



Global Infrastructure Facility Trust Fund

Financial Report

Prepared by the Trustee

As of June 30, 2022



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Introduction

The Global Infrastructure Facility (GIF) is a global open platform that facilitates the preparation and structuring of complex public-private partnerships to enable mobilization of private sector and institutional investor capital for infrastructure. The GIF platform coordinates and integrates the efforts of Multilateral Development Banks, private sector investors and financiers, and governments interested in infrastructure investment in Emerging Markets and Developing Economies.

The GIF Trust Fund was established in March 2015. This report covers the financial status of the GIF Trust Fund¹, and is produced by the Trustee in accordance with the Trustee's role in the GIF Partnership Framework, as set forth under Section D, which states:

“The Trustee will provide to the Governing Council regular reports on the financial status of the Trust Fund.”

In addition, Section 7 of the Standard Provisions in the Administration Agreement/Arrangement states as follows:

“The Trustee will maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and transfers made therefrom. The Trustee will report to the Governing Council on the financial status of the Trust Fund every six months unless otherwise agreed between the Trustee and the Governing Council, including information on the status of Contributions, investment income, commitments, transfers and funds available for allocation of funding by the Governing Council and/or the Management Unit, as applicable.”

¹ This report does not include financial information related to contributions to the GIF provided through other channels (e.g. via a Single Donor Trust Fund).



GIF Trust Fund Financial Summary as of June 30, 2022

Pledges and Contributions:

A pledge represents a contributor's expression of intent to make a contribution. Pledges are formalized into Contributions by way of a countersigned Administration Agreement/Arrangement.

As of June 30, 2022, pledges and contributions to the GIF Trust Fund which totaled USDeq. 159.49 million, of which USD 149.49 million had been received into the GIF Trust Fund. A contribution amount of USD 10 million² is yet to be received

Investment Income:

As of June 30, 2022, the GIF Trust Fund has earned investment income (since inception) of approximately USD 4.27 million from the undisbursed balance of the Trust Fund.

In addition, the investment income received from the technical partners was USD 0.16 million.

Reflows received from Technical Partners from reimbursable grants amounted to USD 7.61 million as of June 30, 2022.

Funding Approvals:

Cumulative net funding decisions (approvals by the GIF Governing Council) through June 30, 2022 amounted to USD 131.60 million.

Cash Transfers:

Based on GIF Governing Council decisions, the Trustee has transferred a total of USD 117.93 million as of June 30, 2022 including USD 81.12 million related to projects.

Funds Held in Trust:

Funds Held in Trust³ reflect contributions paid-in from contributors, investment income earned, and reflows less cash transfers. Funds Held in Trust as of June 30, 2022 amounted to USD 43.60 million.

Funds Available for GIF Governing Council Funding Decisions:

Funds available for GIF Governing Council funding decisions amounted to USD 29.94 million as of June 30, 2022. This represents a decrease of USD 12.02 million from December 31, 2022.

² The pending receipts are USD 10 million from Japan

³ Funds Held in Trust represents balance of cash, investments and unencashed promissory notes (if any) as of June 30, 2022.

1. GIF Trust Fund Summary – Inception through June 30, 2022

In USD millions

	Total	% of Total
<u>Donor Pledges and Contributions</u>		
Contributions	159.49	100.0%
Pledges		0.0%
Total Pledges and Contributions (in USD millions)	159.49	100.0%

<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	149.49	87.2%
Investment Income earned	4.27	2.5%
Investment Income receipt from external grants	0.16	0.1%
Reflows ^a	7.61	4.4%
Total Resources Received	161.53	94.2%
<u>Resources not yet received</u>		
Contributions not yet received ^b	10.00	5.8%
Pledges		0.0%
Total resources not yet received	10.00	5.8%
Total Potential Resources (A) (in USD millions)	171.53	100.0%

<u>Cumulative Funding Decisions</u>		
Projects	94.13	71.5%
Fees	4.66	3.5%
Administrative Budget	32.81	24.9%
Total Funding Decisions Net of Cancellations (B)	131.60	100.0%
Total Potential Resources Net of Funding Decisions (A) - (B)	39.93	
Total Potential Resources Net of Funding Decisions and Operational Reserve	39.93	

<u>Funds Available</u>		
Funds Held in Trust with no restrictions	43.60	
Approved Amounts Pending Cash Transfers	13.66	
Total Funds Available to Support Governing Council Decisions	29.94	

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

^a Amount received from Technical Partners related to reflows from reimbursable grants.

