



# Women Entrepreneurs Finance Initiative

## Financial Report

Prepared by the Trustee

*As of March 31, 2022*



## Table of Contents

### Table of Contents

|  |    |
|--|----|
| Introduction .....   | 3  |
| We-Fi Trust Fund Financial Summary as of March 31, 2022 .....        | 4  |
| 1. We-Fi Trust Fund Summary – Inception through March 31, 2022 ..... | 5  |
| 2. Pledges and Contributions as of March 31, 2022 .....              | 6  |
| 3. Asset Mix and Investment Income.....                              | 7  |
| 4. Cumulative Funding Decisions .....                                | 10 |
| 5. Funds Available .....   | 11 |
| Glossary.....  | 12 |



## Introduction

The We-Fi Trust Fund was established by the World Bank in September 2017 as a Financial Intermediary Fund (FIF). This report covers the financial status of the We-Fi Trust Fund, and is produced by the World Bank as Trustee in accordance with its role in the We-Fi Governance Framework, as set forth under Section 21, which states:

*“The Trustee will provide to the Governing Committee regular reports on the financial status of the We-Fi Trust Fund.”*

In addition, Section 5 of the Standard Provisions in the Contribution Agreement/Arrangement states, as follows:

*“The Trustee shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and transfers made therefrom. Unless otherwise agreed between the Governing Committee and the Trustee, The Trustee shall annually furnish to the Governing Committee a report on the receipts on, transfers from and fund balance of the Trust Fund in the Holding Currency.”*

This report covers the financial status of the We-Fi Trust Fund as of March 31, 2022.



## We-Fi Trust Fund Financial Summary as of March 31, 2022

### ***Pledges and Contributions:***

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

As of March 31, 2022, 14 contributors have pledged USDeq. 375.71 million to the We-Fi Trust Fund and formalized their Contributions by executing contribution agreements/arrangements. Resources not yet received amounted to USDeq. 16.64 million in outstanding contributions under the signed agreements/arrangements.<sup>1</sup>

USD 359.07 million has been deposited into the We-Fi Trust Fund as of March 31, 2022.

### ***Investment Income:***

As of March 31, 2022, the We-Fi Trust Fund earned investment income of approximately USD 13.35 million on the liquid balances of the Trust Fund and investment income received from Implementing Partners.

### ***Funding Approvals:***

As of March 31, 2022, the We-Fi Governing Committee had approved funding from the We-Fi Trust Fund totaling USD 331.14 million<sup>2</sup>, with USD 298.56 million to finance project activities, USD 20.39 million for IP fees, and USD 12.19 million, net of returned unused funds, for administrative budgets to support the activities of the We-Fi Secretariat and Trustee.

### ***Cash Transfers:***

The Trustee has transferred a total of USD 192.23 million as of March 31, 2022, including USD 165.68 million related to project activities.

### ***Funds Held in Trust:***

Funds Held in Trust<sup>3</sup> reflect contributions paid-in from contributors and investment income earned, less cash transfers. Funds Held in Trust with no restrictions amounted to USD 178.19 million as of March 31, 2022.

### ***Funds Available for We-Fi Governing Committee Funding Decisions:***

As of March 31, 2022, funds available to support We-Fi Governing Committee funding decisions amounted to USD 39.28 million net of USD 2 million Operational Reserve.

<sup>1</sup> As per the We-Fi Governance Framework, the Trustee may receive any Contribution payments from Contributors up to the We-Fi End Approval Date of October 31, 2022. The We-Fi End Approval Date may be extended by a decision of the Governing Committee with the agreement of the Trustee.

<sup>2</sup> Includes two funding allocations totaling USD 20.54 million under We-Fi's fourth Call for Proposals, as approved by the Governing Committee in March 2022.

<sup>3</sup> Funds Held in Trust represents balance of cash, investments and unencashed promissory notes (if any) as of the reporting date.

## 1. We-Fi Trust Fund Summary – Inception through March 31, 2022

In USD millions

|  | Total         | % of Total     |
|--|---------------|----------------|
| <b>Donor Pledges and Contributions</b> |               |                |
| Contributions a/<br>Pledges            | 375.71<br>-   | 100.0%<br>0.0% |
| <b>Total Pledges and Contributions</b> | <b>375.71</b> | <b>100.0%</b>  |

