



# Women Entrepreneurs Finance Initiative

## Financial Report

Prepared by the Trustee

*As of September 30, 2023*



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## 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 September 30, 2023.



## We-Fi Trust Fund Financial Summary as of September 30, 2023

### ***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 September 30, 2023, 14 contributors have pledged USDeq. 379.95 million to the We-Fi Trust Fund and formalized their Contributions by executing contribution agreements/arrangements. Resources not yet received amounted to USDeq. 5.30 million in outstanding contributions under the signed agreements/arrangements.

USD 374.65 million has been deposited into the We-Fi Trust Fund as of September 30, 2023.

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

As of September 30, 2023, the We-Fi Trust Fund earned investment income of approximately USD 23.44 million on the liquid balances of the Trust Fund and investment income received from Implementing Partners.

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

As of September 30, 2023, the We-Fi Governing Committee had approved funding totaling USD 380.42 million, with USD 338.83 million to finance project activities, USD 22.88 million for IP fees, and USD 18.71 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 237.79 million as of September 30, 2023, including USD 203.03 million related to project activities.

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

Funds Held in Trust<sup>1</sup> reflect contributions paid-in from contributors and investment income earned, less cash transfers. Funds Held in Trust with no restrictions amounted to USD 158.30 million as of September 30, 2023.

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

As of September 30, 2023, funds available to support We-Fi Governing Committee funding decisions amounted to USD 15.67 million net of USD 2 million Operational Reserve.

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<sup>1</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 September 30, 2023

In USD millions

	Total	% of Total
<b><u>Donor Pledges and Contributions</u></b>		
Contributions	379.95	100.0%
Pledges	-	0.0%
<b>Total Pledges and Contributions</b>	<b>379.95</b>	<b>100.0%</b>

<b><u>Cumulative Resources</u></b>		
<b><u>Resources received</u></b>		
Cash Receipts	374.65	92.9%
Investment Income earned a/	23.44	5.8%
<b>Total Resources Received</b>	<b>398.09</b>	<b>98.7%</b>
<b><u>Resources not yet received</u></b>		
Contributions not yet received	5.30	1.3%
Pledges	-	0.0%
<b>Total resources not yet received</b>	<b>5.30</b>	<b>1.3%</b>
<b>Total Potential Resources (A) (in USD millions)</b>	<b>403.40</b>	<b>100.0%</b>

<b><u>Cumulative Funding Decisions</u></b>		
Projects	338.83	89.1%
Fees	22.88	6.0%
Administrative Budget b/	18.71	4.9%
<b>Total Funding Decisions Net of Cancellations (B)</b>	<b>380.42</b>	<b>100.0%</b>
<b>Total Potential Resources Net of Funding Decisions (A) - (B)</b>	<b>22.97</b>	
<b>Total Potential Resources Net of Funding Decisions and Operational Reserve</b>	<b>20.97</b>	

<b><u>Funds Available</u></b>		
Funds Held in Trust with no restrictions c/	158.30	
Approved Amounts Pending Cash Transfers	142.63	
<b>Total Funds Available to Support Governing Committee Decisions</b>	<b>15.67</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/ 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 September 30, 2023

*In millions*

Contributor	Curr	Pledge in Currency of Contribution	Effective (or signed) Contribution	Receipts in Currency of Contribution	Total Outstanding Contributions in USDeq. a/	Total Receipts in 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	70.00	5.30	78.19
Japan	USD	55.00	55.00	55.00	-	55.00
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>5.30</b>	<b>374.65</b>

