



The period from July 1, 2019 to June 30, 2022

# **Global Agriculture and Food Security Program (GAFSP)**

Administered by the International Bank for Reconstruction and Development as Trustee

**World Bank Reference: TF069015**

**Independent Auditor's Report and Statements of Receipts,  
Disbursements and Fund Balance**

**The World Bank Group**  
Trust Funds and Loans Department  
Finance and Accounting Vice Presidency  
[www.worldbank.org](http://www.worldbank.org)

## INDEPENDENT AUDITOR'S REPORT

International Bank for Reconstruction and Development as Trustee of the Global Agriculture and Food Security Program – TF069015

### Opinion

We have audited the Statements of receipts, disbursements, and fund balance of the Global Agriculture and Food Security Program – TF069015 (the "Trust Fund"), administered by the International Bank for Reconstruction and Development as Trustee (the "Trustee"), for the period from July 1, 2019 to June 30, 2022, and for the period from April 21, 2010 ("Date of Inception") to June 30, 2022, and the related notes to the statements (the "Statements").

In our opinion, the accompanying Statements present fairly, in all material respects, the receipts, disbursements, and fund balance of the Trust Fund for the period from July 1, 2019 to June 30, 2022 and for the period from April 21, 2010 ("Date of Inception") to June 30, 2022, in accordance with the modified cash basis of accounting described in Note 2 to the Statements.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statements section of our report. We are independent of the Trust Fund and Trustee, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits, which include relevant ethical requirements in the United States of America and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis of Accounting

We draw attention to Note 2 of the Statements, which describes the basis of accounting. The Statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America or International Financial Reporting Standards as issued by the International Accounting Standards Board. Our opinion is not modified with respect to this matter.

### Responsibilities of Management and Those Charged With Governance for the Statements

Management is responsible for the preparation and fair presentation of the Statements in accordance with the modified cash basis of accounting described in Note 2 to the Statements and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the Statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Trust Fund's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Statements**

Our objectives are to obtain reasonable assurance about whether the Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and ISAs will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Statements.

In performing an audit in accordance with GAAS and ISAs, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Deloitte & Touche LLP*

September 26, 2022

# STATEMENTS OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

Expressed in U.S. dollars

	Notes	July 1, 2019 to June 30, 2022	April 21, 2010 (date of inception) to June 30, 2022
Contributions	4	\$ 301,302,693	\$ 1,638,108,833
Net investment income	5	8,694,452	53,179,420
Investment income earned on GAFSP funds	6	5,170,599	5,170,599
<b>Total receipts</b>		<b>315,167,744</b>	<b>1,696,458,852</b>
Project disbursements	7	241,027,764	1,138,377,047
Project supervision fees	8	10,087,673	66,356,537
Administrative budget disbursements, net	9	4,497,812	52,315,198
<b>Total disbursements</b>		<b>255,613,249</b>	<b>1,257,048,782</b>
Excess of receipts over disbursements before foreign currency adjustment		59,554,494	439,410,070
Foreign currency adjustment		(2,109)	(2,109)
Excess of receipts over disbursements after foreign currency adjustment		59,552,385	439,407,961
<b>Fund balance:</b>			
Beginning of period		379,855,576	-
<b>End of period</b>		<b>\$ 439,407,961</b>	<b>\$ 439,407,961</b>
Fund balance consists of:			
<b>Trust Fund's share of the cash and investments in the Pool</b>	3	<b>\$ 439,407,961</b>	<b>\$ 439,407,961</b>

The accompanying notes are an integral part of this Statements of Receipts, Disbursements and Fund Balance.

## NOTES TO THE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2022

*All amounts expressed in U.S. dollars unless otherwise noted*

### Note 1 - Organization

The Global Agriculture and Food Security Program (GAFSP) was established as a mechanism to manage the G-20's increased support to agriculture and food security following pledges made by the G8+ at L'Aquila, Italy in July 2009, and in response to the explicit request from the G20 in Pittsburgh, PA in September 2009. GAFSP aims to improve the income and food security of poor people in developing countries through improved public and private sector investment in agriculture and rural sectors that is country owned and led, by filling existing financing gaps in ongoing bilateral and multilateral assistance.

GAFSP operates through two windows: the public sector window and the private sector window. The public sector window focuses on supporting proposals designed and led by recipient countries to increase agricultural productivity, food security, and income. The private sector window provides long and short term loans, credit guarantees, and equity to support private sector activities to improve agricultural development and food security.