|  |               |               |
|--|---------------|---------------|
| <b>Cumulative Resources</b>                            |               |               |
| <u>Resources received</u>                              |               |               |
| Cash Receipts  | 359.07        | 92.3%         |
| Investment Income earned b/                            | 13.35         | 3.4%          |
| <b>Total Resources Received</b>                        | <b>372.42</b> | <b>95.7%</b>  |
| <u>Resources not yet received</u>                      |               |               |
| Contributions not yet received                         | 16.64         | 4.3%          |
| Pledges  | -             | 0.0%          |
| <b>Total resources not yet received</b>                | <b>16.64</b>  | <b>4.3%</b>   |
| <b>Total Potential Resources (A) (in USD millions)</b> | <b>389.06</b> | <b>100.0%</b> |

|   |               |               |
|---|---------------|---------------|
| <b>Cumulative Funding Decisions</b>   |               |               |
| Projects  | 298.56        | 90.2%         |
| Fees  | 20.39         | 6.2%          |
| Administrative Budget c/  | 12.19         | 3.7%          |
| <b>Total Funding Decisions Net of Cancellations (B)</b>                           | <b>331.14</b> | <b>100.0%</b> |
| <b>Total Potential Resources Net of Funding Decisions (A) - (B)</b>               | <b>57.92</b>  |               |
| <b>Total Potential Resources Net of Funding Decisions and Operational Reserve</b> | <b>55.92</b>  |               |

|   |              |  |
|---|--------------|--|
| <b>Funds Available</b>  |              |  |
| Funds Held in Trust with no restrictions d/                           | 178.19       |  |
| Approved Amounts Pending Cash Transfers                               | 138.92       |  |
| <b>Total Funds Available to Support Governing Committee Decisions</b> | <b>39.28</b> |  |

a/ As per the We-Fi Governance Framework, the Trustee may receive any Contribution payments from Contributors up to the We-Fi End Approval Date of October 31, 2022. The We-Fi End Approval Date may be extended by a decision of the Governing Committee with the agreement of the Trustee

b/ Represents investment income earned on the liquid balances of the We-Fi Trust Fund and investment income received from IPs

c/ Net of unused funds which are returned to the Trust Fund

d/ Net of reserve to cover operational costs of the We-Fi Secretariat and Trustee

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

## 2. Pledges and Contributions as of March 31, 2022

*In millions*

| Contributor          | Curr | Pledge in<br>Currency of<br>Contribution | Effective<br>(or signed)<br>Contribution | Receipts in<br>Currency of<br>Contribution | Total<br>Outstanding<br>Contributions a/ | Total<br>Receipts in<br>USD b/ |
|----------------------|------|--|--|--|--|--------------------------------|
| Australia            | USD  | 10.00                                    | 10.00                                    | 10.00                                      | -  | 10.00                          |
| Canada               | CAD  | 20.00                                    | 20.00                                    | 20.00                                      | -  | 15.55                          |
| China                | USD  | 10.00                                    | 10.00                                    | 10.00                                      | -  | 10.00                          |
| Denmark              | DKK  | 69.00                                    | 69.00                                    | 69.00                                      | -  | 10.43                          |
| Germany              | EUR  | 75.00                                    | 75.00                                    | 60.00                                      | 16.64                                    | 67.61                          |
| Japan                | USD  | 50.00                                    | 50.00                                    | 50.00                                      | -  | 50.00                          |
| Korea                | USD  | 10.00                                    | 10.00                                    | 10.00                                      | -  | 10.00                          |
| Netherlands          | USD  | 10.00                                    | 10.00                                    | 10.00                                      | -  | 10.00                          |
| Norway               | NOK  | 90.00                                    | 90.00                                    | 90.00                                      | -  | 10.69                          |
| Russia               | USD  | 10.00                                    | 10.00                                    | 10.00                                      | -  | 10.00                          |
| Saudi Arabia         | USD  | 50.00                                    | 50.00                                    | 50.00                                      | -  | 50.00                          |
| United Arab Emirates | USD  | 50.00                                    | 50.00                                    | 50.00                                      | -  | 50.00                          |
| United Kingdom       | GBP  | 3.70                                     | 3.70                                     | 3.70                                       | -  | 4.79                           |
| United States        | USD  | 50.00                                    | 50.00                                    | 50.00                                      | -  | 50.00                          |
| <b>Total</b>         |      |  |  |  | <b>16.64</b>                             | <b>359.07</b>                  |

a/ As per the We-Fi Governance Framework, the Trustee may receive any Contribution payments from Contributors up to the We-Fi End Approval Date of October 31, 2022. The We-Fi End Approval Date may be extended by a decision of the Governing Committee with the agreement of the Trustee

