



Global Agriculture and Food Security Program Trust Fund

Public Sector Window

Financial Report

Prepared by the Trustee

As of December 31, 2015



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Introduction

The GAFSP Trust Fund (“Trust Fund”) was established as a Financial Intermediary Fund (FIF) in April 2010 in the World Bank. The GAFSP is a multilateral mechanism to assist in the implementation of pledges made by the G20 in Pittsburgh in September 2009. The objective is to address the underfunding of country and regional agriculture and food security strategic investment plans already being developed by countries in consultation with donors and other stakeholders at the country-level. The GAFSP operates through two windows: Public Sector Window and Private Sector Window. The Public Sector Window is managed under the Trust Fund while the Private Sector Window is managed by the IFC. This report covers only the Public Sector Window.

The report is produced by the Trustee in accordance with the Trustee’s role in the GAFSP Governance Document as set forth under Section 5, which states:

“The Trustee will provide to the Steering Committee regular reports on the financial status of the Trust Fund, as set forth in the Contribution Agreements.”

Section 9 of the Standard Provisions in the Contribution Agreements for the Public Sector Window states as follows:

“The Trustee shall maintain separate records and ledger accounts in respect of the Trust Fund funds deposited in the Trust Fund and disbursements made therefrom. The Trustee shall report to the Steering Committee annually unless otherwise agreed between the Trustee and the Steering Committee, on the status of Allocations of funding recorded by the Trustee, commitments and transfers from the Trust Fund and receipts of funds in the Trust Fund.”



GAFSP Trust Fund Financial Summary as of December 31, 2015

Pledges and Contributions:

A pledge represents a donor's expression of intent to make a contribution. Pledges are converted to Contributions by way of a countersigned Contribution Agreement/Arrangement. The contributions to the Public Sector Window of the Trust Fund total USD eq. 1,220.9 million.

Of this amount, as of December 31, 2015, donors have paid USD eq. 1,170.2 million.

Investment Income:

As of December 31, 2015, the Trust Fund earned investment income of approximately USD 8.4 million on the undisbursed balance of the Trust Fund. The Trust Fund liquid portfolio has returned 0.23% for calendar year 2015. The Trust Fund balance is allocated to a highly liquid short term investment portfolio.

Funding Approvals:

The cumulative funding decisions made by the GAFSP Steering Committee ("Steering Committee") through December 31, 2015 totaled USD 1,098.9 million, of which USD 1,019.6 million represents allocations for projects, USD 49.8 million for Supervising Entity fees and USD 29.5 million for administrative budget.

Cash Transfers:

The Trustee has transferred a total of USD 426.6 million up to December 31, 2015, including USD 352 million related to projects.

Funds Held in Trust:

Funds Held in Trust¹ reflect contributions paid-in from donors, investment income and cash transfers. Funds Held in Trust as of December 31, 2015 amounted to USD eq. 752 million.

Funds Available for Steering Committee Funding Decisions:

Funds available to support Steering Committee funding decisions amounted to USD 79.7 million as of December 31, 2015.

¹ Funds Held in Trust represents balance of cash, investments and unencashed promissory notes (if any) as of the reporting date.



1. GAFSP Trust Fund Summary – Inception through December 31, 2015

In USD millions

	Total	% of Total
<u>Donor Pledges and Contributions</u>		
Contributions	1,220.9	100.0%
Pledges	-	0.0%
Total Pledges and Contributions	<u>1,220.9</u>	<u>100.0%</u>

<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	1,170.2	95.2%
Investment Income earned	8.4	0.7%
Total Resources Received	<u>1,178.6</u>	<u>95.9%</u>
<u>Resources not yet received</u>		
Contributions not yet paid	50.7	4.1%
Pledges	-	0.0%
Total resources not yet received	50.7	4.1%
Total Potential Resources (A) (in USD millions)	<u>1,229.3</u>	<u>100.0%</u>

<u>Cumulative Funding Decisions</u>		
Projects	1,019.6	92.8%
Fees	49.8	4.5%
Trustee and Coordination Unit Budget	17.8	1.6%
Monitoring and Evaluation Budget	11.7	1.1%
Total Funding Decisions Net of Cancellations (B)	<u>1,098.9</u>	<u>100.0%</u>
Total Potential Resources Net of Funding Decisions (A) - (B)	<u>130.4</u>	