^b Value based on exchange rates as of June 30, 2022



2. Pledges and Contributions as of June 30, 2022

Pledges and Contributions as of June 30, 2022					
Contributor	Curr	Pledge in Currency of Contribution (million)	Effective (or signed) Contribution (million)	Receipts in Currency of Contribution (million)	Receipts in USDeq. (million) a/
Australia	AUD	25	25	25	18.55
Canada	CAD	20	20	20	15.84
China	USD	25	25	25	25.00
Denmark	DKK	150	150	150	23.86
Germany	EUR	14	14	14	16.25
International Bank for Reconstruction & Development	USD	15	15	15	15.00
Japan	USD	40 b/	30	30	30.00
Singapore	USD	5	5	5	5.00
Total Contributions Received					149.49

a/ Represents actual USD receipts
b/ contribution for USD 10 million was signed and recorded in July 2022
Note: Sub-totals may not add up to due to rounding



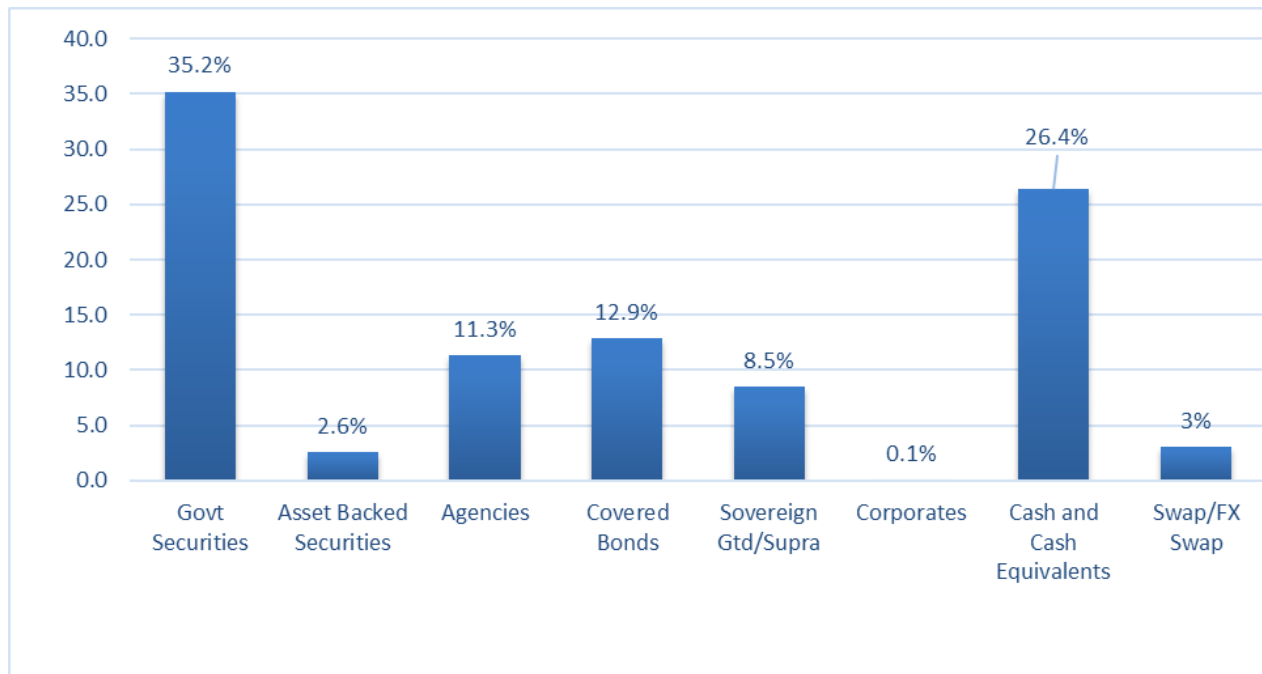
3. Asset Mix and Investment Income

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 GIF funds are invested in a short term, high quality fixed income portfolio with an investment horizon of up to one year.

