



June 30, 2019

Global Agriculture and Food Security Program (GAFSP)

Administered by the International Bank for Reconstruction and Development as Trustee

World Bank Reference: TF069015

**Independent Auditors' 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



Deloitte & Touche LLP
7900 Tysons One Place
Suite 800
McLean, VA 22102
USA
Tel: +1 703 251 1600
www.deloitte.com

Independent Auditors' Report

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

We have audited the accompanying statement of receipts, disbursements and fund balance (the "Statement") of the Global Agriculture and Food Security Program – TF069015 (the "Trust Fund") under administration by the International Bank for Reconstruction and Development (the "Trustee") for the period from July 1, 2016 to June 30, 2019, and the related notes to the Statement.

We are independent of the Trust Fund and Trustee of the Trust Fund in accordance with the ethical requirements that are relevant to our audit of the Statement in the United States of America, together with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements, respectively.

Responsibilities of Management and Those Charged With Governance for the Statement

Management is responsible for the preparation and fair presentation of the Statement in accordance with the modified cash basis of accounting described in Note 2 to the Statement; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the Statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Statement that is 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement, whether due to fraud or error. Reasonable assurance is a high level of assurance but is not a guarantee that an audit will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. We design audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluating the overall presentation, structure, and content of the Statement, including disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

As part of an audit, we exercise professional judgment and maintain professional skepticism throughout the audit. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Fund to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies or material weaknesses in internal control that we identify during our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying Statement referred to above presents fairly, in all material respects, the receipts, disbursements and fund balance of the Trust Fund for the period from July 1, 2016 to June 30, 2019, in accordance with the modified cash basis of accounting described in Note 2 of the Statement.

Basis of Accounting

We draw attention to Note 2 of the Statement, which describes the basis of accounting. The Statement is 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 International Accounting Standards Board. Our opinion is not modified with respect to this matter.

Other Matter

Inception to Date Amounts

As described in Note 9 to the Statement, the accompanying statement of receipts, disbursements and fund balance of the Trust Fund for the period from April 21, 2010 (date of inception) to June 30, 2019 was not audited by us. Accordingly, we do not express an opinion on it.

Deloitte & Touche LLP

September 26, 2019

STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

Expressed in U.S. dollars

	Note	July 1, 2016 to June 30, 2019	April 21, 2010 (date of inception) to June 30, 2019 (Unaudited, See Note 9)
Contributions	4	\$ 115,807,549	\$ 1,336,806,140
Net investment income	5	32,994,781	44,484,969
Total receipts		148,802,330	1,381,291,109
Project disbursements	6	375,957,282	897,349,283
Project supervision fees	7	7,234,740	56,268,864
Administrative budget disbursements, net	8	18,911,870	47,817,386
Total disbursements		402,103,892	1,001,435,533
Excess of (disbursements over receipts)/receipts over disbursements		(253,301,562)	379,855,576
Fund balance:			
Beginning of period		\$ 633,157,138	-
End of period		\$ 379,855,576	\$ 379,855,576
Fund balance consists of:			
Trust Fund's share of the cash and investments in the Pool	3	\$ 379,855,576	\$ 379,855,576

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

NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2019

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 STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2019

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

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 Statement of Receipts, Disbursements and Fund Balance (Statement) 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 Statement 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 Statement of Receipts, Disbursements and Fund Balance (the Statement) has been prepared on the cash receipts and disbursements basis of accounting, modified to record the Trust Fund's share of 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 (see Note 5).

The modified cash basis of accounting is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (U.S. GAAP) or International Financial Reporting Standards (IFRS); therefore, the Statement is not intended to be a presentation in conformity with U.S. GAAP or IFRS. Receipts, with the exception of net investment income, as described above and in Note 5, are reported when collected (i.e., when credited to the Trust Fund) rather than when pledged/earned, and disbursements are reported when paid (i.e., when debited to the Trust Fund) rather than when incurred. 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, and (2) distributions, including approved grant payments, not debited to the Trust Fund at period end due to timing or other reasons; and (3) any refunds of

NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2019

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

previous disbursements deemed by the Trustee, to be ineligible in accordance with the Trust Fund Agreements.

Treatment of foreign currency transactions

The Statement is 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 in currencies other than U.S. dollars, if any, are reported at the rates of exchange prevailing on the date of the transaction and hence 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.