<u>Funds Available</u>		
Funds Held in Trust with no restrictions	752.0	
Approved Amounts Pending Cash Transfers	672.3	
Total Funds Available to Support GAFSP Steering Committee Decisions	<u>79.7</u>	

Note: Sub-totals may not add up due to rounding



2. Contributions

Contributions to the Public Sector Window as of December 31, 2015 (in millions)

Contributor	Currency	Effective (or signed) Contributions in Currency of Contribution	Receipts in Currency of Contribution	Outstanding Contributions in Currency of Contribution	Outstanding Contributions in USDeq. a/	Receipts in USDeq. b/
Australia	AUD	100.0	100.0	-	-	98.4
Canada	CAD	205.0	205.0	-	-	201.5
Gates Foundation	USD	70.0	70.0	-	-	70.0
Germany	EUR	35.0	13.4	21.6	23.5	16.0
Ireland	EUR	1.5	1.5	-	-	2.0
Korea	USD	83.9	81.9	2.0	2.0	81.9
Spain	EUR	70.0	70.0	-	-	94.2
United Kingdom	GBP	42.5	25.5	17.0	25.2	39.5
United States	USD	566.7	566.7	-	-	566.7
Total					50.7	1,170.2

a/ Valued on the basis of exchange rates as of December 31, 2015

b/ Represents actual USD receipts

Note: totals may not add up due to rounding

HIGHLIGHTS FOR THE PERIOD JULY 1, 2015 TO DECEMBER 31, 2015:

- The Trustee executed an additional contribution agreement with the United Kingdom for GBP 30 million, of which GBP 13 million has been paid into the Trust Fund.
- An additional contribution agreement was also executed with Germany in the amount of EUR 25 million, of which EUR 3.4 million has been received in the Trust Fund.
- USD 13 million from Korea, representing the payment of their 2015 installment, was received by the Trustee in December 2015.
- As of December 31, 2015, total contributions paid into the Trust Fund amounted to USD eq. 1,170.2 million, an increase of USD 36.1 million since June 30, 2015.



3. Asset Mix and Investment Income

ASSET MIX

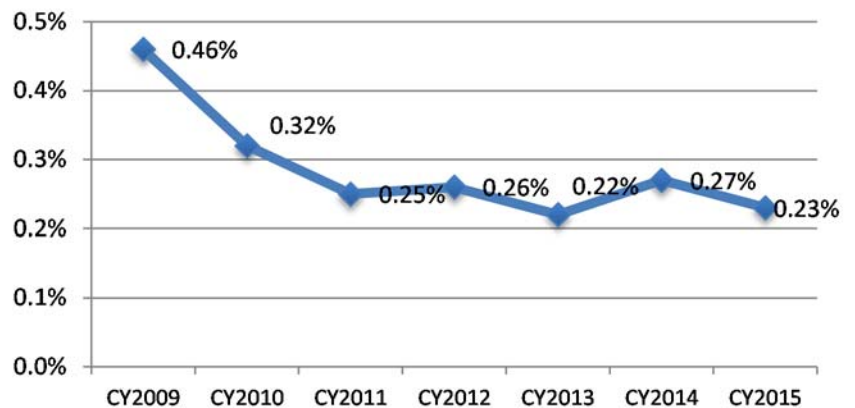
Cash assets held in trust by the World Bank (as the Trustee) are maintained in a commingled investment portfolio (the “Pool”) for all trust funds administered by the World Bank. The assets in the Pool are managed in accordance with the investment strategy established for all trust funds administered by the World Bank.

The Trust Fund balance is currently allocated to a highly liquid short-term investment portfolio. Based on the GAFSP’s cash flow projections, the Trust Fund is eligible for participation in longer-term investment portfolios in the Pool. The Trustee is in the process of allocating Trust Fund balances to longer-term investment portfolios.

The Pool is actively managed so that the probability of incurring negative returns for each investment portfolio is no more than 1% over the applicable investment horizon.

INVESTMENT RETURNS

The GAFSP funds are invested in cash portfolio of the World Bank’s Trust Fund investment pool. This portfolio comprises bank deposits and investments in money market instruments with an investment horizon of less than three months. The Trust Fund liquid portfolio (which totaled approximately USD 752 million at end-December 2015) earned approximately USD 8.4 million in investment income since inception.





