



# AgResults Trust Fund

Financial Report

Prepared by the Trustee

*As of December 31, 2017*



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## Introduction

The information contained in this report is prepared based on financial information of the AgResults Trust Fund as of December 31, 2017.

AgResults was established in 2012 to enhance smallholder welfare and improve food security for the poor and vulnerable through the use of "pull mechanisms"<sup>1</sup> 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 December 31, 2017, (ii) the status of pledges and contributions, and (iii) the details of financial activities of the AgResults Trust Fund.

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<sup>1</sup> 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 December 31, 2017, five donors pledged USD eq. 105.8 million to the AgResults Trust Fund. The Trustee has received USD 102.7 million in cash from these donors.

### ***Investment Income:***

As of December 31, 2017, the AgResults Trust Fund earned investment income of approximately USD 2.4 million on the balance of the Trust Fund.

### ***Funding Approvals:***

As of December 31, 2017, AgResults Steering Committee has approved a total of USD 95.5 million in allocations. Of this amount, USD 80.3 million is for pilot awards, management and verification fees, and USD 15.2 million is for administrative budgets of the Secretariat and the Trustee through FY18.

### ***Cash Transfers:***

The Trustee has transferred a total amount of USD 29.4 million since inception up to December 31, 2017. Of this amount, USD 15 million was for pilot awards, management and verification fees, USD 11.1 million was for Secretariat services, and USD 3.37 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 December 31, 2017 amounted to USD 75.7 million.

***Funds Available*** to support AgResults Steering Committee funding decisions amount to USD 9.6 million as of December 31, 2017.



## 1. AgResults Trust Fund Summary – Inception through December 31, 2017

In USD millions

|   | Total             | % of Total  |
|---|-------------------|-------------|
| <b><u>Donor Pledges and Contributions</u></b> |                   |             |
| Contributions                                 | 102.7             | 97%         |
| Pledges                                       | 3.1 <sup>a/</sup> | 3%          |
| <b>Total Pledges and Contributions</b>        | <b>105.8</b>      | <b>100%</b> |

|  |              |             |
|--|--------------|-------------|
| <b><u>Cumulative Resources</u></b>       |              |             |
| <b><u>Resources received</u></b>         |              |             |
| Cash Receipts                            | 102.7        | 95%         |
| Investment Income earned                 | 2.4          | 2%          |
| <b>Total Resources Received</b>          | <b>105.1</b> | <b>97%</b>  |
| <b><u>Resources not yet received</u></b> |              |             |
| Contributions not yet paid               | -            | 0%          |
| Pledges                                  | 3.1          | 3%          |
| <b>Total resources not yet received</b>  | <b>3.1</b>   | <b>3%</b>   |
| <b>Total Potential Resources (A)</b>     | <b>108.3</b> | <b>100%</b> |

|   |             |             |
|---|-------------|-------------|
| <b><u>Cumulative Funding Decisions</u></b>                          |             |             |
| Projects and Fees   | 80.3        | 84%         |
| Administrative Budget   | 15.2        | 16%         |
| <b>Total Funding Decisions Net of Cancellations (B)</b>             | <b>95.5</b> | <b>100%</b> |
| <b>Total Potential Resources Net of Funding Decisions (A) - (B)</b> | <b>12.8</b> |             |

|  |            |  |
|--|------------|--|
| <b><u>Funds Available</u></b>  |            |  |
| Funds Held in Trust  | 75.7       |  |
| Amounts Pending Cash Transfers   | 66.1       |  |
| <b>Total Funds Available to Support AgResults Steering Committee decisions</b> | <b>9.6</b> |  |

a/ AUD 4 million pledge made by the Australian Government in November 2016.

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



## 2. Pledges and Contributions as of December 31, 2017

In millions

| Donor                        | Total Pledges Outstanding and Contributions Finalized <sup>c/</sup> |              |                      |  | Pledges Outstanding |                      | Contribution Agreements Finalized |                         |                      |                        |                      |
|------------------------------|---|--------------|----------------------|--|---------------------|----------------------|-----------------------------------|-------------------------|----------------------|------------------------|----------------------|
|                              | Currency  | Total Pledge | USDeq. <sup>a/</sup> |  | Amount              | USDeq. <sup>b/</sup> | Paid (Receipts)                   |                         |                      | Unpaid                 |                      |
|                              |   |              |                      |  |                     |                      | Total Pledge                      | Amount Paid in Currency | USDeq. <sup>c/</sup> | Amount Due in Currency | USDeq. <sup>b/</sup> |
| Australia                    | AUD   | 24.2         | 21.6                 |  | 4.0                 | 3.1                  | 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 <sup>d/</sup> | GBP   | 17.1         | 25.8                 |  | -                   | -                    | 17.1                              | 17.1                    | 25.8                 | -                      | -                    |
| United States                | USD   | 8.0          | 8.0                  |  | -                   | -                    | 8.0                               | 8.0                     | 8.0                  | -                      | -                    |
|                              |   |              | <u>105.8</u>         |  |                     | <u>3.1</u>           |                                   |                         | <u>102.7</u>         |                        | <u>-</u>             |