Use of estimates

The preparation of the Statements requires management to make estimates and assumptions based upon information available as of the date of the 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 funds' 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, International Development Association (IDA), IFC, the 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.

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

NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2019

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

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. All investment decisions are made and performance is monitored at the Pool level.

Generally, the Pool includes cash and liquid financial instruments such as government and agency obligations, time deposits, money market securities, and asset-backed securities. Additionally, the Pool includes 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 \$379,855,576 as of June 30, 2019.

NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2019

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, 2016 to June 30, 2019 and for the period from Inception to June 30, 2019, are as follows:

Donor	April 21, 2010 (date of inception) to June 30, 2019 (Unaudited, See Note 9)		July 1, 2016 to June 30, 2019		April 21, 2010 (date of inception) to June 30, 2019 (Unaudited, See Note 9)	
	Amounts Committed	Amounts received	Amounts received	Amounts in US\$	Amounts received	Amounts in US\$
Australia	A\$ 106,000,000	A\$ 6,000,000		\$ 4,251,000	A\$ 106,000,000	\$ 102,633,550
Bill and Melinda Gates Foundation	US\$ 70,000,000	-		-	US\$ 70,000,000	70,000,000
Canada	Can\$ 205,000,000	-		-	Can\$ 205,000,000	201,527,776
Germany	€ 114,000,000	€ 54,523,242		61,328,624	€ 81,523,242	92,270,578
Ireland	€ 1,500,000	-		-	€ 1,500,000	1,999,850
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	€ 70,000,000	-		-	€ 70,000,000	94,199,000
United Kingdom	£ 42,500,000	£ 8,500,000		10,338,550	£ 42,500,000	62,246,550
	US\$ 38,000,000	-		-	US\$ -	-
United States	US\$ 628,076,822	US\$ 39,889,375		39,889,375	US\$ 628,076,822	628,076,822
Total				\$115,807,549		\$1,336,806,140

* 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.

NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2019

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

Note 6 - 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, 2016 to June 30, 2019 and for the period from Inception to June 30, 2019, are as follows:

Entities	July 1, 2016 to June 30, 2019	April 21, 2010 (date of inception) to June 30, 2019 (Unaudited, See Note 9)
Asian Development Bank	\$ 5,783,488	\$ 34,475,269
African Development Bank Group	136,000,000	259,746,393
Food and Agriculture Organization of the United Nations	9,688,004	17,292,236
IBRD	165,740,000	444,950,000
International Fund for Agricultural Development	49,841,596	109,604,145
Inter-American Development Bank	3,622,954	26,000,000
UNWFP	5,281,240	5,281,240
Total	\$375,957,282	\$897,349,283

Note 7 - 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, 2016 to June 30, 2019 and for the period from Inception to June 30, 2019, are as follows:

Entities	July 1, 2016 to June 30, 2019	April 21, 2010 (date of inception) to June 30, 2019 (Unaudited, See Note 9)
Asian Development Bank	\$ 544,740	\$ 1,774,102
African Development Bank Group	-	13,817,796
Food and Agriculture Organization of the United Nations	460,000	870,666
IBRD	4,925,000	31,147,472
International Fund for Agricultural Development	355,000	6,515,000
Inter-American Development Bank	500,000	1,693,828
UNWFP	450,000	450,000
Total	\$7,234,740	\$56,268,864

NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2019

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

Note 8 - 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, 2016 to June 30, 2019 and for the period from Inception to June 30, 2019, are as follows:

	July 1, 2016 to June 30, 2019	April 21, 2010 (date of inception) to June 30, 2019 (Unaudited, See Note 9)
CU*	\$ 16,753,581	\$ 35,750,108
Impact Evaluations	1,060,000	8,579,999
Trustee	1,098,289	3,487,279
Total	\$18,911,870	\$47,817,386

*Includes budget related to TAC

Note 9 - Inception to date amounts

The Statement of Receipts, Disbursements and Fund Balance for the period from Inception to June 30 2016, was audited by different audit firms who expressed an unqualified audit opinion. As the amounts for the period from Inception to June 30 2016, were not audited by Deloitte & Touche LLP, the cumulative amounts have been labeled 'Unaudited'.

Note 10 - Subsequent events

Management has evaluated subsequent events through September 26, 2019, the date this Statement was available to be issued and there are no subsequent events that would require adjustment to or disclosure in this Statement.