



Global Agriculture and Food Security Program Trust Fund

Public Sector Window

Financial Report

Prepared by the Trustee

As of March 31, 2012



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Introduction

This is the first Financial Report prepared by the World Bank as Trustee for the Global Agriculture and Food Security Program (GAFSP) Trust Fund in this new format. The information contained in this report is prepared based on financial information as of March 31, 2012.

The GAFSP Trust Fund was established as a Financial Intermediary Fund (FIF) in April 2010 in the World Bank. The GAFSP is a multilateral mechanism to assist in the implementation of pledges made by the G20 in Pittsburgh in September 2009. The objective is to address the underfunding of country and regional agriculture and food security strategic investment plans already being developed by countries in consultation with donors and other stakeholders at the country-level. The GAFSP operates through two windows: Public Sector Window and Private Sector Window.

The report is produced by the Trustee in accordance with the Trustee's role in the GAFSP Governance Document as set forth under Section 5, which states:

"The Trustee will provide to the Steering Committee regular reports on the financial status of the Trust Fund, as set forth in the Contribution Agreements."

Section 9 of the Standard Provisions in the Contribution Agreements for the Public Sector Window states as follows:

"The Trustee shall maintain separate records and ledger accounts in respect of the Trust Fund funds deposited in the Trust Fund and disbursements made therefrom. The Trustee shall report to the Steering Committee annually unless otherwise agreed between the Trustee and the Steering Committee, on the status of Allocations of funding recorded by the Trustee, commitments and transfers from the Trust Fund and receipts of funds in the Trust Fund."



GAFSP Trust Fund Financial Summary as of March 31, 2012

Pledges and Contributions:

A pledge represents a donor's expression of intent to make a contribution. Pledges are converted to Contributions by way of a countersigned Contribution Agreement/Arrangement. The total amount of pledges and contributions to both the Public and Private Sector Windows of the GAFSP Trust Fund amount to USD eq. 1.1 billion, valued on the basis of exchange rates on April 22, 2010, the GAFSP official launch date.

As of March 31, 2012, the total amount pledged and contributed by eight donors to the Public Sector Window of the GAFSP Trust Fund is USD eq. 903 million. Of this amount, as of March 31, 2012, seven donors have paid USD eq. 562 million.

Total pledges and contributions to the Private Sector Window of the GAFSP Trust Fund amount to USD eq. 202 million. The IFC manages the Private Sector Window.

Investment Income:

As of March 31, 2012, the GAFSP Trust Fund earned investment income of approximately USD 2.1 million on the undisbursed balance of the Trust Fund. The GAFSP Trust Fund liquid portfolio has returned 0.06%¹ through the calendar year to March 31, 2012. The GAFSP Trust Fund balance is allocated to a highly liquid short term investment portfolio.

Funding Approvals:

The cumulative funding decisions made by the GAFSP Steering Committee through March 31, 2012 totaled USD 514 million, an increase of USD 169 million since the last report. Of the total amount approved, USD 481 million represents project approvals. Of this amount, USD 355 million has been committed by the Trustee to the respective Supervising Entities based on the approval of their complete project documents, and USD 126 million has been set aside pending no-objection approval by the Steering Committee of the complete project documents.

Cash Transfers:

Based on GAFSP Steering Committee decisions, the Trustee has transferred a total of USD 106 million up to March 31, 2012, including USD 78 million related to projects.

Funds Held in Trust and Funds Available for GAFSP Steering Committee Funding Decisions

Funds Held in Trust² reflect contributions paid-in from donors, investment income and cash transfers. Funds Held in Trust as of March 31, 2012 amounted to USD eq. 458 million.

Funds available to support GAFSP Steering Committee funding decisions amounted to USD 50 million as of March 31, 2012. This represents a decrease of USD eq. 11 million over the prior reporting period.