The investment objectives for the GIF Trust Fund are to optimize investment returns subject to preserving capital and maintaining adequate liquidity to meet foreseeable cash flow needs, within a conservative risk management framework⁴.

By asset class, the largest allocations as of June 30, 2022 are to government securities, cash and cash equivalents, covered bonds, and agencies.



INVESTMENT RETURNS

The GIF funds are invested in accordance with the investment strategy established for all the trust funds administered by the World Bank. The GIF Trust Fund portfolio has returned -0.04% for the first six months of calendar year 2022 and earned approximately USD 4.27 million in investment income since inception.

⁴ Risk tolerance is defined as the expected maximum loss, as measured by the Conditional Value-at-Risk (CVaR), at the portfolio’s investment horizon, not to exceed 1% at portfolio’s investment horizon, with 99% confidence.



In the context of long-lasting inflationary pressures, periods of illiquidity and heightened volatilities across asset classes, rising U.S. interest rates during the first two quarters of 2022 continued to drive down prices for fixed income assets with a relatively longer duration.

ESG SUMMARY REPORT – GLOBAL INFRASTRUCTURE FACILITY TRUST FUND (GIF) INVESTMENT PORTFOLIO

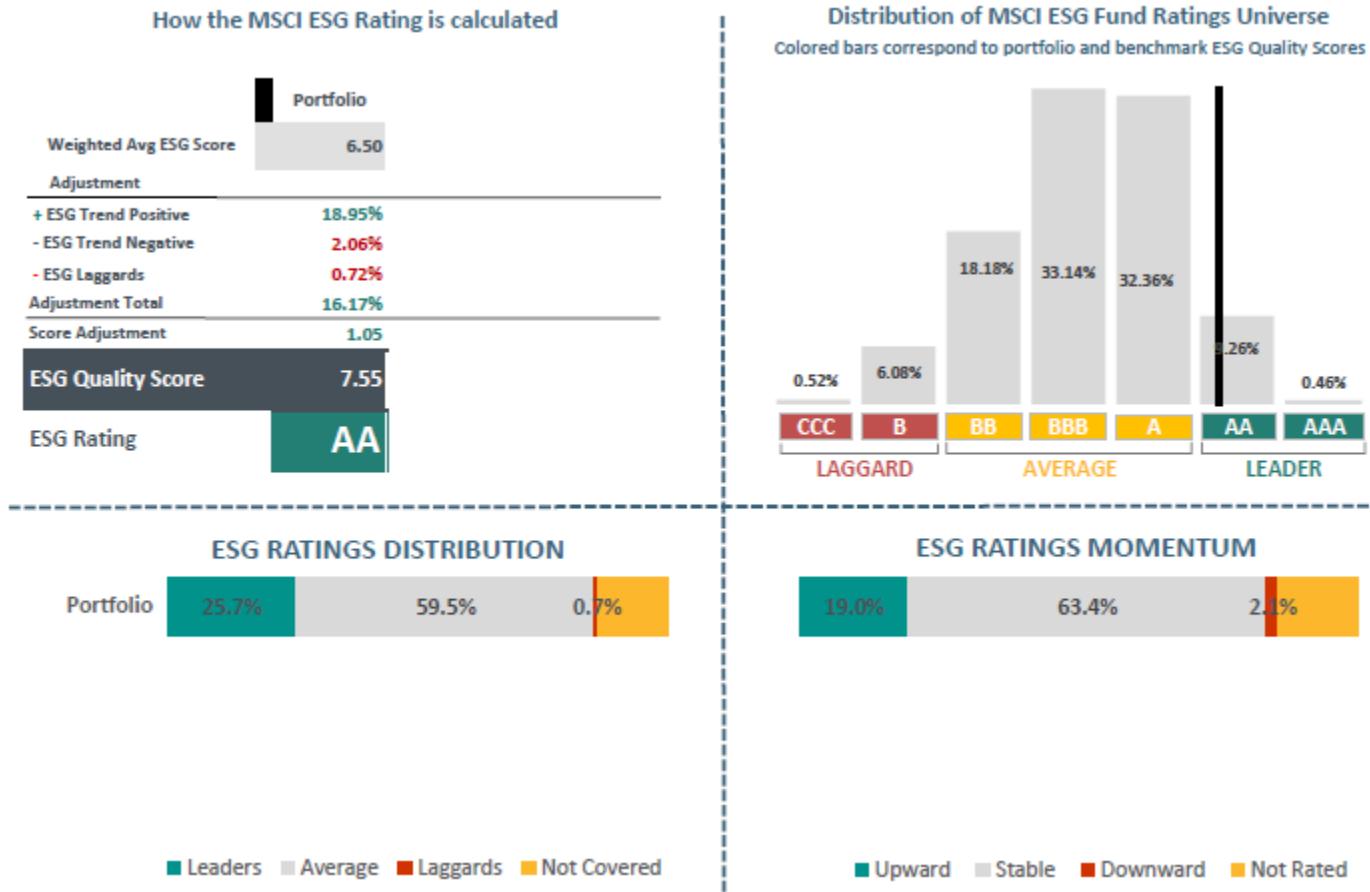
As per the investment management strategy implemented by the World Bank, the funds held in trust benefit from the approach to Sustainable and Responsible Investment (SRI), which considers and incorporates Environmental, Social, and Governance (ESG) factors into Trustee’s investment processes. The implementation of ESG Integration falls within the purview of existing authorizations by the World Bank Board. Based on the endorsement by the World Bank management, starting from July 2019, the Trustee has applied ESG Integration as the default SRI approach for all portfolios managed by the World Bank, including for the GIF Fund assets.

