



AgResults Trust Fund

Financial Report

Prepared by the Trustee

As of June 30, 2019



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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, 2019.

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, 2019, (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, 2019, five donors pledged USD eq. 105.7 million to the AgResults Trust Fund. The Trustee has received USD 105.7 million in cash from these donors.

Investment Income:

As of June 30, 2019, the AgResults Trust Fund earned investment income of approximately USD 5 million on the balance of the Trust Fund.

Funding Approvals:

As of June 30, 2019, AgResults Steering Committee has approved a total of USD 92.46 million in allocations including the two new pilots – Foot and Mouth Vaccine and Dairy Productivity Project in Tanzania. Of this amount, USD 67.03 million is for pilot awards, management and verification fees, and USD 25.43 million is for administrative budgets of the Secretariat and the Trustee through FY19.

Cash Transfers:

The Trustee has transferred a total amount of USD 47.12 million since inception up to June 30, 2019. Of this amount, USD 29.17 million was for pilot awards, management and verification fees, USD 13.99 million was for Secretariat services, and USD 3.96 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, 2019 amounted to USD 63.6 million.

Funds Available to support AgResults Steering Committee funding decisions amount to USD 18.3 million as of June 30, 2019.



1. AgResults Trust Fund Summary – Inception through June 30, 2019

In USD millions

	Total	% of Total
<u>Donor Pledges and Contributions</u>		
Contributions	105.7	100%
Pledges	-	0%
Total Pledges and Contributions	105.7	100%

<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	105.7	95%
Investment Income earned	5.0	5%
Total Resources Received	110.7	100%
<u>Resources not yet received</u>		
Contributions not yet paid	-	0%
Pledges	-	0%
Total resources not yet received	-	0%
Total Potential Resources (A)	110.7	100%

<u>Cumulative Funding Decisions</u>		
Projects and Fees	67.0	72%
Administrative Budget	25.4	28%
Total Funding Decisions Net of Cancellations (B)	92.5	100%
Total Potential Resources Net of Funding Decisions (A) - (B)	18.3	

<u>Funds Available</u>		
Funds Held in Trust	63.6	
Amounts Pending Cash Transfers	45.3	
Total Funds Available to Support AgResults Steering Committee decisions	18.3	

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



2. Pledges and Contributions as of June 30, 2019

In millions

Donor	Total Pledges Outstanding and Contributions Finalized c/			Pledges Outstanding		Contribution Agreements Finalized				
	Currency	Total		Amount	USDeq.	Paid (Receipts)			Unpaid	
		Currency	Pledge			USDeq. a/	Total Pledge	Amount Paid in Currency	USDeq. b/	Amount Due in Currency
Australia	AUD	24.2	21.5	-	-	24.2	24.2	21.5	-	-
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 /c	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>105.7</u>		<u>-</u>			<u>105.7</u>		<u>-</u>

a/ Represents (1) the actual US dollar value of paid-in cash contributions and (2) June 30, 2019 value of amount due in currency.
b/ Represents the actual US dollar value of paid-in cash contributions.
c/ 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 pledges² 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, 2019.
- The total pledges and contributions to the AgResults Trust Fund now amount to USD eq. 105.7 million.
- As of June 30, 2019, the Trustee received USD 105.7 million in cash.

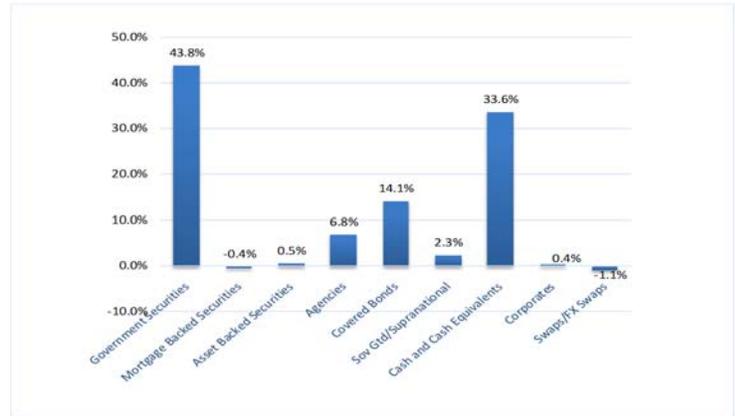
² Pledges represent donors' expression of intent to make a contribution.



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.