¹ Represents non-annualized rate of return

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



1. GAFSP Trust Fund Summary – Inception through March 31, 2012 (Public Sector Window)

In USD millions

	Total	% of Total
<u>Donor Pledges and Contributions</u>		
Contributions	619.8	68.6%
Pledges	283.6	31.4%
Total Pledges and Contributions	903.4	100.0%

<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	562.2	62.1%
Investment Income earned	2.1	0.2%
Total Resources Received	564.3	62.3%
<u>Resources not yet received</u>		
Contributions not yet paid	57.6	6.4%
Pledges	283.6	31.3%
Total resources not yet received	341.2	37.7%
Total Potential Resources (A) (in USD millions)	905.5	100.0%

<u>Cumulative Funding Decisions</u>		
Projects	481.0	93.5%
Fees	23.6	4.6%
Administrative Budgets	9.8	1.9%
Total Funding Decisions Net of Cancellations (B)	514.4	100.0%
Total Potential Resources Net of Funding Decisions (A) - (B)	391.1	

<u>Funds Available</u>		
Funds Held in Trust with no restrictions	458.3	
Approved Amounts Pending Cash Transfers	408.4	
Total Funds Available to Support GAFSP Steering Committee Decisions	49.9	

2. Pledges and Contributions

Pledges and Contributions to Public and Private Sector Windows as of March 31, 2012 (in millions)

Contributors	Currency	Public Sector Window			Private Sector Window			Total	USD eq. a/
		Pledged	Contributions	Sub-Total	Pledged	Contributions	Sub-Total		
Australia	AUD	-	100.0	100.0	-	-	-	100.0	92.6
Canada	CAD	-	180.0	180.0	-	50.0	50.0	230.0	229.8
Gates Foundation	USD	-	30.0	30.0	-	-	-	30.0	30.0
Ireland	EUR	-	0.5	0.5	-	-	-	0.5	0.7
Korea	USD	-	50.0	50.0	-	-	-	50.0	50.0
Netherlands	EUR	-	-	-	100.0	-	100.0	100.0	133.4
Spain	EUR	-	70.0	70.0	-	-	-	70.0	93.4
United States	USD	283.6	166.4	450.0	25.0	-	25.0	475.0	475.0
									1,104.9

Receipts on Contributions under the Public Sector Window as of March 31, 2012 (in millions)

Contributors	Currency	As of March 31, 2012			As of March 31, 2011		
		Contributions a/	Receipts	USD eq.	Contributions a/	Receipts	USD eq.
Australia	AUD	100.0	65.0	65.0	50.0	35.0	33.1
Canada	CAD	180.0	180.0	177.1	180.0	180.0	177.1
Gates Foundation	USD	30.0	30.0	30.0	30.0	30.0	30.0
Ireland	EUR	0.5	0.5	0.6	0.5	0.5	0.6
Korea	USD	50.0	28.8	28.8	50.0	2.9	2.9
Spain	EUR	70.0	70.0	94.2	70.0	70.0	94.2
United States	USD	166.4	166.4	166.4	66.6	66.6	66.6
				562.2			404.7

a/ Represents contribution amount under countersigned Contribution Agreements/Arrangements.

HIGHLIGHTS FOR THE PERIOD APRIL 1, 2011 THROUGH MARCH 31, 2012:

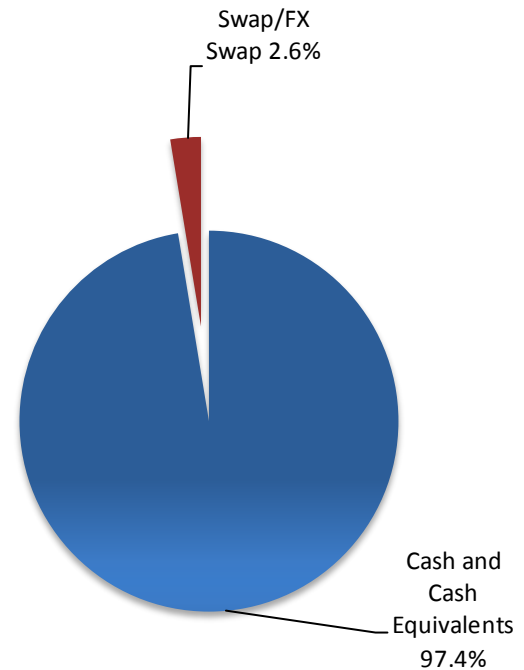
- Australia has committed an additional contribution in the amount of AUD 50 million to the GAFSP Public Sector Window.
- The Netherlands has committed EUR 100 million to the GAFSP Private Sector Window, bringing the total amount pledged by eight donors to USD 1.1 billion.
- As of March 31, 2012, the total receipts on contributions from donors amounted to USD eq. 562 million, an increase of USD 158 million since March 31, 2011.