A multi donor trust fund (the Trust Fund) funded by several donors (Donors) was established on April 21, 2010 (date of inception, herein after referred to as 'Inception') for the activities of the public sector window to be administered by the International Bank for Reconstruction and Development (IBRD) as Trustee. The activities of the private sector window are managed by the International Finance Corporation (IFC) and do not form part of the Trust Fund.

The Trust Fund is under the authority and oversight of a steering committee (Steering Committee) that oversees the operations and activities of the GAFSP and acts as the decision-making body of the GAFSP. For review of incoming technical proposals and related grant allocation purposes, the Steering Committee is advised by an external Technical Advisory Committee (TAC) which provides technical inputs for decisions to be taken by the Steering Committee. Further, a Coordinating Unit (CU) located within the Agriculture Food Global Practice of IBRD, but distinct from IBRD's role as Trustee, has been established to support the work of the Steering Committee and the TAC.

The Trust Fund's activities are executed by several supervising entities (the Entities), selected by the Steering Committee (refer to Note 6, for the listing of the Entities). In addition to its role as Trustee, IBRD acts as one of the Entities and carries out in-depth impact evaluations for GAFSP-financed investment projects along with the other Entities.

## **NOTES TO THE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE**

**June 30, 2022**

*All amounts expressed in U.S. dollars unless otherwise noted*

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The Trust Fund holds funds and then disburses them to the Entities for supporting recipients in implementing the projects as instructed by the Steering Committee. The Trustee has no fiduciary responsibility subsequent to transferring funds to the entities. The Trustee also manages the investments of the Trust Fund balances and provides accounting and financial reporting services for the Trust Fund.

This Statements of Receipts, Disbursements and Fund Balance (Statements) reports solely upon the receipts, disbursements and fund balance of the Trust Fund, and does not include the activities or financial position of the Steering Committee, TAC, CU or the Entities.

In accordance with the agreements with the donor (the Agreements), the Trust Fund requires an audit at the end of every fiscal year. However, due to limited financial activity during the fiscal years ended June 30, 2010, 2011, and 2012, the Steering Committee, reflecting the consent of the Donors waived the audit requirements for those years and the first Statements was prepared for the period from Inception to June 30, 2013. Subsequently, the Steering Committee, reflecting the consent of the Donors waived the audit requirement for every fiscal year and agreed to conduct the audit every three years. Accordingly, the Statements were prepared for a three year period starting July 1, 2013.

### **Note 2 - Significant accounting policies**

The Statements of Receipts, Disbursements and Fund Balance (the Statements) and accompanying Notes have been prepared on the cash receipts and disbursements basis of accounting, modified to record the Trust Fund's share in the pooled cash and investments at fair value (modified cash basis of accounting). Accordingly, net investment income includes the Trust Fund's share of realized and unrealized gains/losses, and interest income earned by the Pool (see Note 3 and 5).

The modified cash basis of accounting is a comprehensive basis of accounting other than Accounting Principles Generally accepted in the United States of America (U.S. GAAP) or International Financial Reporting Standards (IFRS); therefore, the Statements are not intended to be a presentation in conformity with U.S. GAAP nor IFRS.

Receipts, with the exception of net investment income, as described above and in Note 5, are reported when collected (i.e., when recorded in the Trust Fund) rather than when pledged/earned, and disbursements are reported when paid (i.e., when recorded in the Trust Fund). For example, the following transactions may be incurred in one period and reported in a different period: (1) contributions not credited to the Trust Fund at the period end date due to timing or other reasons, (2) disbursements, including approved grant payments, not

## NOTES TO THE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2022

All amounts expressed in U.S. dollars unless otherwise noted

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recorded in the Trust Fund at period end due to timing or other reasons; and (3) any refunds of previous disbursements deemed by the Trustee, to be ineligible in accordance with the Trust Fund Agreements.

### *Treatment of foreign currency transactions*

The Statements are presented in U.S. dollars, which is the Trust Fund's functional and presentation currency. Transactions in currencies other than U.S. dollars are reported as follows:

- (i) Contributions received by the Trust Fund in various currencies are converted into U.S. dollars by IBRD, as Trustee, upon receipt of funds. Foreign currency transaction gains or losses, if any, on such conversion are borne by the Trust Fund and are reported under contributions.
- (ii) Disbursements to Agencies in currencies other than U.S. dollars are reported at the rates of exchange prevailing on the date of the transaction and therefore do not result in any exchange gain/loss to the Trust Fund.
- (iii) At the end of each reporting period, fund balances that are not denominated in U.S. dollars are revalued at the market rates of exchange prevailing at the end of the respective reporting period. Any adjustment resulting from currency exchange rate changes is recognized as foreign currency adjustment in these Statements.