Considering and incorporating ESG factors into investment processes should, all things being equal, lead to portfolios that have stronger ESG profiles compared to portfolios that do not explicitly consider these ESG issues. ESG Integration has become part of the existing investment processes and is intended to help fulfil the existing investment objectives. The application of ESG Integration as part of the investment process would not involve any changes in the current investment objectives or risk limits for the GIF Fund portfolio.

The GIF Fund investment portfolio is primarily comprised of short-term high-grade fixed-income securities (sovereign, supranational and agency securities and bank deposits), and as of June 30, 2022, the portfolio has an ESG Quality Score* of 7.55 and an ESG Rating* of AA. Based on its ESG positioning in the MSCI ESG Fund Ratings Universe (upper right of Figure 1), which is deemed to be the more consistent reference indicator, MENA Transition Fund’s investment portfolio falls in the top decile of the ratings universe. This reflects high capability of GIF Fund portfolio’s holdings in terms of managing key medium to long term risks and opportunities arising from Environmental, Social and Governance factors.



Figure 1: MSCI ESG Portfolio Summary – Global Infrastructure Facility Trust Fund



**Note:* ESG Quality Score is based on MSCI ESG Ratings and measured on a scale of 0 to 10 (worst to best) following a rule-based methodology. ESG Ratings Momentum represents the percentage of a portfolio's market value coming from holdings that have had an ESG Ratings upgrade, and those with a downgrade, since their previous ESG Rating assessment. The ESG Quality Score is calculated as a weighted average of ESG scores of individual holdings adjusted by ESG Ratings Momentum and ESG laggards (if any). The weight applied to the individual ESG scores is determined by the portfolio weight of individual holdings as of the reporting date. Based on the above, the ESG Quality Score, which is subject to potential skewing effect from any factor in the calculation, could slightly vary between different reporting dates along with changes in individual holdings and their portfolio weights as well as changes in ESG Ratings Momentum. Please see details on MSCI ESG Ratings Methodology from:

<https://www.msci.com/documents/1296102/4769829/MSCI+ESG+Ratings+Methodology+-+Exec+Summary+Dec+2020.pdf/15e36bed-bba2-1038-6fa0-2cf52a0c04d6?t=1608110671584>.