<sup>a/</sup> Represents (1) the actual US dollar value of paid-in cash contributions and (2) December 31, 2017 value of amount due in currency.  
<sup>b/</sup> Valued at exchange rates available on December 31, 2017.  
<sup>c/</sup> Represents the actual US dollar value of paid-in cash contributions.  
<sup>d/</sup> Excludes GBP 7.4 million which DFID has set aside for AgResults External Independent Evaluation. This amount is not managed by Trustee.

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

- The above table shows the total pledges<sup>2</sup> 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 December 31, 2017.
- The Contribution Arrangement with the United Kingdom was amended to reduce the contribution amount from GBP 17.3 million to GBP 17.1 million in December 2017.
- The total pledges and contributions to the AgResults Trust Fund now amount to USD eq. 105.8 million.
- As of December 31, 2017, the Trustee received USD 102.7 million in cash.

<sup>2</sup> Pledges represent donors' expression of intent to make a contribution.

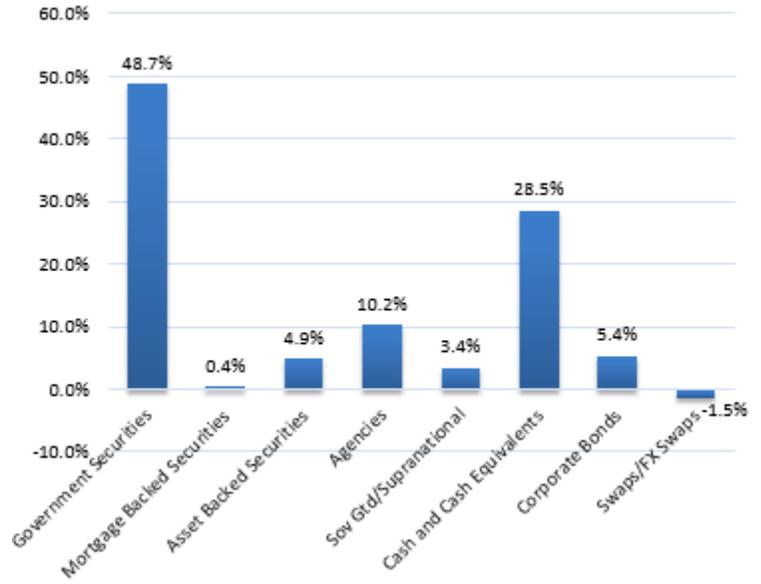


### 3. Asset Mix and Investment Income

#### ASSET MIX

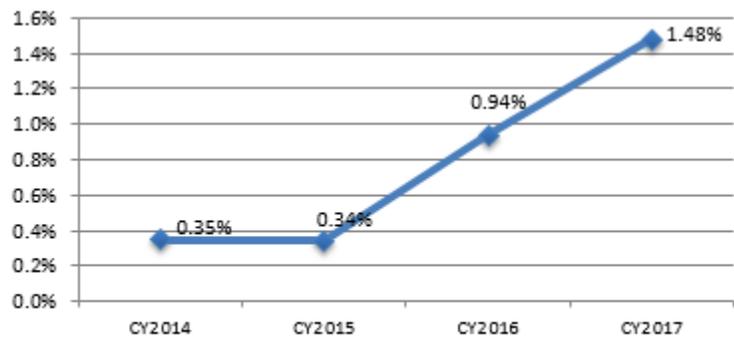
Funds held in trust by the World Bank (as the Trustee) are maintained in a commingled investment portfolio (the “Pool”) for all trust funds administered by the World Bank. On July 1, 2015, the World Bank formally adopted the Conditional Value-at-Risk (CVaR) measure as the risk constraint in the management 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. These hedges remain in place.*



#### 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 75.7 million at end of December 2017) has returned 1.48% through the calendar year to December 31, 2017 and earned approximately USD 2.4 million in investment income since inception.



