



AgResults Trust Fund

Financial Report

Prepared by the Trustee

As of June 30, 2016



Table of Contents

Table of Contents

| | |
|--|---|
| Introduction | 3 |
| AgResults Trust Fund Financial Summary | 4 |
| 1. AgResults Trust Fund Summary – Inception through June 30, 2016 | 5 |
| 2. Pledges and Contributions as of June 30, 2016 | 6 |
| 3. Asset Mix and Investment Income | 7 |
| 4. Cumulative Funding Decisions and Cash Transfers as of June 30, 2016 | 8 |
| 5. Funds Available as of June 30, 2016 | 9 |



Introduction

The information contained in this report is prepared based on financial information of the AgResults Trust Fund as of June 30, 2016.

AgResults was established in 2012 to enhance smallholder welfare and improve food security for the poor and vulnerable through the use of "pull mechanisms"¹ in agriculture.

This report is produced by the Trustee in accordance with the Trustee's role as set forth in the Contributions Agreement which states that:

"[...] the Trustee shall report to the Steering Committee semi-annually on the financial status of the Trust Fund including information on the status of Contributions, investment income, commitments, transfers and funds available for allocation by the Steering Committee".

This report provides (i) a snapshot of the financial situation of the AgResults Trust Fund since its inception to June 30, 2016, (ii) the status of pledges and contributions, and (iii) the details of financial activities of the AgResults Trust Fund.

¹ Pull mechanisms are results-based financial incentives rewarding successful innovations and their adoption. They are designed to overcome market failures, and encourage private and public sector innovators to develop products and services that they would not otherwise bring to the market.



AgResults Trust Fund Financial Summary

Pledges and Contributions:

As of June 30, 2016, five donors pledged USD eq. 103.2 million to the AgResults Trust Fund. The Trustee has received USD 97.7 million in cash from these donors.

Investment Income:

As of June 30, 2016, the AgResults Trust Fund earned investment income of approximately USD 0.9 million on the balance of the Trust Fund.

Funding Approvals:

As of June 30, 2016, AgResults Steering Committee has approved a total of USD 97 million in allocations. Of this amount, USD 82.4 million is for pilot awards, management and verification fees, and USD 14.6 million is for administrative budgets of the Secretariat through FY18 and the Trustee through FY17.

Cash Transfers:

The Trustee has transferred a total amount of USD 16.5 million since inception up to June 30, 2016. Of this amount, USD 5.7 million was for pilot awards, management and verification fees, USD 8.7 million was for Secretariat services, and USD 2.1 million was for Trustee services.

Funds Held in Trust and Available for AgResults Steering Committee Funding Decisions:

Funds Held in Trust reflect contributions paid-in from donors, investment income, and net cash transfers. Funds held in trust as of June 30, 2016 amounted to USD 82.1 million.

Funds Available to support AgResults Steering Committee funding decisions amount to USD 1.7 million as of June 30, 2016.



1. AgResults Trust Fund Summary – Inception through June 30, 2016²

In USD millions

| | Total | % of Total |
|---|--------------|-------------|
| <u>Donor Pledges and Contributions</u> | | |
| Contributions | 103.2 | 100% |
| Pledges | - | |
| Total Pledges and Contributions | 103.2 | 100% |

| | | |
|---|--------------|-------------|
| <u>Cumulative Resources</u> | | |
| <u>Resources received</u> | | |
| Cash Receipts | 97.7 | 94% |
| Investment Income earned | 0.9 | 1% |
| Total Resources Received | 98.6 | 95% |
| <u>Resources not yet received</u> | | |
| Contributions not yet paid | 5.5 | 5% |
| Pledges | - | 0% |
| Total resources not yet received | 5.5 | 5% |
| Total Potential Resources (A) | 104.1 | 100% |

| | | |
|---|-------------|-------------|
| <u>Cumulative Funding Decisions</u> | | |
| Projects and Fees | 82.4 | 85% |
| Administrative Budget | 14.6 | 15% |
| Total Funding Decisions Net of Cancellations (B) | 97.0 | 100% |
| Total Potential Resources Net of Funding Decisions (A) - (B) | 7.2 | |

| | | |
|--|------------|--|
| <u>Funds Available</u> | | |
| Funds Held in Trust | 82.1 | |
| Amounts Pending Cash Transfers | 80.4 | |
| Total Funds Available to Support AgResults Steering Committee decisions | 1.7 | |

² Sub-totals in the table may not add up due to rounding.



