



# AgResults Trust Fund

Financial Report

Prepared by the Trustee

*As of December 31, 2020*



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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, 2020.

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, 2020, (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, 2020, 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 December 31, 2020, the AgResults Trust Fund earned investment income of approximately USD 6.4 million on the balance of the Trust Fund.

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

As of December 31, 2020, AgResults Steering Committee has approved a total of USD 103.95 million in allocations. Of this amount, USD 76.26 million is for pilot awards, management and verification fees, and USD 27.7 million is for administrative budgets of the Secretariat and the Trustee.

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

The Trustee has transferred a total amount of USD 59.29 million since inception up to December 31, 2020. Of this amount, USD 35.26 million was for pilot awards, management and verification fees, USD 18.89 million was for Secretariat services, and USD 5.14 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, 2020 amounted to USD 52.8 million.

***Funds Available*** to support AgResults Steering Committee funding decisions amount to USD 8.1 million as of December 31, 2020.



## 1. AgResults Trust Fund Summary – Inception through December 31, 2020

In USD millions

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

<b>Cumulative Resources</b>		
<u>Resources received</u>		
Cash Receipts	105.7	94%
Investment Income earned	6.4	6%
<b>Total Resources Received</b>	<b>112.1</b>	<b>100%</b>
<u>Resources not yet received</u>		
Contributions not yet paid	-	0%
Pledges	-	0%
<b>Total resources not yet received</b>	<b>-</b>	<b>0%</b>
<b>Total Potential Resources (A)</b>	<b>112.1</b>	<b>100%</b>

<b>Cumulative Funding Decisions</b>		
Projects and Fees	76.3	73%
Administrative Budget	27.7	27%
<b>Total Funding Decisions Net of Cancellations (B)</b>	<b>103.9</b>	<b>100%</b>
<b>Total Potential Resources Net of Funding Decisions (A) - (B)</b>	<b>8.1</b>	

<b>Funds Available</b>	
Funds Held in Trust	52.8
Amounts Pending Cash Transfers	44.7
<b>Total Funds Available to Support AgResults Steering Committee decisions</b>	<b>8.1</b>

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



## 2. Pledges and Contributions as of December 31, 2020

In USD 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.	Paid (Receipts)			Unpaid	
							Total Pledge	Amount Paid in Currency	USDeq. <sup>b/</sup>	Amount Due in Currency	USDeq.
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 <sup>c/</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>105.7</u>		<u>-</u>			<u>105.7</u>		<u>-</u>	

<sup>a/</sup> Represents (1) the actual US dollar value of paid-in cash contributions and (2) December 31, 2020 value of amount due in currency.  
<sup>b/</sup> Represents the actual US dollar value of paid-in cash contributions.  
<sup>c/</sup> Excludes GBP 15 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, 2020.
- The total pledges and contributions to the AgResults Trust Fund amount to USD eq. 105.7 million. Trustee has received the full amount of the contributions as of May 2018.

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

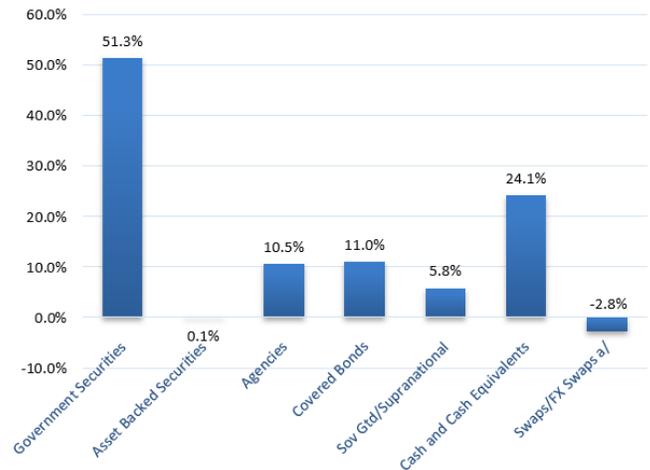


### 3. Asset Mix and Investment Income

#### 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. Within this pool, the AgResults funds are invested in a short term, high quality fixed income portfolio with an investment horizon of up to one year.

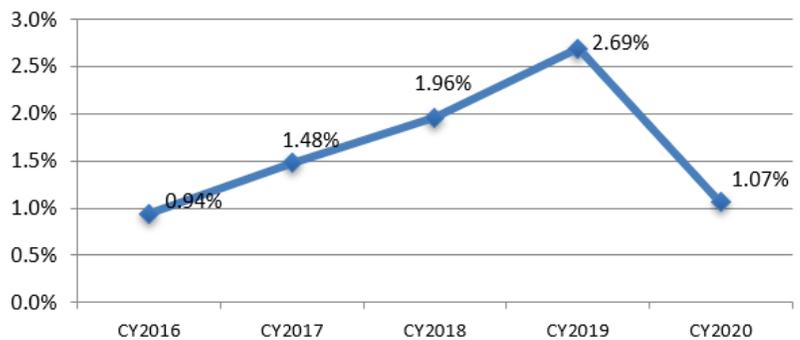
On July 1, 2015, the World Bank formally adopted the Conditional Value-at-Risk (CVaR) measure as the risk constraint in the management of trust funds. Funds are managed such that the expected maximum loss, as measured by the CVaR, at the portfolio’s investment horizon is not to exceed 1% with 99% confidence.