a/ Valued on the basis of exchange rates as of September 30, 2023

b/ Represents actual USD receipts

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

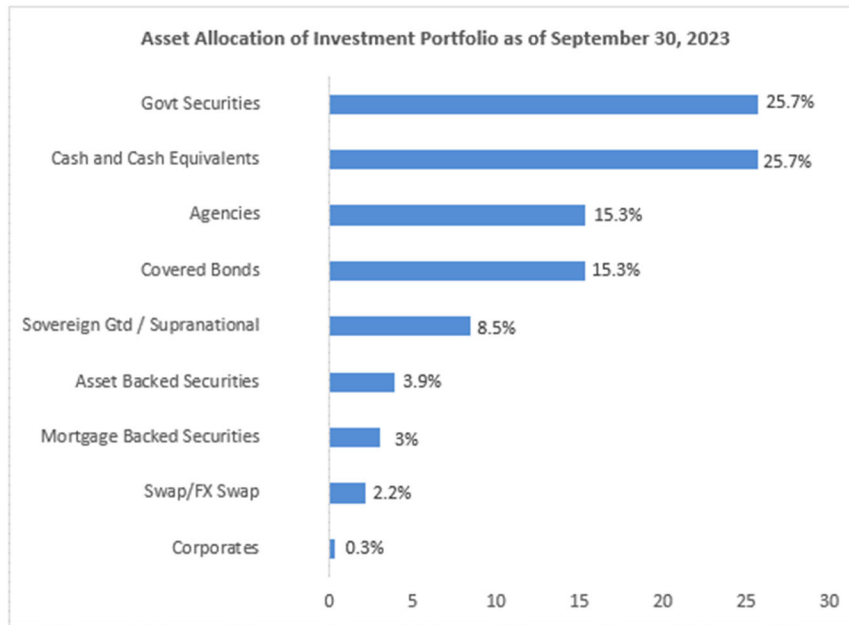


### 3. Asset Mix and Investment Income

#### ASSET MIX

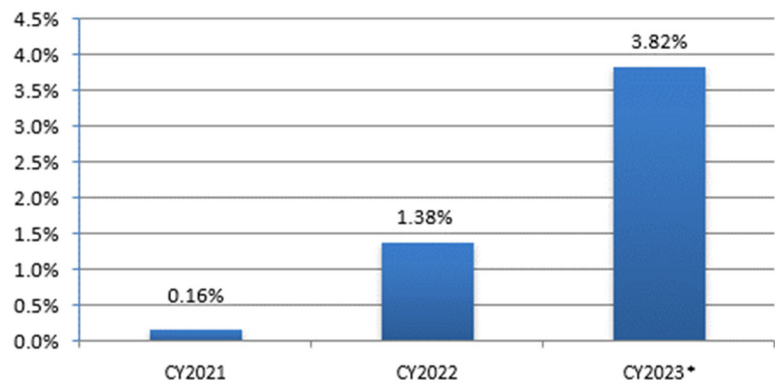
The undisbursed cash balance of the We-Fi Trust Fund is maintained in a commingled investment portfolio (“Pool”) for all trust funds managed by IBRD. Funds are managed such that the expected maximum loss, as measured by the CVaR, in the worst 1% of cases will not exceed 0.25% at the portfolio’s investment 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 23.44 million<sup>2</sup> in investment income since inception. The portfolio returns during three quarters of calendar year 2023 was 3.82%, non-annualized.



\*non-annualized

<sup>2</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.

