



Women Entrepreneurs Finance Initiative

Financial Report

Prepared by the Trustee

As of September 30, 2021



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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, 2021.



We-Fi Trust Fund Financial Summary as of September 30, 2021

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, 2021, pledges to the We-Fi Trust Fund totaled USDeq. 376.91 million. Of this amount, the Trustee has executed contribution agreements/arrangements with 14 contributors totaling USDeq. 347.98 million while USDeq. 28.93 million in pledges was outstanding.¹

USD 324.98 million has been deposited into the We-Fi Trust Fund as of September 30, 2021.

Investment Income:

As of September 30, 2021, the We-Fi Trust Fund earned investment income of approximately USD 13.28 million on the liquid balances of the Trust Fund and investment income received from Implementing Partners.

Funding Approvals:

As of September 30, 2021, the We-Fi Governing Committee had approved funding from the We-Fi Trust Fund totaling USD 310.60 million, with USD 279.43 million to finance project activities, USD 18.98 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 190.16 million as at September 30, 2021, including USD 163.62 million related to project activities.

Funds Held in Trust:

Funds Held in Trust² reflect contributions paid-in from contributors and investment income earned, less cash transfers. Funds Held in Trust with no restrictions amounted to USD 146.09 million as of September 30, 2021.

Funds Available for We-Fi Governing Committee Funding Decisions:

As of September 30, 2021, funds available to support We-Fi Governing Committee funding decisions amounted to USD 25.66 million net of USD 2 million Operational Reserve.

¹ 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.

² 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, 2021

In USD millions

	Total	% of Total
<u>Donor Pledges and Contributions</u>		
Contributions	347.98	92.3%
Pledges a/	28.93	7.7%
Total Pledges and Contributions	376.91	100.0%
<u>Cumulative Resources</u>		
<u>Resources received</u>		
Cash Receipts	324.98	83.3%
Investment Income earned b/	13.28	3.4%
Total Resources Received	338.26	86.7%
<u>Resources not yet received</u>		
Contributions not yet received	23.00	5.9%
Pledges	28.93	7.4%
Total resources not yet received	51.93	13.3%
Total Potential Resources (A) (in USD millions)	390.18	100.0%
<u>Cumulative Funding Decisions</u>		
Projects	279.43	90.0%
Fees	18.98	6.1%
Administrative Budget c/	12.19	3.9%
Total Funding Decisions Net of Cancellations (B)	310.60	100.0%
Total Potential Resources Net of Funding Decisions (A) - (B)	79.59	
Total Potential Resources Net of Funding Decisions and Operational Reserve	77.59	
<u>Funds Available</u>		
Funds Held in Trust with no restrictions d/	146.09	
Approved Amounts Pending Cash Transfers	120.43	
Total Funds Available to Support Governing Committee Decisions	25.66	

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/ Excludes 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, 2021

In millions

Contributor	Curr	Pledge in Currency of Contribution	Effective (or signed) Contribution	Receipts in Currency of Contribution	Total Outstanding Contributions 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	8.00	2.00	8.00
Denmark	DKK	69.00	69.00	69.00	-	10.43
Germany c/	EUR	75.00	50.00	50.00	-	56.52
Japan	USD	50.00	50.00	50.00	-	50.00
Korea	USD	10.00	10.00	9.00	1.00	9.00
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	40.00	10.00	40.00
United Arab Emirates	USD	50.00	50.00	40.00	10.00	40.00
United Kingdom	GBP	3.70	3.70	3.70	-	4.79
United States	USD	50.00	50.00	50.00	-	50.00
Total					23.00	324.98

