



AgResults Trust Fund

Financial Report

Prepared by the Trustee

As of June 30, 2014



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Introduction

The information contained in this report is prepared based on financial information of the AgResults Trust Fund as of June 30, 2014.

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

Two of the three initial pilots (On-Farm Storage and Aflsafe Pilot) are now operational. They focus on improving quality and reducing losses of maize in Sub-Saharan Africa, where maize is a vital crop in terms of both food security and income generation. The Zambia pilot has been postponed until the outcome of recent nutritional studies on the efficacy of biofortification is determined.

Business plans for three additional pilots: (i) Newcastle vaccine for poultry against a highly viral contagious Newcastle disease, (ii) Brucellosis Vaccine for cattle sheep and goats against brucellosis, and (iii) a pull mechanism for legume seeds have been approved by the Steering Committee. There is also targeted fertilizer research that is currently on-going.

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, 2014 and some of the recent developments, (ii) the status of pledges and contributions, and (iii) the details of financial activities of the AgResults Trust Fund.



AgResults Trust Fund Financial Summary as of June 30, 2014

Pledges and Contributions:

As of June 30, 2014, five donors pledged USDeq. 113.4 million to the AgResults Trust Fund. The Trustee has received USD 77.2 million in cash from these donors.

Investment Income:

As of June 30, 2014, the AgResults Trust Fund earned investment income of approximately USD 0.2 million on the balance of the Trust Fund.

Funding Approvals and Trustee Commitments:

As of June 30, 2014, AgResults Steering Committee has approved USD 26.3 million for projects and fees and USD 4.4 million to cover Secretariat and Trustee administrative services up to FY14. Following the Steering Committee's approval, Trustee has also set aside a total of USD 8.9 million, which includes Trustee costs in FY15 and the balance of allocations for the Secretariat costs from FY15 to FY18.¹

Cash Transfers:

A total amount of USD 5.1 million had been transferred since inception including: USD 0.91 million for the Trustee services, USD 3.5 million for Secretariat services, USD 0.4 million for the Aflasafe Pilot –Nigeria, and USD 0.25 million for the On-Farm Storage Pilot – Kenya.

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

Funds Held in Trust² as of June 30, 2014 amounted to USD 37.8 million.

¹ The figure is subject to change as contract revision negotiation is ongoing.

² Funds Held in Trust represent balance of cash, investments and unencashed promissory notes (if any) as of the reporting date.



In USD millions

AgResults Trust Fund Summary – Inception through June 30, 2014

	Total	% of Total
<u>Donor Pledges and Contributions</u>		
Pledges	113.4	100%
Contributions	-	
Total Pledges and Contributions	113.4	100%

<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	77.2	68%
Investment Income earned	0.2	0%
Total Resources Received	77.4	68%
<u>Resources not yet received</u>		
Contributions not yet paid	36.2	32%
Pledges	-	0%
Total resources not yet received	36.2	32%
Total Potential Resources (A)	113.6	100%

<u>Cumulative Funding Decisions</u>		
Projects and Fees	26.3	66%
Administrative Budget	13.3	34%
Total Funding Decisions Net of Cancellations (B)	39.6	100%
Total Potential Resources Net of Funding Decisions (A) - (B)	74.0	

<u>Funds Available</u>		
Funds Held in Trust	72.2	
Amounts Pending Cash Transfers	-	
Total Funds Available to Support AgResults Steering Committee decisions	37.8	



1. Pledges and Contributions

In USD millions

AgResults Trust Fund
Status of Pledges and Contributions as of
June 30, 2014

1	Total Pledges Outstanding and Contributions Finalized ^{c/}			Pledges Outstanding		Contribution Agreements Finalized				
	2	3 = 5+7	4 = 6+9+11	5	6	7 = 8+10	Paid (Receipts)		Unpaid	
							8	9	10	11
Donor	Currency	Total Pledge	USDeq.	Amount	USDeq.	Total Pledge	Amount Paid in Currency	USDeq. ^{b/}	Amount Due in Currency	USDeq. ^{a/}
Australia	AUD	20.2	18.4	-	-	20.2	20.2	18.4	-	-
Gates Foundation	USD	15.0	15.0	-	-	15.00	13.25	13.25	1.75	1.75
Canada	CAD	38.8	36.7	-	-	38.8	28.8	27.4	10.0	9.3
United Kingdom	GBP	21.0	35.2	-	-	21.0	6.3	10.1	14.7	25.1
United States	USD	8.0	8.0	-	-	8.0	8.0	8.0	-	-
			<u>113.4</u>		<u>-</u>			<u>77.2</u>		<u>36.2</u>

a/ Valued at the exchange rates available on 06/30/2014
b/ Represents the actual US dollar value of paid-in cash contributions including interest accrued.