4. Cumulative Funding Decisions

In USD millions

<u>Projects</u>	<u>Supervising Entity</u>	<u>Amount</u>	<u>% of Total Projects by Country</u>
Bangladesh	WB	46.3	5%
	FAO	3.7	0%
Benin	AFDB	24.0	2%
Burkina Faso	WB	37.1	4%
Burundi	IFAD	30.0	3%
Cambodia	ADB	39.1	4%
Ethiopia	WB	50.0	5%
	FAO	1.5	0%
The Gambia	AFDB	26.6	3%
	FAO	1.4	0%
Haiti	WB	10.0	1%
	IDB	25.0	2%
Honduras	WB	30.0	3%
Kyrgyz Republic	WB	38.0	4%
Liberia	AFDB	46.5	5%
Malawi	AFDB	39.6	4%
Mali	AFDB	37.2	4%
Mongolia	WB	11.0	1%
	FAO	1.5	0%
Nepal	WB	46.5	5%
Nicaragua	WB	33.9	3%
Niger	AFDB	33.0	3%
Rwanda	WB	50.0	5%
Senegal	AFDB	40.0	4%
Sierra Leone	IFAD	50.0	5%
Tajikistan	WB	27.9	3%
Tanzania	WB	22.9	2%
Togo	WB	20.0	2%
	IFAD	19.0	2%
Uganda	WB	27.6	3%
Zambia	AFDB	31.1	3%
Kenya	AFDB	22.8	2%
	FAO	a/ 1.2	0%
Yemen	WB	a/ 36.0	4%
Timor Leste	WB	a/ 21.0	2%
Laos	IFAD/WFP	a/ 30.0	3%
Bhutan	WB/FAO	a/ 8.0	1%
Multi-Country	FAO	b/ 0.1	0%
		1,019.6	100%
			% of Total
			Fees by SE
<u>Fees</u>			
WB		26.2	53%
FAO		0.6	1%
IDB		1.2	2%
IFAD		6.2	12%
ADB		1.9	4%
AfDB		13.8	28%
		49.8	100%
<u>Administrative Budget</u>			
DIME		6.4	22%
Coordination Unit - Core	c/	14.6	49%
Coordination Unit - M&E		4.4	15%
Trustee		3.2	11%
Project Impact Evaluation		0.8	3%
		29.5	100%
Total Funding Decisions		1,098.9	

a/ Subject to the no-objection approval by the Steering Committee of the complete project document
b/ Represents CSO budget for Asian Farmers Association and ROPPA
c/ Includes budgets for CSOs and Technical Advisory Committee

Note: sub-totals may not add up due to rounding

HIGHLIGHTS FOR THE PERIOD JULY 1, 2015 TO DECEMBER 31, 2015:

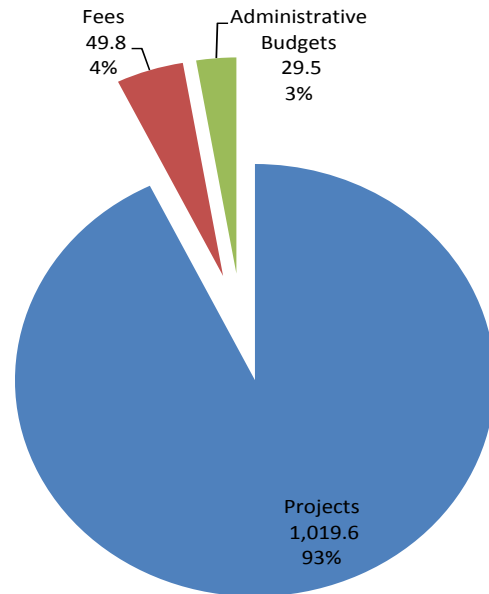
- The Steering Committee approved projects in Benin and Kenya (AFDB as Supervising Entity) for USD 24 million and USD 22.8 million, respectively. The Kyrgyz Republic project (WB as Supervising Entity) was approved for USD 38 million. Work programs and budgets of AFA and ROPPA were also approved for USD 0.1 million.
- FY16-18 administrative budget of USD 2.4 million for DIME, USD 1.2 million for the Trustee and Coordination Unit core and M&E budget for USD 8.2 million and USD 2.5 million, respectively, were also approved.