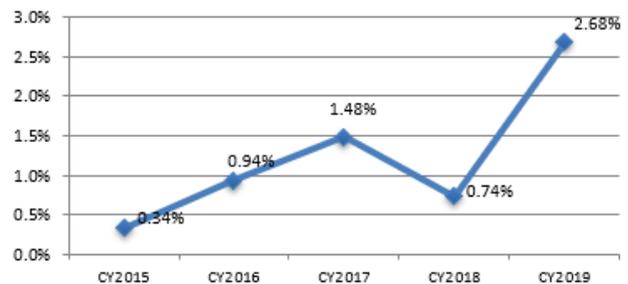
Note (a): Covered Bonds are securities issued by banks and mortgage institutions which provide additional protective layer to the investors wherein the investor has recourse to the issuer and collateral. In the June 2018 report, Covered Bonds were clubbed under Govt Securities.

Note (b) - Mortgage Backed Securities allocation includes ‘To be Announced’ contracts, for which Mark-to-Market is used to calculate the value of the position, which as a result could be negative.

Note (c) - The negative position in swaps is primarily due to changes in foreign currency exchange (FX) rates in cross currency basis swaps.

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 63.6 million at end of June 2019) has returned 2.68% through the calendar year to June 30, 2019 and earned approximately USD 5 million in investment income since inception.



*non-annualized



4. Cumulative Funding Decisions and Cash Transfers as of June 30, 2019

In USD millions

Pilots	Themes	Amount Approved	Cash Transfers	Balance
Aflasafe, Nigeria	Pilot Management (<i>including Technical Assistance</i>)	4.58	3.86	0.72
	Pilot Verification (<i>including Assay</i>)	3.23	2.12	1.11
	Awards	4.88	2.79	2.08
	Sub-total	12.69	8.78	3.91
On-Farm Storage, Kenya	Pilot Management	2.24	2.24	0.00
	Pilot Verification	0.63	0.63	0.00
	Awards	6.25	6.25	0.00
Sub-total	9.11	9.11	0.00	
Biofortified Maize, Zambia	Pilot Management	1.64	1.64	0.00
	Pilot Verification	0.25	0.25	0.00
	Awards	0.61	0.61	0.00
Sub-total	2.50	2.50	0.00	
Legume Seeds, Uganda	Pilot Management	1.74	1.74	0.00
	Pilot Verification	0.83	0.83	0.00
	Awards	0.00	-	0.00
Sub-total	2.57	2.57	0.00	
GHG Emission Reduction, Vietnam	Pilot Management	2.10	1.11	0.99
	Pilot Verification	2.57	1.90	0.67
	Awards	3.36	0.16	3.20
Sub-total	8.03	3.16	4.86	
Foot and Mouth Vaccine	Pilot Management	4.76	0.00	4.76
	Pilot Verification	0.92	0.00	0.92
	Awards	12.00	0.00	12.00
Sub-total	17.68	0.00	17.68	
Dairy Productivity Project, Tanzania	Pilot Management	1.49	0.00	1.49
	Pilot Verification	1.17	0.00	1.17
	Awards	2.25	0.00	2.25
Sub-total	4.90	0.00	4.90	
Brucellosis	Pilot Management a/	4.55	2.05	2.51
	Pilot Verification	0.00	-	0.00
	Awards	5.00	1.00	4.00
Sub-total	9.55	3.05	6.51	
Administrative Budgets	Secretariat	21.47 b/	13.99	7.48
	Trustee	3.96 c/	3.96	0.00
Sub-total	25.43	17.95	7.48	
Total		92.46	47.12	45.34

a/ Includes allocations and cash transfers for Andy Peters.
b/ Secretariat fees through CY18.
c/ Trustee fees through FY19.

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

- As of June 30, 2019, AgResults Steering Committee has approved USD 92.46 million for pilot awards, management and verification fees, and administrative budgets for Secretariat and Trustee.
- A total amount of USD 47.12 million has been disbursed since inception.



5. Funds Available as of June 30, 2019

In USD millions

1. Cumulative Receipts		110.7
a. Cash receipts and encashed promissory notes	105.7	
c. Investment income earned on undisbursed balance	5.0	
2. Cumulative Cash Transfers		47.1
a. Awards, Management and Verification Fees	29.2	
c. Administrative Budget	17.9	
3. Funds held in Trust (1) - (2)		63.6
4. Approved Amounts pending Cash Transfer		45.3
a. Trustee/Secretariat set aside	7.5	
b. Approved Funds set aside for Pilots	37.9	
5. Funds Available to Support Steering Committee Funding Decisions (3) - (4)		18.3

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 63.6 million as of June 30, 2019.
- **Funds available for Trustee's Commitment** amounted to USD 18.3 million as of June 30, 2019.