b/ Represents actual USD receipts

*Note: totals may not add up due to rounding*

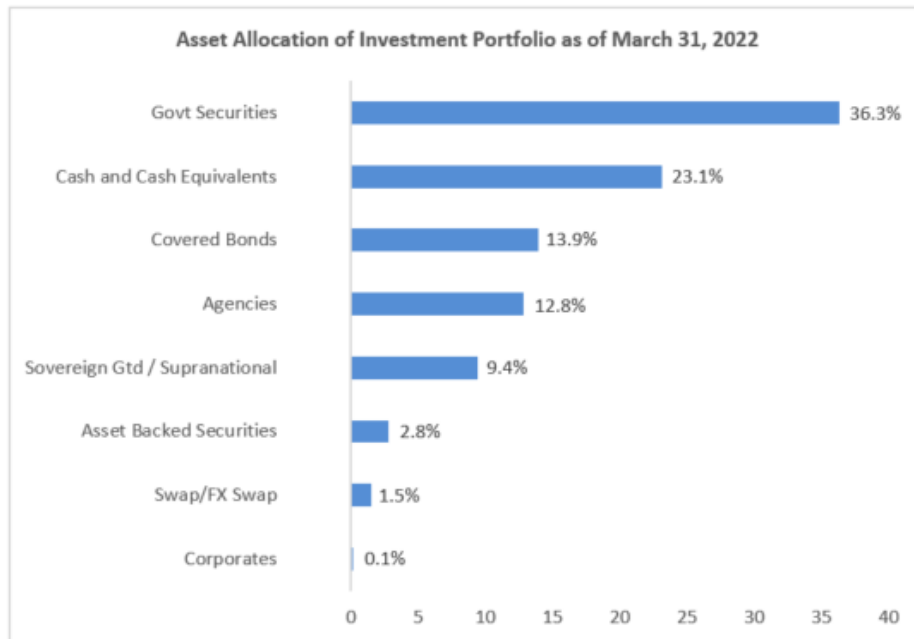


### 3. Asset Mix and Investment Income

#### ASSET MIX

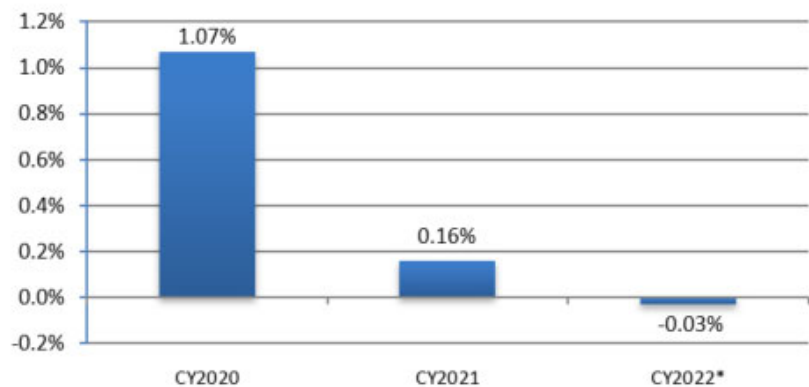
The undisbursed cash balance of the We-Fi Trust Fund is maintained in a commingled investment portfolio (“Pool”) for all trust funds managed by IBRD. Funds are managed such that the expected maximum loss, as measured by the CVaR, in the worst 1% of cases will not exceed 0.25% at the portfolio’s investment horizon.

The portfolio allocation by asset class has the largest allocations to government securities and money market instruments.



#### INVESTMENT RETURNS

The We-Fi Trust Fund liquid portfolio earned USD 13.35 million<sup>4</sup> in investment income since inception. The portfolio returns during the first quarter of calendar year 2022 was negative 0.03%. The negative return was caused by rising yields over the last quarter, which mostly affected fixed income holdings with a relatively longer duration profile.



\*non-annualized

<sup>4</sup> Includes investment income received from IPs



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## ESG SUMMARY REPORT – We-Fi 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 We-Fi Trust Fund assets.