In USD millions

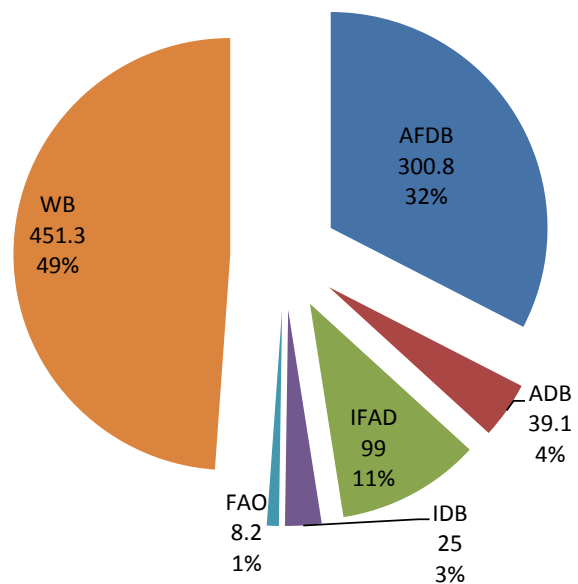
CUMULATIVE FUNDING DECISIONS

Since inception to December 31, 2015 funding approvals made by the Steering Committee totaled USD 1,098.9 million. Projects represent about 93% of total allocations, fees for Supervising Entities represent 4%, and administrative budgets for the GAFSP Coordination Unit, Technical Advisory Committee, Civil Society Organizations, Trustee, and M&E work program make up 3% of the total funding approvals.



PROJECT FUNDING DECISIONS BY SUPERVISING ENTITY

Funding decisions by Supervising Entity show the cumulative funding decisions related to projects that have been approved by the Steering Committee.





5. Funds Available

In USD millions

	<u>As of December 31, 2015</u>	<u>As of June 30, 2015</u>	<u>Changes since last report</u>
	(a)	(b)	(a) - (b)
1. Cumulative Receipts	1,178.6	1,141.6	37.0
a. Cash receipts from Contributors	1,170.2	1,134.0	36.1
b. Investment Income earned on undisbursed balances	8.4	7.5	0.9
2. Cumulative Cash Transfer	426.6	400.5	26.1
a. Projects	352.0	338.0	13.9
b. Fees	46.8	46.8	0.0
b. Administrative Budget	27.8	15.6	12.2
3. Funds held in Trust (3 = 1 - 2)	752.0	741.1	10.9
4. Financial Reserve	-	-	-
5. Funds held in Trust with no Restrictions (5 = 3 - 4)	752.0	741.1	10.9
6. Funding Decisions pending Cash Transfer	672.3	686.0	(13.7)
7. Funds available to support SC funding decisions (7 = 5 - 6)	79.7	55.0	24.6

Note: sub-totals may not add up due to rounding

HIGHLIGHTS FOR THE PERIOD JULY 1, 2015 THROUGH DECEMBER 31, 2015:

- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USD 752 million as of December 31, 2015. Funds Held in Trust increased by USD 10.9 million due to:
 - The receipt of additional contributions amounting to USD 36.1 million;
 - Additional investment income of approximately USD 0.9 million earned during the last two quarters of calendar year 2015; and
 - Offset by cash transfers during the period amounting to USD 26.1 million.
- **Funding Availability** increased by USD 24.6 million over the prior reporting period due to:
 - The cumulative receipts of USD 37 million, including USD 36.1 million in contribution payments and 0.9 million in investment income; and
 - Offset by net funding decisions during the period amounting to USD 12.4 million



Glossary

Term	Definition
Cash and Investments	The Trust Fund's share in the co-mingled cash and investment pool.
Cash Contribution	Contribution or Installment provided in the form of cash, including Encashments.
Cash Transfer	Cash payment made to a Supervising 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, or in the Instrument of Commitment
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 provided in the form of cash, Promissory Note or other instrument acceptable to the Trustee.
Contribution Receivable	Any portion of a Contribution that is not a Qualified Contribution to be received in the form of Cash or Promissory Note.
Financial Intermediary Fund (FIF)	Funds that involve financial engineering or complex finance schemes, or where the Bank provides a specified set of administrative, financial or operational services.
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 Entity for the commitment and transfer of funds by the Trustee to the Supervising Entity under terms that do not involve Bank responsibility post-transfer