2. Pledges and Contributions as of June 30, 2016³

In millions

| Donor | Total Pledges Outstanding and Contributions Finalized | | | | Pledges Outstanding | | Contribution Agreements Finalized | | | | |
|------------------|---|--------|--------------|--------|---------------------|-----------------|-----------------------------------|-------------|---------------|------------|--|
| | Currency | Total | | Amount | USDeq. b/ | Paid (Receipts) | | | Unpaid | | |
| | | Pledge | USDeq. a/ | | | Total Pledge | Amount Paid in | USDeq. c/ | Amount Due in | USDeq. b/ | |
| Australia | AUD | 20.2 | 18.4 | - | - | 20.2 | 20.2 | 18.4 | - | - | |
| Gates Foundation | USD | 15.0 | 15.0 | - | - | 15.0 | 15.0 | 15.0 | - | - | |
| Canada | CAD | 38.8 | 35.5 | - | - | 38.8 | 38.8 | 35.5 | - | - | |
| United Kingdom/d | GBP | 17.3 | 26.3 | - | - | 17.3 | 13.2 | 20.8 | 4.1 | 5.5 | |
| United States | USD | 8.0 | 8.0 | - | - | 8.0 | 8.0 | 8.0 | - | - | |
| | | | <u>103.2</u> | | <u>-</u> | | | <u>97.7</u> | | <u>5.5</u> | |

a/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) June 30, 2016 value of amount due in currency.

b/ Valued at exchange rates available on June 30, 2016.

c/ Represents the actual US dollar value of paid-in cash contributions.

d/ Excludes GBP 7.4 million which DFID has set aside for AgResults External Independent Evaluation. This amount is not managed by Trustee.

- The above table shows the total pledges⁴ outstanding and contributions finalized, and the amount of the contributions received by the Trustee in the respective currencies and in USD equivalent based on exchange rates as of June 30, 2016.
- The total pledges and contributions to the AgResults Trust Fund now amount to USD eq. 103.2 million.
- As of June 30, 2016, the Trustee received USD 97.7 million in cash.
- Unpaid donor contributions amount to USD eq. 5.5 million based on exchange rates as of June 30, 2016.

³ Sub-totals in the table may not add up due to rounding.

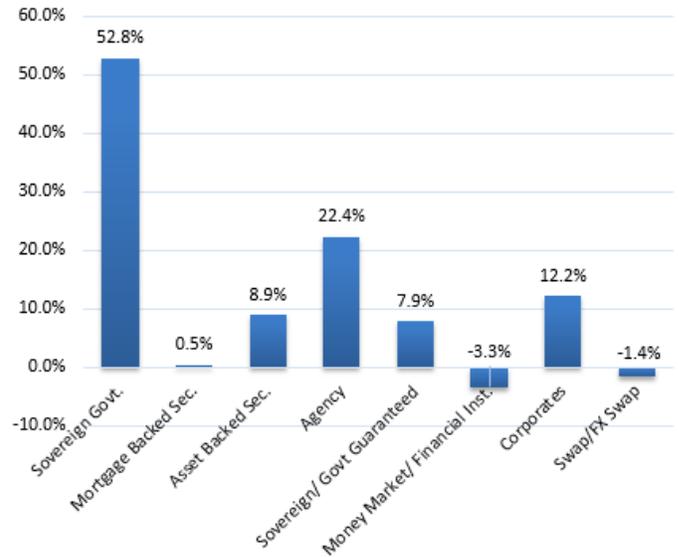
⁴ Pledges represent donors' expression of intent to make a contribution.



3. Asset Mix and Investment Income

ASSET MIX

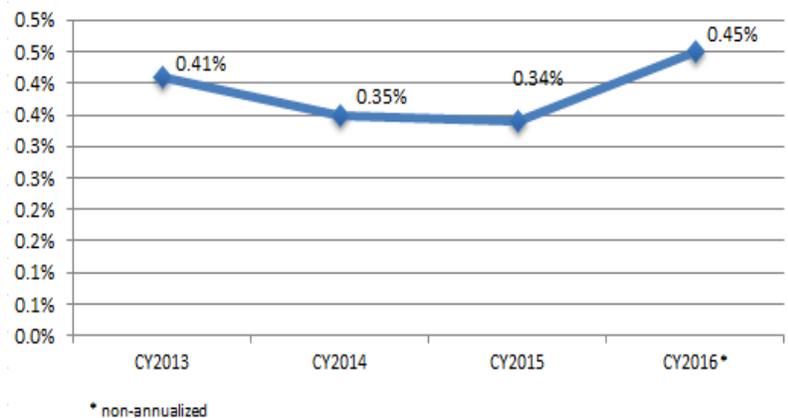
Funds held in trust by the World Bank (as the Trustee) are maintained in a commingled investment portfolio (the “Pool”) for all trust funds administered by the World Bank. On July 1, 2015, the World Bank formally adopted the Conditional Value-at-Risk (CVaR) measure as the risk constraint in the management of trust funds. Funds are managed such that the expected maximum loss, as measured by the CVaR, at the portfolio’s investment horizon, is not to exceed 1% with 99% confidence.



Note: The negative position in swaps is primarily due to changes in foreign currency exchange (FX) rates in cross currency basis swaps. Such swap instruments are used to implement currency hedges on bond positions within the portfolio and the negative allocation to cash and cash equivalents is a result of repurchase agreements that are used to purchase yield enhancing securities.