\*non-annualized



#### 4. Cumulative Funding Decisions and Cash Transfers as of December 31, 2017

In USD millions

| Pilots                                | Themes   | Amount       |                |              |
|---------------------------------------|--|--------------|----------------|--------------|
|                                       |  | Approved     | Cash Transfers | Balance      |
| Aflasafe,<br>Nigeria                  | Pilot Management (including<br>Technical Assistance) | 3.37         | 2.72           | 0.66         |
|                                       | Pilot Verification (including Assay)                 | 2.47         | 1.57           | 0.89         |
|                                       | Awards   | 6.85         | 0.93           | 5.91         |
|                                       | <b>Sub-total</b>                                     | <b>12.69</b> | <b>5.22</b>    | <b>7.46</b>  |
| On-Farm<br>Storage, Kenya             | Pilot Management                                     | 2.76         | 2.15           | 0.61         |
|                                       | Pilot Verification                                   | 2.00         | 0.36           | 1.64         |
|                                       | Awards   | 7.75         | 0.00           | 7.75         |
| <b>Sub-total</b>                      | <b>12.51</b>   | <b>2.51</b>  | <b>9.99</b>    |              |
| Biofortified<br>Maize, Zambia         | Pilot Management                                     | 2.07         | 1.21           | 0.86         |
|                                       | Pilot Verification                                   | 0.40         | 0.10           | 0.30         |
|                                       | Awards   | 3.89         | 0.52           | 3.37         |
| <b>Sub-total</b>                      | <b>6.36</b>  | <b>1.83</b>  | <b>4.53</b>    |              |
| Legume Seeds,<br>Uganda               | Pilot Management                                     | 3.11         | 1.17           | 1.94         |
|                                       | Pilot Verification                                   | 1.43         | 0.44           | 0.99         |
|                                       | Awards   | 1.63         | -              | 1.63         |
| <b>Sub-total</b>                      | <b>6.17</b>  | <b>1.61</b>  | <b>4.56</b>    |              |
| GHG Emission<br>Reduction,<br>Vietnam | Pilot Management                                     | 1.70         | 0.50           | 1.20         |
|                                       | Pilot Verification                                   | 2.71         | 1.03           | 1.67         |
|                                       | Awards   | 3.62         | 0.06           | 3.57         |
| <b>Sub-total</b>                      | <b>8.03</b>  | <b>1.59</b>  | <b>6.44</b>    |              |
| Brucellosis                           | Pilot Management a/                                  | 4.46         | 1.39           | 3.07         |
|                                       | Pilot Verification                                   | 0.09         | -              | 0.09         |
|                                       | Awards   | 30.00        | 0.80           | 29.20        |
| <b>Sub-total</b>                      | <b>34.55</b>   | <b>2.19</b>  | <b>32.36</b>   |              |
| Administrative<br>Budgets             | Secretariat  | 11.84 b/     | 11.10          | 0.74         |
|                                       | Trustee  | 3.37 c/      | 3.37           | 0.00         |
|                                       | <b>Sub-total</b>                                     | <b>15.21</b> | <b>14.47</b>   | <b>0.74</b>  |
| <b>Total</b>                          |  | <b>95.50</b> | <b>29.42</b>   | <b>66.09</b> |

a/ Includes allocations and cash transfers for Andy Peters.  
b/ Secretariat fees through FY18  
c/ Trustee fees through FY18.

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

- As of December 31, 2017, AgResults Steering Committee has approved USD 95.5 million for pilot awards, management and verification fees, and administrative budgets for Secretariat and Trustee.
- A total amount of USD 29.42 million has been disbursed since inception.



## 5. Funds Available as of December 31, 2017

In USD millions

|   |       |                          |
|---|-------|--------------------------|
| <b>1. Cumulative Receipts</b>   |       | <b>105.1</b>             |
| a. Cash receipts and encashed promissory notes                                      | 102.7 |                          |
| c. Investment income earned on undisbursed balance                                  | 2.4   |                          |
| <b>2. Cumulative Cash Transfers</b>   |       | <b>29.4</b>              |
| a. Awards, Management and Verification Fees   | 15.0  |                          |
| c. Administrative Budget  | 14.5  |                          |
| <b>3. Funds held in Trust (1) - (2)</b>   |       | <u><b>75.7</b></u>       |
| <b>4. Approved Amounts pending Cash Transfer</b>                                    |       | <b>66.1</b>              |
| a. Trustee/Secretariat set aside  | 0.7   |                          |
| b. Approved Funds set aside for Pilots  | 65.3  |                          |
| <b>5. Funds Available to Support Steering Committee Funding Decisions (3) - (4)</b> |       | <u><u><b>9.6</b></u></u> |

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

- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USD 75.7 million as of December 31, 2017.
- **Funds available for Trustee's Commitment** amounted to USD 9.6 million as of December 31, 2017.