### *Use of estimates*

The preparation of the Statements requires management to make estimates and assumptions based upon information available as of the date of these Statements. Actual results could differ from these estimates. Management makes estimates and assumptions in determining the amounts to be recorded in the fair value of modified cash basis trust fund's share of the pooled cash and investments (see Notes 3 and 5)

### **Note 3 - Trust Fund's share of the cash and investments in the Pool**

Amounts paid into the Trust Fund but not yet disbursed, are managed by IBRD, which maintains an investment portfolio (the Pool) for all of the trust funds administered by IBRD, IDA, the International Finance Corporation, Multilateral Investment Guarantee Agency, and the International Centre for Settlement of Investment Disputes (collectively, the World Bank Group). IBRD, on behalf of the World Bank Group, maintains all trust fund assets separate and apart from the funds of the World Bank Group.

## **NOTES TO THE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE**

**June 30, 2022**

*All amounts expressed in U.S. dollars unless otherwise noted*

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The Pool is a trading portfolio and is reported at fair value, with realized and unrealized gains/losses included in net investment income. The share in the pooled cash and investments represents the Trust Fund's share of the Pool's fair value at the end of each reporting period. The Trust Fund's share in the Pool is not traded in any market; however, the underlying assets within the Pool are reported at fair value.

Generally, the Pool includes cash and liquid financial instruments such as government and agency obligations, time deposits, money market instruments, and asset-backed securities. Additionally, the Pool also includes other financial instruments such as equity securities, derivative contracts such as currency forward contracts, currency swaps, interest rate swaps, and contracts to purchase or sell mortgage-backed securities to-be-announced (TBAs). Payables and receivables associated with the investment activities are also included in the Pool. The Pool may also include securities pledged as collateral under repurchase agreements, receivables from resale agreements and derivatives for which it has accepted collateral.

The Pool is divided into sub-portfolios to which allocations are made based on fund-specific investment horizons, risk tolerances and/or other eligibility requirements for trust funds with common characteristics as determined by IBRD, on behalf of the World Bank Group. An individual sub-portfolio may hold all or a portion of the types of financial instruments held by the Pool.

The Trust Fund's share of the cash and investments in the Pool has a fair value of \$439,407,961 as of June 30, 2022.

## NOTES TO THE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2022

All amounts expressed in U.S. dollars unless otherwise noted

### Note 4 - Contributions

The amounts committed by the Donors and received by the Trust Fund for the period from July 1, 2019 to June 30, 2022 and for the period from Inception to June 30, 2022, are as follows:

Donor	April 21, 2010 (date of inception) to June 30, 2022		July 1, 2019 to June 30, 2022		April 21, 2010 (date of inception) to June 30, 2022	
	Amounts Committed	Amounts received	Amounts in US\$	Amounts received	Amounts in US\$	
Australia	A\$ 116,000,000	A\$ 10,000,000	\$ 7,400,230	A\$ 116,000,000	\$ 110,033,780	
Bill and Melinda Gates Foundation	US\$ 80,000,000	US\$ 10,000,000	10,000,000	US\$ 80,000,000	80,000,000	
Canada	Can\$ 205,000,000	-	-	Can\$ 205,000,000	201,527,776	
Germany	€ 316,000,000	€ 160,011,532	189,285,346	€ 241,534,774	281,555,924	
Ireland	€ 1,500,000	-	-	€ 1,500,000	1,999,850	
Norway	NOK 462,266,750	NOK 310,196,750	35,860,449	NOK 310,196,750	35,860,449	
Republic of Korea	₩ 57,414,400,000	-	-	US\$ 53,852,014 *	53,852,014	
	US\$ 30,000,000	-	-	US\$ 30,000,000	30,000,000	
Spain	€ 75,000,000	€ 5,000,000	5,668,000	€ 75,000,000	99,867,000	
United Kingdom	£ 42,500,000	-	-	£ 42,500,000	62,246,550	
	US\$ 38,000,000	US\$ 38,000,000	38,000,000	US\$ 38,000,000	38,000,000	
United States	US\$ 798,165,490	US\$ 15,088,668	15,088,668	US\$ 643,165,490	643,165,490	
<b>Total</b>			<b>\$301,302,693</b>		<b>\$1,638,108,833</b>	

\* represents US\$ equivalent of ₩ 57,414,400,000.

