GRA, Plan and Program Development Grants, CSEF)	(48)
Total Projected Liabilities	**(48)**
Available Assets for First Grant Commitment of Round 1 2014 Applications	424
1st Commitment of Round 1 2013 proposals required by 31 December 2013 (including related Supervision and Agency Fees)	(200)
Projected Surplus/(Shortfall)	**224**

Key Messages

- **Demand for funding remains exceptionally high while projections of contributions have been reduced**
- **Approx. US$400m of projected approvals in 2012-2014 to be funded from 2015-2017 contributions**
- **Greater Certainty in Forecast due to reductions in Secretariat Projections (from US$868m to US$491m)**
- **Currently not anticipating an overall shortfall in Uncommitted Assets – but risk of temporary shortfalls**
- **Next Forecast Critical**
- **Donors Encouraged to Increase and/or Advance Timing of Contributions where possible**



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