



Global Agriculture and Food Security Program Trust Fund

Public Sector Window

Financial Report

Prepared by the Trustee

As of June 30, 2015



Table of Contents

Table of Contents

Introduction	3
GAFSP Trust Fund Financial Summary as of June 30, 2015	4
1. GAFSP Trust Fund Summary – Inception through June 30, 2015	5
2. Pledges and Contributions	6
3. Asset Mix and Investment Income.....	7
4. Cumulative Funding Decisions	8
5. Funds Available	10
Glossary.....	11



Introduction

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 Public Sector Window is managed under the GAFSP Trust Fund while the Private Sector Window is managed by the IFC. This report covers only the Public 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 June 30, 2015

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 pledges and contributions to the Public Sector Window of the GAFSP Trust Fund total USD eq. 1,149 million.

Of this amount, as of June 30, 2015, donors have paid USD eq. 1,134 million.

Investment Income:

As of June 30, 2015, the GAFSP Trust Fund earned investment income of approximately USD 7.5 million on the undisbursed balance of the Trust Fund. The GAFSP Trust Fund liquid portfolio has returned 0.08% for the first two quarters of calendar year 2015. 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 June 30, 2015 totaled USD 1,086.5 million. Of the total amount approved, USD 1,019.6 million represents project approvals. Of this amount, USD 838.5 million has been committed by the Trustee to the respective Supervising Entities based on the approval of their complete project documents, and USD 181 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 400.5 million up to June 30, 2015, including USD 338 million related to projects.

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

Funds Held in Trust¹ reflect contributions paid-in from donors, investment income and cash transfers. Funds Held in Trust as of June 30, 2015 amounted to USD eq. 741.1 million.

Funds available to support GAFSP Steering Committee funding decisions amounted to USD 55 million as of June 30, 2015.

¹ 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 June 30, 2015

In USD millions

	Total	% of Total
<u>Donor Pledges and Contributions</u>		
Contributions	1,149.0	100.0%
Pledges	-	0.0%
Total Pledges and Contributions	<u>1,149.0</u>	<u>100.0%</u>
<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	1,134.0	98.1%
Investment Income earned	7.5	0.7%
Total Resources Received	<u>1,141.6</u>	<u>98.7%</u>
<u>Resources not yet received</u>		
Contributions not yet paid	15.0	1.3%
Pledges	-	0.0%
Total resources not yet received	15.0	1.3%
Total Potential Resources (A) (in USD millions)	<u>1,156.6</u>	<u>100.0%</u>
<u>Cumulative Funding Decisions</u>		
Projects	1,019.6	93.8%
Fees	49.8	4.6%
Administrative Budgets	17.1	1.6%
Total Funding Decisions Net of Cancellations (B)	<u>1,086.5</u>	<u>100.0%</u>
Total Potential Resources Net of Funding Decisions (A) - (B)	<u>70.0</u>	
<u>Funds Available</u>		
Funds Held in Trust with no restrictions	741.1	
Approved Amounts Pending Cash Transfers	686.0	
Total Funds Available to Support GAFSP Steering Committee Decisions	55.0	

Note: Sub-totals may not add up due to rounding



2. Pledges and Contributions

Pledges and Contributions to the Public Sector Window as of June 30, 2015 (in millions)

Contributors	Currency	Pledges	Contributions	Total	Historical Value of	Current Value of	FX Changes	Receipts
		Outstanding	Finalized		Total in USD eq. a/ (1)	Total in USD eq. b/ (2)	(3) = (2) - (1)	in USD
Australia	AUD	-	100.0	100.0	92.6	98.4	5.8	98.4
Canada	CAD	-	205.0	205.0	204.8	201.5	(3.3)	201.5
Gates Foundation	USD	-	70.0	70.0	70.0	70.0	-	70.0
Germany	EUR	-	10.0	10.0	13.3	12.3	(1.1)	12.3
Ireland	EUR	-	1.5	1.5	2.0	2.0	(0.0)	2.0
Korea	USD	-	83.9	83.9	83.9	83.9	-	68.9
Spain	EUR	-	70.0	70.0	93.4	94.2	0.8	94.2
United Kingdom	GBP	-	12.5	12.5	19.3	20.1	0.8	20.1
United States	USD	-	566.7	566.7	566.7	566.7	-	566.7
					1,146.0	1,149.0	3.0	1,134.0

a/ Valued on the basis of exchange rates of April 22, 2010, the GAFSP official launch date.