*a 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.*

#### INVESTMENT INCOME

The AgResults funds are invested in accordance with the investment strategy established for all trust funds administered by the World Bank. The AgResults Trust Fund portfolio (which totaled approximately USD 55.6 million at end of June 2020) has returned 1.07% through the calendar year to December 31, 2020 and earned approximately USD 6.4 million in investment income since inception.





## 4. Cumulative Funding Decisions and Cash Transfers as of December 31, 2020

In USD millions

Pilots	Themes	Amount Approved	Cash Transfers	Balance
Atlasafe, Nigeria	Pilot Management (including Technical Assistance)	4.31	4.31	0.00
	Pilot Verification (including Assay)	2.56	2.56	0.00
	Awards	3.01	3.01	0.00
	<b>Sub-total</b>	<b>9.89</b>	<b>9.89</b>	<b>0.00</b>
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
	<b>Sub-total</b>	<b>9.11</b>	<b>9.11</b>	<b>0.00</b>
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
	<b>Sub-total</b>	<b>2.50</b>	<b>2.50</b>	<b>0.00</b>
Legume Seeds, Uganda	Pilot Management	1.74	1.74	0.00
	Pilot Verification	0.83	0.83	0.00
	Awards	0.00	0.00	0.00
	<b>Sub-total</b>	<b>2.57</b>	<b>2.57</b>	<b>0.00</b>
GHG Emission Reduction, Vietnam	Pilot Management	2.10	1.60	0.50
	Pilot Verification	2.57	2.51	0.06
	Awards	3.36	1.66	1.70
	<b>Sub-total</b>	<b>8.03</b>	<b>5.77</b>	<b>2.26</b>
Brucellosis	Pilot Management a/	4.55	2.66	1.89
	Pilot Verification	0.00	0.00	0.00
	Awards	5.00	1.00	4.00
	<b>Sub-total</b>	<b>9.55</b>	<b>3.66</b>	<b>5.89</b>
Foot and Mouth Vaccine	Pilot Management	4.76	1.06	3.70
	Pilot Verification	0.92	0.00	0.92
	Awards	12.00	0.00	12.00
	<b>Sub-total</b>	<b>17.68</b>	<b>1.06</b>	<b>16.62</b>
Dairy Productivity Project, Tanzania	Pilot Management	1.49	0.40	1.09
	Pilot Verification	1.17	0.12	1.04
	Awards	2.25	0.00	2.25
	<b>Sub-total</b>	<b>4.90</b>	<b>0.52</b>	<b>4.38</b>
Aquaculture Prize Project, Indonesia	Pilot Management	0.99	0.15	0.84
	Pilot Verification	0.67	0.00	0.67
	Awards	3.57	0.00	3.57
	<b>Sub-total</b>	<b>5.23</b>	<b>0.15</b>	<b>5.08</b>
Storage-Based Finance Project, Senegal	Pilot Management	2.04	0.034	2.01
	Pilot Verification	1.36	0.00	1.36
	Awards	3.40	0.00	3.40
	<b>Sub-total</b>	<b>6.80</b>	<b>0.034</b>	<b>6.77</b>
Administrative Budgets	Secretariat	22.55 b/	18.89	3.66
	Trustee	5.14 c/	5.14	0.00
	<b>Sub-total</b>	<b>27.69</b>	<b>24.03</b>	<b>3.66</b>
<b>Total</b>		<b>103.95</b>	<b>59.29</b>	<b>44.66</b>

a/ Includes allocations and cash transfers for Andy Peters.

b/ Secretariat budget includes allocations for base years through June 2022 and tail-end period through June 2027.

c/ Trustee budget through FY21.

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

- As of December 31, 2020, AgResults Steering Committee has approved USD 103.95 million for pilot awards, management and verification fees, and administrative budgets for Secretariat and Trustee.
- A total amount of USD 59.29 million has been disbursed since inception.



## 5. Funds Available as of December 31, 2020

In USD millions

<b>1. Cumulative Receipts</b>		<b>112.1</b>
a. Cash receipts and encashed promissory notes	105.7	
c. Investment income earned on undisbursed balance	6.4	
<b>2. Cumulative Cash Transfers</b>		<b>59.3</b>
a. Awards, Management and Verification Fees	35.3	
c. Administrative Budget	24.0	
<b>3. Funds held in Trust (1) - (2)</b>		<b>52.8</b>
<b>4. Approved Amounts pending Cash Transfer</b>		<b>44.7</b>
a. Trustee/Secretariat set aside	3.7	
b. Approved Funds set aside for Pilots	41.0	
<b>5. Funds Available to Support Steering Committee Funding Decisions (3) - (4)</b>		<b>8.1</b>

*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 52.8 million as of December 31, 2020, a reduction of USD 2.8 million compared to USD 55.6 million as of June 30, 2020. The reduction was due to:
  - cash transfers for various pilot recipients, amounting to USD 2.9 million which was disbursed during the period July 1, 2020 to December 31, 2020;
  - offset by investment income of USD 0.1 million earned from funds held in trust during the same period.
- **Funds available for Trustee's Commitment** amounted to USD 8.1 million as of December 31, 2020, a reduction of USD 6.7 million compared to USD 14.8 million as of June 30, 2020. The reduction was due to funds set aside for the Senegal Storage-Based Finance Pilot.