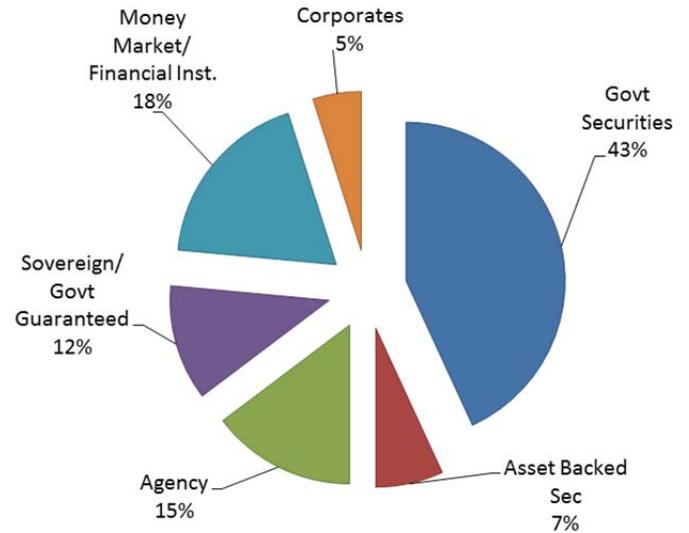
- The above table shows the total pledges outstanding and contributions finalized. (Pledges represent donors' expression of intent to make a contribution).
- The total pledges to the AgResults now amount to USDeq. 113.4 million.
- As of June 30, 2014, the Trustee had entered into contribution agreements with five donors and received USD 77.2 million in cash.
- Unpaid donor contributions amount to USDeq. 36.2 million.



2. Asset Mix and Investment Income

ASSET MIX

The undisbursed cash balance of the AgResults Trust Fund is maintained in a commingled investment portfolio (“Pool”) for all trust funds managed 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 Pool is managed actively and conservatively with capital preservation as the over-arching objective.



INVESTMENT RETURNS

The AgResults Trust Fund liquid portfolio (which totaled approximately USD 34 million as of June 30, 2014) earned approximately USD 0.2 million in investment income since inception.

3. Cumulative Funding Decisions, Trustee Commitments and Cash Transfers

In USD millions

- As of June 30, 2014, AgResults Steering Committee has approved, and the Trustee has committed, USD 26.3 million for projects and fees, and USD 4.4 million to cover Secretariat and Trustee administrative services up to FY14.
- Following the Steering Committee’s approval, Trustee has also set aside a total of USD 8.9 million, which includes Trustee costs in FY15 and the balance of allocations for the Secretariat costs from FY15 to FY18.³
- A total amount of USD 5.1 million has been disbursed since inception.

³ The figure is subject to change as contract revision negotiation is ongoing.



4. Funds Available as of June 30, 2014

AgResults Trust Fund
Schedule of Funds Available as of
June 30, 2014

(in USDeq.)

1. Cumulative Receipts		77.4
a. Cash receipts and encashed promissory notes	77.2	
c. Investment income earned on undisbursed balance	0.2	
2. Cumulative Cash Transfers		5.1
a. Projects and Fees	0.7	
c. Administrative Budget	4.4	
3. Funds held in Trust (1) - (2)		<u>72.2</u>
4. Approved Amounts pending disbursement		34.5
a. Trustee/Secretariat Committed	8.9	
b. Approved Funds Set aside for Pilots	25.6	
5. Funds Available to Support Steering Committee Funding Decisions (3) - (4)		<u><u>37.8</u></u>

Updates since July 1, 2014

- Since July 1, 2014, the Trustee has disbursed USD 0.18 million for Secretariat services and USD 0.03 million for the Aflasafe Pilot in Nigeria.
- The Trustee has also received contribution payments of USD 0.5 million from the Bill and Melinda Gates Foundation.