b/ Represents realized amounts plus unrealized amounts valued on the basis of exchange rates as of June 30, 2015.

Note: Sub-totals may not add up due to rounding

- No new pledges or contributions were received since the previous reporting date of December 31, 2014.



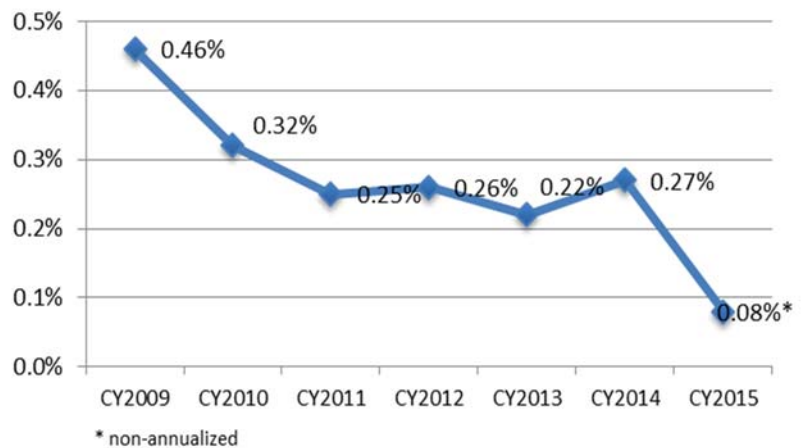
3. Asset Mix and Investment Income

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 three months. The GAFSP Trust Fund liquid portfolio (which totaled approximately USD 741.1 million at end-June 2015) earned approximately USD 7.5 million in investment income since inception.





4. Cumulative Funding Decisions

In USD millions

Activity		As of June 30, 2015	As of December 31, 2014
Projects	Bangladesh	50.0	50.0
	Burkina Faso	37.1	37.1
	Burundi	30.0	30.0
	Cambodia	39.1	39.1
	Ethiopia	51.5	51.5
	The Gambia	28.0	28.0
	Haiti	35.0	35.0
	Honduras	30.0	30.0
	Liberia	46.5	46.5
	Malawi	39.6	39.6
	Mali	37.2	37.2
	Mongolia	12.5	12.5
	Nepal	46.5	46.5
	Nicaragua	33.9	33.9
	Niger	33.0	33.0
	Rwanda	50.0	50.0
	Senegal	40.0	40.0
	Sierra Leone	50.0	50.0
	Tajikistan	27.9	27.9
	Tanzania	22.9	22.9
	Togo	39.0	39.0
	Uganda	27.6	27.6
	Zambia	31.1	31.1
	Kyrgyz Republic	a/ 38.0	38.0
	Yemen	a/ 36.0	36.0
	Timor Leste	a/ 21.0	21.0
	Laos	a/ 30.0	30.0
Benin	a/ 24.0	24.0	
Kenya	a/ 24.0	24.0	
Bhutan	a/ 8.0	8.0	
Multi-Country	b/ 0.1	-	
	Sub-total	1,019.6	1,019.5
Fees	World Bank	26.2	23.9
	FAO	0.6	0.5
	IDB	1.2	1.2
	IFAD	6.2	4.9
	ADB	1.9	1.9
	AfDB	13.8	13.8
	Sub-total	49.8	46.3
Administrative Budgets	M&E Work Plan	6.0	6.0
	FY15 DIME	1.7	1.7
	Coordination Unit	c/ 6.5	6.5
	Trustee	2.0	2.0
	Project Impact Evaluation	0.8	0.8
	Sub-total	17.1	17.1
	Total	1,086.5	1,082.9

a/ Subject to the no-objection approval by the Steering Committee of the complete project document.
b/ Represents budget of Asian Farmers Association and ROPPA
c/ Includes budgets for Civil Society Organizations and Technical Advisory Committee.