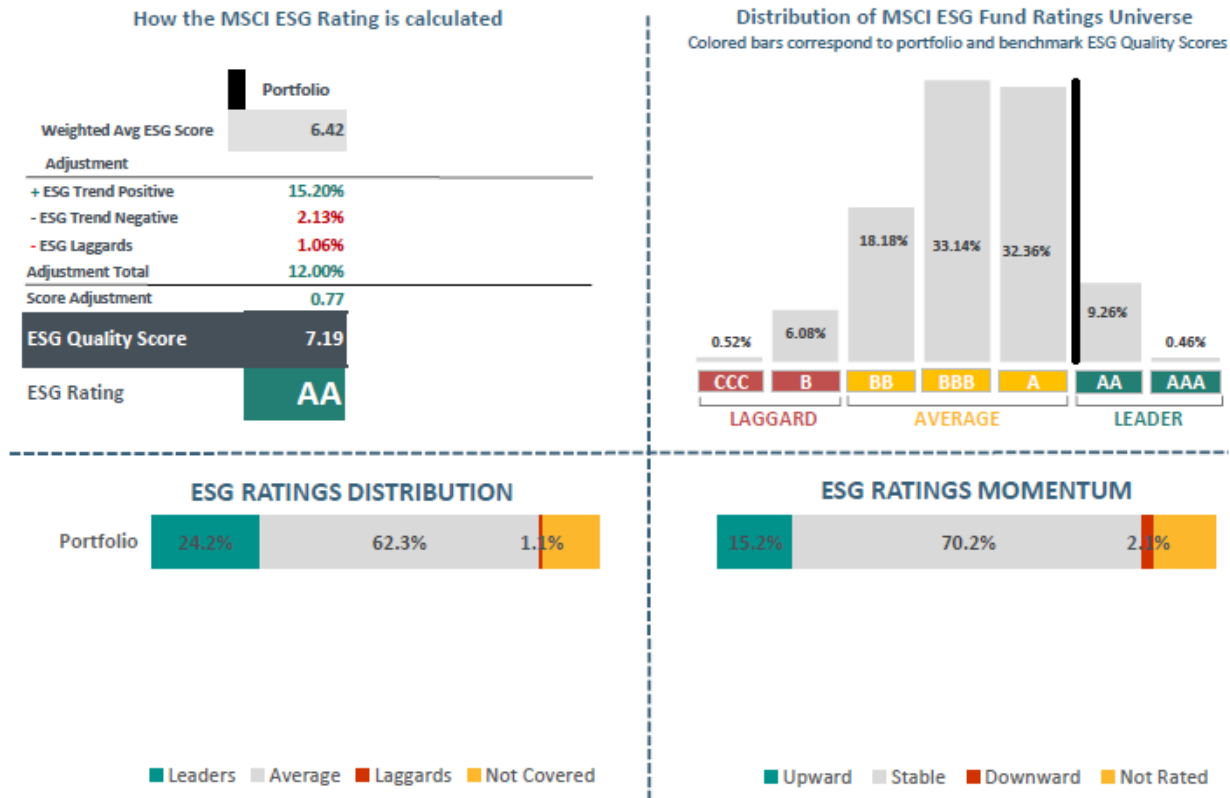
Considering and incorporating ESG factors into investment processes should, all things being equal, lead to portfolios that have stronger ESG profiles compared to portfolios that do not explicitly consider these ESG issues. ESG Integration has become part of the existing investment processes and is intended 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 We-Fi Trust Fund portfolio.

The We-Fi investment portfolio is primarily comprised of short-term high-grade fixed-income securities (sovereign, supranational and agency securities and bank deposits), and as of March 31, 2022, the portfolio has an ESG Quality Score\* of 7.19 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, We-Fi’s investment portfolio falls in the top decile of the ratings universe. This reflects high capability of We-Fi 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 – Women Entrepreneurs Finance Initiative



*\*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 [here](#).*



## 4. Cumulative Funding Decisions

In USD millions

| <u>Projects</u>   |      | <u>as of<br/>March 31, 2022</u> |
|---|------|---------------------------------|
| Africa  | AfDB | 71.71                           |
| Central Asia  | EBRD | 21.80                           |
| East Asia and Pacific                                       | ADB  | 18.87                           |
| Latin America   | IDB  | 36.48                           |
| Multi Regional  | ISDB | 30.23                           |
| Multi Regional  | IBRD | 30.97                           |
|   | IFC  | 54.10                           |
| Multi Regional  | EBRD | 7.01                            |
| Sri Lanka   | ADB  | 11.74                           |
| Western Africa  | ISDB | 10.46                           |
| Yemen   | ISDB | 5.18                            |
|   |      | <b>298.56</b>                   |
| <b><u>Fees</u></b>  |      |                                 |
| ADB   |      | 2.13                            |
| AfDB  |      | 5.09                            |
| EBRD  |      | 1.45                            |
| IBRD  |      | 1.97                            |
| IDB   |      | 2.52                            |
| IFC   |      | 4.07                            |
| ISDB  |      | 3.16                            |
|   |      | <b>20.39</b>                    |
| <b><u>Administrative Budget</u> a/</b>                      |      |                                 |
| Secretariat   |      | 9.89                            |
| Trustee   |      | 2.30                            |
|   |      | <b>12.19</b>                    |
| <b>Total Funding Decisions</b>                              |      | <b>331.14</b>                   |
| a/ Net of unused funds which are returned to the Trust Fund |      |                                 |