4. Cumulative Funding Decisions

Global Infrastructure Facility Cumulative Funding Decisions (in USD millions)				
Projects	Technical Partner	as of Jun 30, 2022	as of Dec 31, 2021	Change since last report
Afghanistan	IFC	0.75	0.75	-
Argentina	WB	0.67	0.67	-
Bangladesh	AfDB	0.35	-	0.35
Barbados	IFC	0.25	0.25	-
Botswana	IFC	0.80	0.80	-
Brazil	WB	0.05	0.05	-
	WB	1.76	1.61	0.15
	IFC	13.39	10.78	2.60
	IADB	2.69	2.69	-
Bulgaria	EBRD	0.30	0.30	-
	IFC	0.72	0.72	-
Burkina Faso	WB	0.79	0.79	-
Cabo Verde	WB	2.49	2.50	(0.00)
Cameroon	WB	0.19	0.22	(0.03)
	IFC	1.50	1.50	-
China	WB	0.04	0.04	-
	IFC	1.35	1.35	-
Colombia	WB	0.38	0.38	-
	MIGA*	0.10	-	0.10
Comoros	GIFMU-PRA	0.11	0.11	-
	WB	0.42	0.42	-
Costa Rica	WB	0.49	0.49	-
Cote d'Ivoire	WB	2.41	2.41	-
Dominican Republic	IADB	0.25	0.25	-
Ecuador	WB	0.96	0.96	-
Egypt	EBRD	1.50	1.50	-
	WB	0.18	0.18	-
Eswatini	AfDB	0.49	0.49	-
Ethiopia	WB	0.99	0.99	-
Fiji	IFC	0.45	0.45	-
Gabon	AfDB	0.49	-	0.49
Georgia	WB	0.50	0.50	-
Ghana	WB	0.43	0.43	-
Honduras	IADB	0.75	0.75	-
India	WB	0.28	0.28	-
	IFC	0.50	0.50	-
Indonesia	WB	2.70	2.70	-
	IFC	0.20	0.20	-
Jamaica	IFC	1.81	0.03	1.78
Jordan	EBRD	0.90	0.90	-
	IFC	1.65	1.65	-
	WB	0.72	0.72	-
Latin America	WB	0.29	0.25	0.04
Lebanon	WB	1.08	1.10	(0.02)
	EBRD	0.17	0.17	-
Liberia	WB	0.96	0.96	-
Libya	IFC	0.30	-	0.30
Madagascar	AfDB	1.61	1.61	-
	WB	-	-	-
Malawi	WB	0.33	0.33	-
	IFC	5.30	5.30	-
Mauritius	WB	0.37	0.37	-
	IFC	0.22	0.22	-
Mexico	WB	0.26	0.26	-
Myanmar	WB	0.19	0.19	-
	IFC	0.10	0.10	(0.00)