Note: sub-totals may not add up due to rounding

SNAPSHOT OF FUNDING DECISIONS:

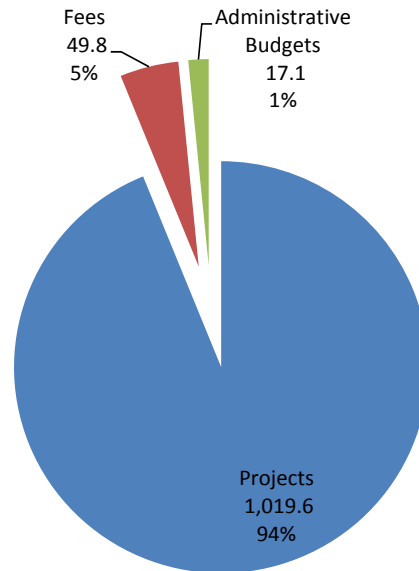
- The cumulative funding decisions made by the GAFSP Steering Committee under the Public Sector Window up to June 30, 2015 amount to USD 1,086.5 million.



In USD millions

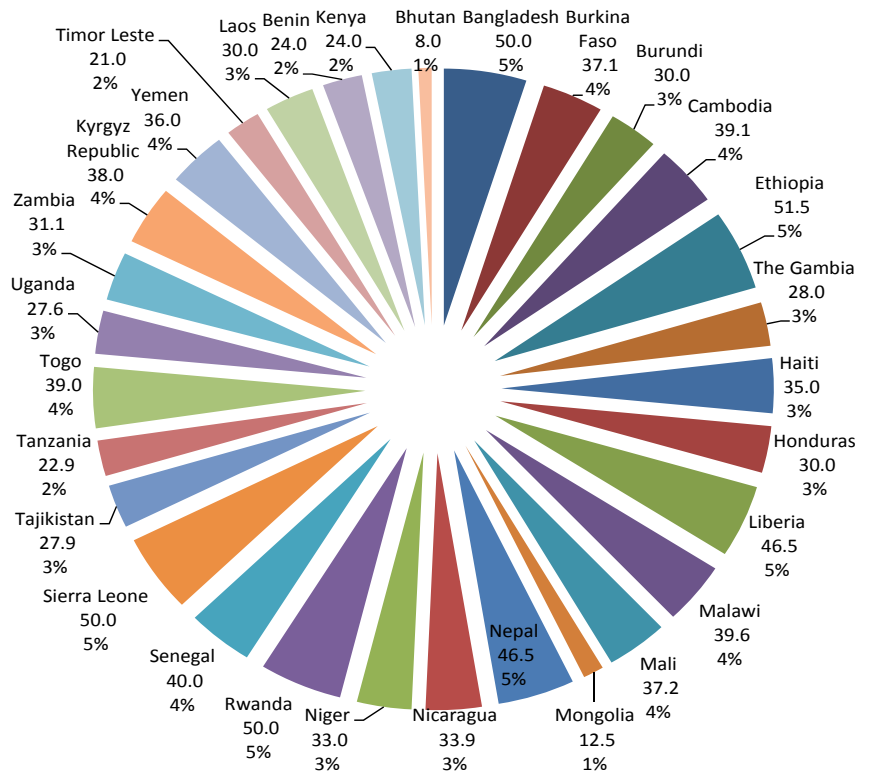
CUMULATIVE FUNDING DECISIONS

Since inception to June 30, 2015 funding approvals made by the GAFSP Steering Committee totaled USD 1,086.5 million. Projects represent about 94%, 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 1%.