3. Asset Mix and Investment Income (Public Sector Window)

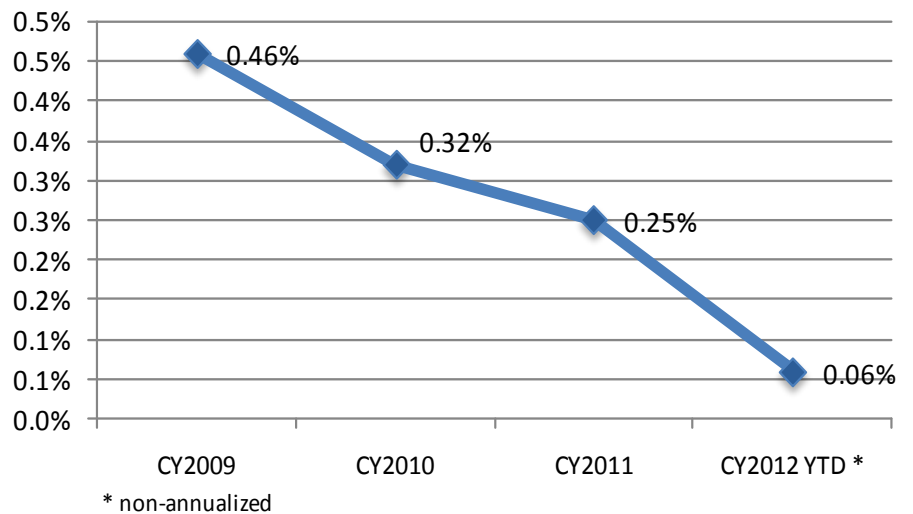
ASSET MIX

Cash assets 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. 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 actively managed so that the probability of incurring negative returns is no more than 1% over the applicable investment horizon.



INVESTMENT RETURNS

The GAFSP funds are invested in cash portfolio of the World Bank’s Trust Fund investment pool. This portfolio comprises bank deposits and investments in money market instruments with an investment horizon of less than 3 months. The GAFSP Trust Fund liquid portfolio (which totaled approximately USD 458 million at end-March 2012) earned USD 2.1 million in investment income since inception.





4. Cumulative Funding Decisions (Public Sector Window)

In USD millions

Activity		As of March 31, 2012	As of March 31, 2011
Projects	Bangladesh	50.00	50.00
	Haiti	35.00	35.00
	Rwanda	50.00	50.00
	Sierra Leone	50.00	50.00
	Togo	39.00	39.00
	Niger	33.00	33.00
	Liberia	46.50	-
	Ethiopia	a/ 51.50	51.50
	Mongolia	a/ 12.50	12.50
	Nepal	a/ 46.50	-
	Cambodia	a/ 39.10	-
	Tajikistan	a/ 27.90	-
		Sub-total	481.00
Fees	World Bank	12.64	9.13
	FAO	0.47	0.26
	IDB	1.19	1.19
	IFAD	3.43	3.43
	ADB	1.94	-
	AfDB	3.88	1.66
		Sub-total	23.55
Administrative Budgets	M&E Work Plan	6.00	6.00
	FY12 Coordination	b/ 1.28	-
	FY12 Trustee	0.29	-
	FY11 Coordination	b/ 1.22	1.49
	FY11 Trustee	0.52	0.52
	FY10 Coordination	0.38	0.38
	FY10 Trustee	0.15	0.15
	Sub-total	9.84	8.54
	Total	514.39	345.21

a/ Subject to the no-objection approval by the Steering Committee of the complete project document.

b/ Includes budgets for Civil Society Organizations and Technical Advisory Committee.

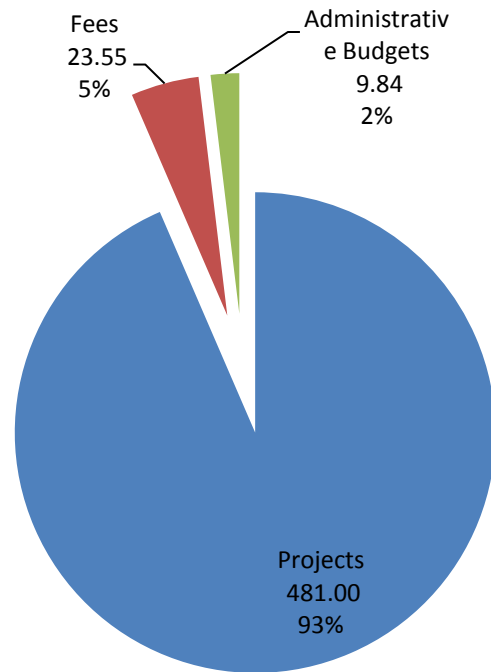
SNAPSHOT OF FUNDING DECISIONS:

- The cumulative funding decisions made by the GAFSP Steering Committee under the Public Sector Window up to March 31, 2012 amount to USD 514 million, an increase of USD 169 million since March 31, 2011.