INVESTMENT INCOME

The AgResults funds are invested in a short horizon portfolio of the World Bank’s trust fund investment pool. This portfolio comprises investments in government bonds and money markets with an investment horizon of up to one year. The AgResults Trust Fund liquid portfolio (which totaled approximately USD 82.1 million at end-June 2016) has returned 0.45% through the calendar year to June 30, 2016 and earned approximately USD 0.9 million in investment income since inception.





4. Cumulative Funding Decisions and Cash Transfers as of June 30, 2016⁵

In USD millions

| Pilots | Themes | Amount Approved | Cash Transfers | Balance |
|---------------------------------------|--|-----------------|----------------|--------------|
| Aflasafe, Nigeria | Pilot Management (<i>including Technical Assistance</i>) | 3.37 | 1.99 | 1.38 |
| | Pilot Verification (<i>including Assay</i>) | 2.47 | 0.70 | 1.77 |
| | Awards | 6.85 | 0.14 | 6.71 |
| | Sub-total | 12.69 | 2.83 | 9.85 |
| On-Farm Storage, Kenya | Pilot Management | 2.76 | 1.22 | 1.54 |
| | Pilot Verification | 2.00 | 0.04 | 1.96 |
| | Awards | 7.75 | 0.00 | 7.75 |
| Sub-total | 12.51 | 1.27 | 11.24 | |
| Biofortified Maize, Zambia | Pilot Management | 2.07 | 0.51 | 1.55 |
| | Pilot Verification | 0.40 | - | 0.40 |
| | Awards | 3.89 | 0.26 | 3.64 |
| Sub-total | 6.36 | 0.77 | 5.59 | |
| Newcastle Disease, Myanmar | Pilot Management | 0.69 | - | 0.69 |
| | Pilot Verification | 1.28 | - | 1.28 |
| | Awards | 0.84 | - | 0.84 |
| Sub-total | 2.81 | 0.00 | 2.81 | |
| Legume Seeds, Uganda | Pilot Management | 3.11 | 0.48 | 2.63 |
| | Pilot Verification | 0.57 | - | 0.57 |
| | Awards | 2.36 | - | 2.36 |
| Sub-total | 6.05 | 0.48 | 5.57 | |
| GHG Emission Reduction, Vietnam | Pilot Management | 1.10 | 0.08 | 1.01 |
| | Pilot Verification | 2.71 | - | 2.71 |
| | Awards | 3.62 | - | 3.62 |
| Sub-total | 7.42 | 0.08 | 7.34 | |
| Brucellosis | Pilot Management <i>c/</i> | 4.46 | 0.24 | 4.22 |
| | Pilot Verification | 0.09 | - | 0.09 |
| | Awards | 30.00 | - | 30.00 |
| Sub-total | 34.55 | 0.24 | 34.31 | |
| | Administrative Budgets: Secretariat | 11.84 <i>a/</i> | 8.73 | 3.11 |
| | Trustee | 2.73 <i>b/</i> | 2.14 | 0.59 |
| Sub-total | 14.57 | 10.87 | 3.70 | |
| Total | | 96.96 | 16.54 | 80.42 |

a/ Includes the approved amount of USD 8.92 million until FY16 and the balance of USD 2.92 million for FY17 to FY18.

b/ Trustee fees through FY17.

c/ Includes allocations and cash transfers for Andy Peters.

- As of June 30, 2016, AgResults Steering Committee has approved USD 96.96 million for pilot awards, management and verification fees, and administrative budgets for Secretariat and Trustee.
- A total amount of USD 16.54 million has been disbursed since inception.

⁵ Sub-totals in the table may not add up due to rounding.



5. Funds Available as of June 30, 2016⁶

In USD millions

| | | |
|---|------|-------------|
| 1. Cumulative Receipts | | 98.6 |
| a. Cash receipts and encashed promissory notes | 97.7 | |
| c. Investment income earned on undisbursed balance | 0.9 | |
| 2. Cumulative Cash Transfers | | 16.5 |
| a. Awards, Management and Verification Fees | 5.7 | |
| c. Administrative Budget | 10.9 | |
| 3. Funds held in Trust (1) - (2) | | 82.1 |
| 4. Approved Amounts pending Cash Transfer | | 80.4 |
| a. Trustee/Secretariat set aside | 3.7 | |
| b. Approved Funds set aside for Pilots | 76.7 | |
| 5. Funds Available to Support Steering Committee Funding Decisions (3) - (4) | | 1.7 |

- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USD 82.1 million as of June 30, 2016.
- **Funds available for Trustee's Commitment** amounted to USD 1.7 million as of June 30, 2016.
- The table does not take into account contributions receivable from the signed Contribution Agreements/Arrangements.

⁶ Sub-totals in the table may not add up due to rounding.