### Note 5 - Net investment income

Net investment income consists of the Trust Fund's allocated share of the following: interest income earned by the Pool, realized gains/losses from sales of securities, and unrealized gains/losses resulting from recording the assets held by the Pool at fair value. Net investment income comprises investment income earned by this Trust Fund and investment income earned on GAFSP funds under administration by IBRD.

### Note 6 - Investment income earned on GAFSP funds

As part of normal operations, the Trust Fund disburses funds to the Entities in order for them to execute GAFSP projects. These entities may not immediately disburse these funds, due to the nature of the projects/programs/activities. Furthermore, the entities earn interest income on these funds while the funds are being held, pending their disbursement. The entities are required, by virtue of Transfer Agreement between the agencies and the Trustee, to report and remit this income to the Trust Fund upon request by the Trustee. In accordance with the modified cash basis of accounting, investment income on such GAFSP Funds is recognized when received by the Trust Fund.

## NOTES TO THE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2022

All amounts expressed in U.S. dollars unless otherwise noted

### Note 7 - Project disbursements

Project disbursements represent transfers made by IBRD as Trustee, from the Trust Fund to the Entities, for projects/programs/activities, upon approval by the Steering Committee. The transfers made to the Entities for the period from July 1, 2019 to June 30, 2022 and for the period from Inception to June 30, 2022, are as follows:

Entities	July 1, 2019 to June 30, 2022	April 21, 2010 (date of inception) to June 30, 2022
Asian Development Bank	\$ 6,456,512	\$ 40,931,782
African Development Bank Group	31,000,000	290,746,393
Food and Agriculture Organization of the United Nations	6,730,752	24,022,988
IBRD	163,654,724	608,604,724
International Fund for Agricultural Development	19,300,776	128,904,921
Inter-American Development Bank	11,000,000	37,000,000
UN World Food Programme	2,885,000	8,166,240
<b>Total</b>	<b>\$241,027,764</b>	<b>\$1,138,377,048</b>

### Note 8 - Project Supervision fees

Project supervision fees represent transfers made by IBRD as Trustee, from the Trust Fund to the Entities, for administrative and other costs, including but not limited to, cost of project preparation, project supervision and preparation of reports, incurred by the Entities in connection with management of the projects, upon approval by the Steering Committee. The approved amounts can be requested by the Entities at any time during the phase of the projects/programs/activities. The transfers made to the Entities for the period from July 1, 2019 to June 30, 2022 and for the period from Inception to June 30, 2022, are as follows:

Entities	July 1, 2019 to June 30, 2022	April 21, 2010 (date of inception) to June 30, 2022
Asian Development Bank	\$ 167,828	\$ 1,941,930
African Development Bank Group	3,882,240	17,700,036
Food and Agriculture Organization of the United Nations	643,900	1,514,566
IBRD	1,731,265	32,878,737
International Fund for Agricultural Development	3,262,240	9,777,240
Inter-American Development Bank	215,000	1,908,828
UN World Food Programme	185,200	635,200
<b>Total</b>	<b>\$10,087,673</b>	<b>\$66,356,537</b>

## NOTES TO THE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2022

All amounts expressed in U.S. dollars unless otherwise noted

### Note 9 - Administrative budget disbursements, net

Administrative budget disbursements, net are towards expenses incurred in connection with administrative services, impact evaluation and other activities performed in support of the Trust Fund. The administrative budget disbursements, net of refunds, transferred for the period from July 1, 2019 to June 30, 2022 and for the period from Inception to June 30, 2022, are as follows:

	July 1, 2019 to June 30, 2022	April 21, 2010 (date of inception) to June 30, 2022
CU*	\$ 326,479	\$ 36,076,587
Impact Evaluations	2,483,333	11,063,332
Trustee	1,688,000	5,175,279
<b>Total</b>	<b>\$4,497,812</b>	<b>\$52,315,198</b>

\*Includes budget related to TAC

### Note 10 – Contingencies

Due to ongoing COVID-19 pandemic, the World Bank Group's trust fund portfolio face additional credit, market and operational risks. The length and severity of the pandemic and the related developments, as well as the impact on the Global Agriculture and Food Security Program Implementing Agency Trust Fund's financial position and results of operations cannot be reasonably estimated at this point in time and continue to evolve. The IBRD and IDA (together referred to as 'Bank') continues to monitor the developments and to manage the risks associated with the operation of the trust fund portfolio consistent with the relevant legal agreements entered into with the donors and within the existing financial policies.

### Note 11 - Subsequent events

Management has evaluated subsequent events through September 26, 2022, the date the Statements were issued and there are no subsequent events that would required adjustment or disclosure.