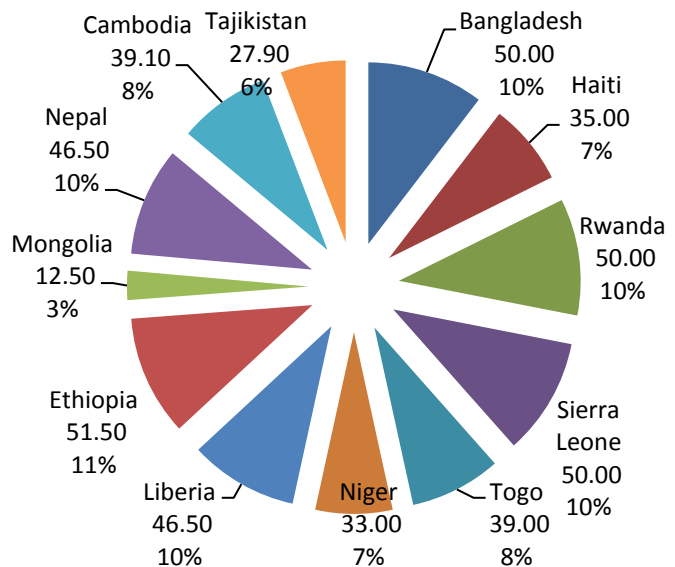
CUMULATIVE FUNDING DECISIONS

Since inception to March 31, 2012 funding approvals made by the GAFSP Steering Committee totaled USD 514 million. Projects represent about 93%, fees for Supervising Entities 5%, and administrative budgets for the GAFSP Coordination Unit, Technical Advisory Committee, Civil Society Organizations, Trustee, and M&E work program 2%.



FUNDING DECISIONS BY COUNTRY

The chart shows the funding decisions by recipient country. For the Public Sector Window, the Supervising Entity (IFAD and MDBs for investment operations and/or technical assistance; FAO and WFP for technical assistance only) can be proposed by countries or regional organizations, but are ultimately selected by the GAFSP Steering Committee.





5. Funds Available (Public Sector Window)

In USD millions

	As of March 31, 2012	As of March 31, 2011	Changes since last report
	(a)	(b)	(a) - (b)
1. Cumulative Receipts	564.3	405.6	158.7
a. Cash receipts from Contributors	562.2	404.7	157.6
b. Investment Income earned on undisbursed balances of GAFSP Funds	2.1	1.0	1.2
2. Cumulative Cash Transfer	106.0	16.3	89.7
a. Projects	78.4	-	78.4
b. Fees	21.4	13.8	7.6
b. Administrative Budget	6.2	2.5	3.7
3. Funds held in Trust (3 = 1 - 2)	458.3	389.3	69.0
4. Financial Reserve	-	-	
5. Funds held in Trust with no Restrictions (5 = 3 - 4)	458.3	389.3	69.0
6. Funding Decisions pending Cash Transfer	408.4	328.9	79.4
a. Projects	402.6	321.0	81.6
a. Fees	2.2	1.9	0.2
b. Administrative Budget	3.7	6.0	(2.4)
7. Amounts pending Steering Committee Funding Decisions	-	-	-
8. Funds available to support Steering Committee Funding Decisions (8 = 5 - 6 - 7)	49.9	60.4	(10.5)

Highlights for the period April 1, 2011 through March 31, 2012:

- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USD eq. 458 million as of March 31, 2012. Funds Held in Trust increased by USD eq. 69 million due to:
 - The receipt of additional contributions amounting to USD 159 million.
 - Investment Income earned during the period of March 31, 2011 to March 31, 2012 amounting to USD 1 million.
 - Cash transfers during the period amounting to USD 90 million, including USD 78 million for projects.
- **Funding Decisions Pending Cash Transfer** arising from the GAFSP Steering Committee approvals amounting to USD 80 million.
- **Funding Availability** decreased by USD eq. 11 million over the prior reporting period as a result of the factors outlined above.