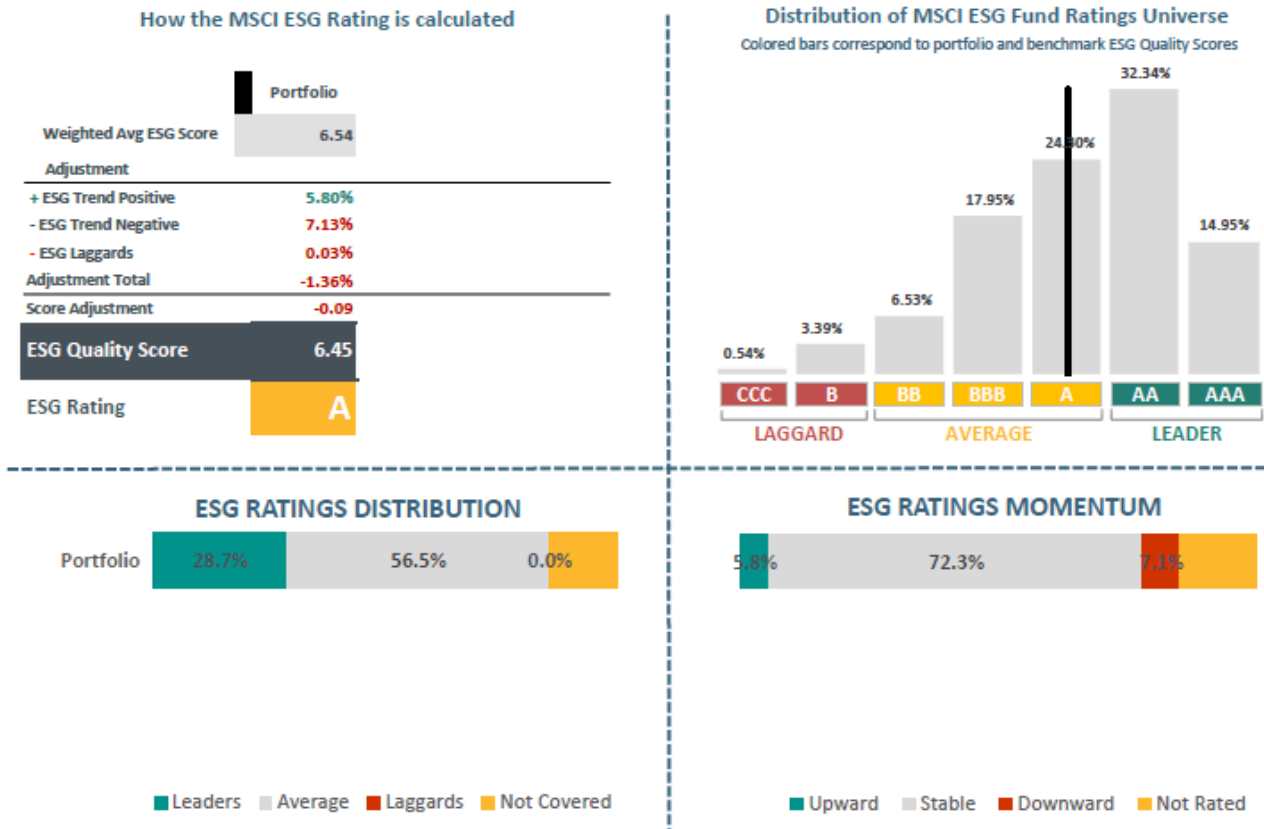
Considering and incorporating ESG factors into investment processes should, all things being equal, lead to portfolios that have stronger ESG profiles compared to portfolios that do not explicitly consider these ESG issues. ESG Integration has become part of the existing investment processes and is intended 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 September 30, 2023, the portfolio has an ESG Quality Score\* of 6.45 and an ESG Rating\* of A. 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 average 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</u> <u>September 30, 2023</u>
Africa	AfDB	71.71
Central Asia	EBRD	23.76
East Asia and Pacific	ADB	21.73
Indonesia	ISDB	0.47
Latin America	IDB	41.01
Middle East & North Africa	EBRD	0.98
Multi Regional	ISDB	30.23
Multi Regional	IBRD	42.48
	IFC	64.28
Multi Regional	EBRD	7.01
South Asia	ISDB	5.83
Sri Lanka	ADB	11.74
Western Africa	ISDB	10.46
Western Balkans	EBRD	1.96
Yemen	ISDB	5.18
		<b>338.83</b>
<b><u>Fees</u></b>		
ADB		2.27
AfDB		5.09
EBRD		1.55
IBRD		2.78
IDB		2.86
IFC		4.84
ISDB		3.49
		<b>22.88</b>
<b><u>Administrative Budget</u> a/</b>		
Secretariat		15.53
Trustee		3.17
		<b>18.71</b>
<b>Total Funding Decisions</b>		<b>380.42</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 September 30, 2023 (a)	As of June 30, 2023 (b)	Change since last report (a) - (b)
<b>1. Cumulative Receipts</b>	<b>398.09</b>	<b>395.38</b>	<b>2.71</b>
a. Cash receipts from Contributors	374.65	374.65	-
b. Investment Income earned a/	23.44	20.73	2.71
<b>2. Cumulative Cash Transfers</b>	<b>237.79</b>	<b>229.84</b>	<b>7.95</b>
a. Projects	203.03	198.55	4.48
b. Fees	16.06	16.06	-
c. Administrative Budget b/	18.70	15.23	3.47
<b>3. Funds Held in Trust ( 3 = 1 - 2 )</b>	<b>160.30</b>	<b>165.54</b>	<b>(5.24)</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>142.63</b>	<b>138.61</b>	<b>4.02</b>
<b>6. Funds available to support Governing Committee decisions ( 6 = 3 - 4 - 5 )</b>	<b><u>15.67</u></b>	<b><u>24.93</u></b>	<b><u>(9.26)</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 JULY 1, 2023 THROUGH SEPTEMBER 30, 2023:

- **Funding Availability** Net reduction of USD 9.26 million over the prior reporting period due to:
  - New funding decisions, net of returned unused funds, totaling USD 11.97 million;
  - Offset by additional investment income of approximately USD 2.71 million during the third quarter of calendar year 2023
- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USD 160.30 million as of September 30, 2023. Funds Held in Trust decreased by USD 5.24 million due to:
  - Cash transfers of USD 7.95 million;
  - Offset by additional investment income totaling USD 2.71 million during the quarter as mentioned above

## 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