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

## 5. Funds Available

In USD millions

|  | As of<br>March 31, 2022<br>(a) | As of<br>December 31, 2021<br>(b) | Change since last report<br>(a) - (b) |
|--|--------------------------------|-----------------------------------|---------------------------------------|
| <b>1. Cumulative Receipts</b>  | <b>372.42</b>                  | <b>341.32</b>                     | <b>31.10</b>                          |
| a. Cash receipts from Contributors   | 359.07                         | 327.98                            | 31.09                                 |
| b. Investment Income earned a/   | 13.35                          | 13.34                             | 0.01                                  |
| <b>2. Cumulative Cash Transfers</b>  | <b>192.23</b>                  | <b>190.16</b>                     | <b>2.07</b>                           |
| a. Projects  | 165.68                         | 163.62                            | 2.07                                  |
| b. Fees  | 14.36                          | 14.36                             | -                                     |
| c. Administrative Budget b/  | 12.19                          | 12.19                             | -                                     |
| <b>3. Funds Held in Trust ( 3 = 1 - 2 )</b>  | <b>180.19</b>                  | <b>151.15</b>                     | <b>29.04</b>                          |
| <b>4. Operational Reserve c/</b>   | <b>2.00</b>                    | <b>2.00</b>                       | <b>-</b>                              |
| <b>5. Funding Decisions Pending Cash Transfer</b>                                    | <b>138.92</b>                  | <b>120.43</b>                     | <b>18.48</b>                          |
| <b>6. Funds available to support Governing Committee decisions ( 6 = 3 - 4 - 5 )</b> | <b><u>39.28</u></b>            | <b><u>28.72</u></b>               | <b><u>10.56</u></b>                   |

a/ represents investment income earned on the liquid balances of the We-Fi Trust Fund and investment income received from IPs  
b/ net of unused funds which are returned to the Trust Fund  
c/ reserve to cover operational costs of the We-Fi Secretariat and Trustee

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

### HIGHLIGHTS FOR THE PERIOD JANUARY 1, 2022 THROUGH MARCH 31, 2022:

- **Funding Availability** increased by USD 10.56 million over the prior reporting period due to:
  - Cash receipts totaling USD 31.09 million and additional investment income of approximately USD 0.01 million during the first quarter of calendar year 2022;
  - Offset by new funding allocations totaling USD 20.54 million
- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USD 180.19 million as of March 31, 2022. Funds Held in Trust increased by USD 29.04 million due to:
  - Additional cash receipts of USD 31.10 million from contributions and investment income during the first quarter of calendar year 2022;
  - Offset by cash transfers totaling USD 2.07 million

## Glossary

| Term                               | Definition   |
|------------------------------------|--|
| ADB                                | Asian Development Bank   |
| AfDB                               | African Development Bank   |
| 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 promissory note encashments  |
| Cash Transfer                      | Cash payment made to an Implementing Partner under a Financial Procedures Agreement  |
| Contribution                       | The funds provided and to be provided by a Contributor 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 Contributor, 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 instruments 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   |
| EBRD                               | European Bank for Reconstruction and Development   |
| Financial Intermediary Fund (FIF)  | Financial arrangements that leverage a variety of public and private resources in support of global development initiatives and partnership. These Funds involve financial engineering or complex finance schemes, or where the Bank provides a specified set of administrative, financial or operational services |
| Financial Procedures Agreement     | An agreement or arrangement between a World Bank entity, as Trustee, and Partner Entity for the commitment and transfer of funds by the Trustee to the Partner Entity under terms that do not involve Bank responsibility post-transfer  |
| Funding Availability               | Assets available to support funding decisions, as calculated under a specific basis of commitment.   |
| Funds Held in Trust                | Cash and Investments plus unencashed Promissory Note balance   |
| IBRD                               | International Bank for Reconstruction and Development  |
| IDB                                | Inter-American Development Bank  |
| IFC                                | International Finance Corporation  |
| Implementing Partner (IP)          | Any agency receiving funds from a FIF, which is responsible for managing those funds for project activities as approved by the governing body  |
| Investment Income                  | Returns (realized and unrealized) on cash and investments, allocated to individual Trust Funds   |
| IsDB                               | Islamic Development Bank   |
| Pledge                             | A Contributor's expression of its intention to make a Contribution   |
| Promissory Note (if applicable)    | A document consisting of a promise to pay that is non-interest bearing and payable on demand   |