Global Infrastructure Facility Cumulative Funding Decisions (in USD millions)				
Projects	Technical Partner	as of Jun 30, 2022	as of Dec 31, 2021	Change since last report
Nigeria	WB	0.39	0.39	-
North Macedonia	IFC	0.41	0.41	(0.00)
Palau	ADB	0.40	-	0.40
Panama	WB	0.15	0.15	-
	IFC	1.08	1.08	-
Papa New Guinea	WB	0.12	0.12	-
Paraguay	GIFMU-PRA	0.04	0.04	-
Peru	IADB	2.55	2.55	-
	IFC	0.80	0.80	-
Philippines	IFC	1.91	1.91	-
Regional	IFC	0.20	0.20	-
Romania	IFC	0.25	-	0.25
Sao Tome and Principe	IBRD	0.80	-	0.80
Senegal	IFC	0.49	0.49	-
	WB	0.48	0.48	-
Seychelles	GIFMU-PRA	0.03	0.03	-
	AfDB	0.33	0.33	-
Sierra Leone	WB	0.01	0.01	-
Solomon Islands	WB	0.25	0.25	-
South Africa	IFC	0.90	0.90	-
	WB	0.94	0.94	-
Sri Lanka	IFC	-	-	-
Trinidad and Tobago	IADB	0.35	0.35	-
Tunisia	WB	7.49	7.49	-
	EBRD	1.78	-	1.78
Ukraine	EBRD	2.02	2.02	-
	WB	0.87	0.87	-
	IFC	1.43	1.27	0.16
	GIFMU-PRA	0.17	0.17	(0.00)
Uzbekistan	WB	0.72	0.72	-
	EBRD	4.03	-	4.03
	ADB	0.26	0.26	-
	IFC	2.86	2.00	0.86
Vietnam	WB	0.22	0.22	-
Zambia	WB	0.46	0.46	-
		94.13	80.08	14.05
Fees				
ADB		0.04	0.02	0.02
AfDB		0.15	0.12	0.02
AfIB		0.02	-	0.02
IADB		0.32	0.32	-
MIGA*		0.01	0.01	-
EBRD		0.53	0.25	0.28
IFC		1.99	1.69	0.30
WB		1.61	1.56	0.05
		4.66	3.96	0.70
Administrative Budget				
Management Unit		30.28	30.28	-
Trustee		2.53	2.23	0.29
		32.81	32.52	0.29
Total Funding Decisions		131.60	116.55	15.04

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

*MIGA award project (GIFMU #0123) is pending for system establishment

5. Funds Available

In USD millions

	As of June 30, 2022 (a)	As of Dec 31, 2021 (b)	Change since last report (a) - (b)
1. Cumulative Receipts	161.54	158.51	3.03
a. Cash receipts from Contributors	149.50	149.50	-
b. Investment Income earned on undisbursed balances	4.27	4.22	0.05
c. Investment Income earned on external grants	0.16	0.16	-
c. Reflows ^{a/}	7.61	4.62	2.98
2. Cumulative Cash Transfers	117.93	110.46	7.48
a. Projects	81.12	74.28	6.84
b. Fees	4.01	3.66	0.35
C. Administrative Budget	32.81	32.52	0.29
3. Funds Held in Trust (3 = 1 - 2)	43.60	48.05	(4.45)
4. Financial Reserve	-	-	-
5. Funding Decisions Pending Cash Transfer	13.66	6.09	7.57
6. Funds available to support Governing Council decisions (6 = 3 - 4 - 5)	29.94	41.96	(12.02)

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

a/ Amount received from Technical Partners related to reflows from reimbursable grants.

HIGHLIGHTS FOR THE PERIOD DECEMBER 31, 2021, THROUGH JUNE 30, 2022:

- **Funds Held in Trust** represent cumulative receipts, investment income earned, and reflows less cumulative cash transfers and amount to USD 43.60 million as of June 30, 2022. Funds Held in Trust decreased by USD 4.45 million due to:
 - Investment income earned amounting to USD 0.05 million during the period, plus the reflows from Technical Partners related to the reimbursable grants amount of USD 2.98 million.
 - partially offset by cash transfers totaling USD 7.48 million during the same period.
- **Funding decisions pending cash transfer** amount USD 13.66 million, representing an increase of USD 7.57⁵ million due to new funding decisions of USD 15.04 million outpacing the increase in cash transfers of USD 7.48 million during the period.
- **Funding Availability** amount to USD 29.94 million representing a decrease of USD 12.02 million because of the factors outlined above.

⁵ The amount may not add up due to the rounding.