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 for technical assistance only) can be proposed by countries or regional organizations, but are ultimately selected by the GAFSP Steering Committee.





5. Funds Available

In USD millions

	<u>As of June 30, 2015</u>	<u>As of December 31, 2014</u>	<u>Changes since last report</u>
	(a)	(b)	(a) - (b)
<u>1. Cumulative Receipts</u>	1,141.6	1,141.0	- 0.6
a. Cash receipts from Contributors	1,134.0	1,134.0	-
b. Investment Income earned on undisbursed balances of GAFSP Funds	7.5	7.0	0.6
<u>2. Cumulative Cash Transfer</u>	400.5	350.2	50.3
a. Projects	338.0	289.3	48.8
b. Fees	46.8	45.3	1.5
b. Administrative Budget	15.6	15.6	-
<u>3. Funds held in Trust (3 = 1 - 2)</u>	741.1	790.8	(49.7)
<u>4. Financial Reserve</u>	-	-	-
<u>5. Funds held in Trust with no Restrictions (5 = 3 - 4)</u>	741.1	790.8	(49.7)
<u>6. Funding Decisions pending Cash Transfer</u>	686.0	732.7	(46.7)
a. Projects	681.6	668.9	12.7
a. Fees	3.0	1.3	1.7
b. Administrative Budget	1.5	0.2	1.3
<u>7. Amounts pending Steering Committee Funding Decisions</u>	-	-	-
<u>7. Funds available to support Steering Committee Funding Decisions (7 = 5 - 6)</u>	55.0	58.1	(3.1)

Note: sub-totals may not add up due to rounding

HIGHLIGHTS FOR THE PERIOD JANUARY 1, 2015 THROUGH JUNE 30, 2015:

- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USD 741.1 million as of June 30, 2015. Funds Held in Trust decreased by USD 49.7 million due to:
 - No additional contributions received during the period
 - Additional investment income of approximately USD 0.6 million earned during the first two quarters of calendar year 2015
 - Cash transfers during the period amounting to USD 50.3 million.
- **Funding Decisions Pending Cash Transfer** decreased by USD 46.7 million.
- **Funding Availability** decreased by USD 3.1 million over the prior reporting period as a result of the factors outlined above.



Glossary

Term	Definition
Cash and Investments	The Trust Fund's share in the co-mingled cash and investment pool.
Cash Contribution	Contribution or Installment provided in the form of cash, including Encashments.
Cash Transfer	Cash payment made to a Supervising Entity under a Transfer Agreement or a Financial Procedures Agreement.
Contribution	The funds provided and to be provided by a Donor to a Trust Fund, as specified in the Contribution Agreement/ Arrangement, or in the Instrument of Commitment
Contribution Agreement/ Arrangement	An agreement or arrangement between a World Bank entity, as Trustee, and a Donor, setting forth specific terms for the receipt and use of a specific Contribution for a specific Trust Fund.
Contribution Paid-In	Contribution or Installment provided in the form of cash, Promissory Note or other instrument acceptable to the Trustee.
Contribution Receivable	Any portion of a Contribution that is not a Qualified Contribution to be received in the form of Cash or Promissory Note.
Financial Intermediary Fund (FIF)	Funds that involve financial engineering or complex finance schemes, or where the Bank provides a specified set of administrative, financial or operational services.
Funding Availability	Assets available to support funding decisions, as calculated under a specific basis of commitment.
Funds Held in Trust	Cash and Investments plus Promissory Notes Receivable.
Investment Income	Returns (realized and unrealized) on cash and investments, allocated to individual Trust Funds.
Pledge	A Donor's expression of its intention to make a Contribution.
Promissory Note	A document consisting of a promise to pay that is non-interest bearing and payable on demand.
Transfer Agreement / Arrangement	An agreement or arrangement between a World Bank entity, as Trustee, and a Supervising Entity for the commitment and transfer of funds by the Trustee to the Supervising Entity under terms that do not involve Bank responsibility post-transfer