a/ Does not include pledges or contribution amounts that are not yet effective

b/ Represents actual USD receipts

c/ Pledge of EUR 25 million is pending execution of contribution agreement

Note: totals may not add up due to rounding



3. Asset Mix and Investment Income

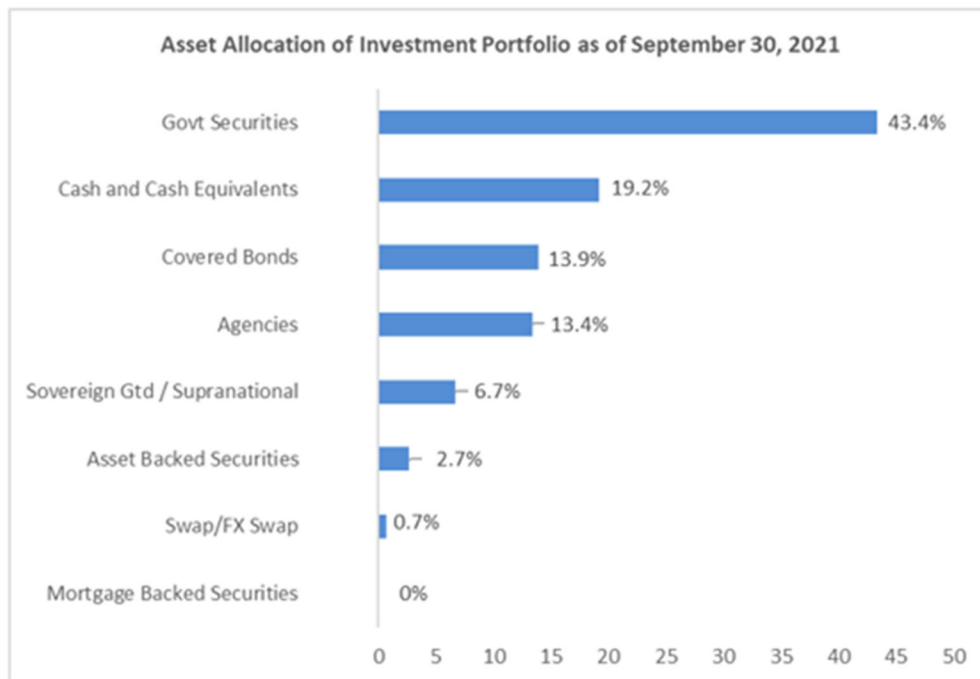
ASSET MIX

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

The funds held in trust benefit from the overall application of the Trustee's Sustainable and Responsible Investment (SRI) Statement, which includes the consideration and incorporation of Environmental, Social, and Governance factors into its investment processes.

The World Bank uses the Conditional Value-at-Risk (CVaR) measure as the risk constraint in the management of trust funds. Funds are managed such that the expected maximum loss, as measured by the CVaR, at the portfolio's investment horizon, is not to exceed 1% with 99% confidence.

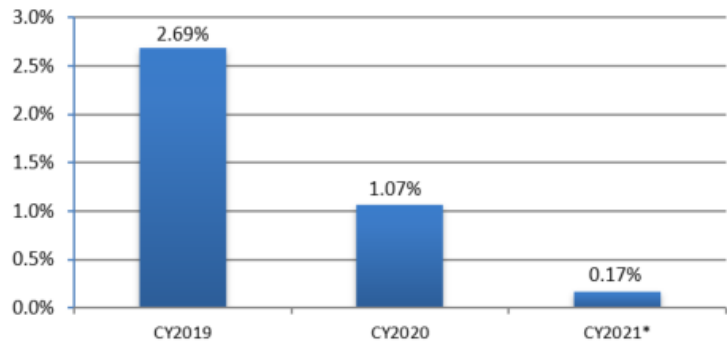
The portfolio allocation by asset class has the largest allocations to government securities and money market instruments.





INVESTMENT RETURNS

The We-Fi funds are invested in accordance with the investment strategy established for all trust funds administered by the World Bank and has earned approximately USD 13.28 million³ in investment income since inception. The portfolio returns during the first three quarters of calendar year 2021 was 0.17%, non-annualized.



*non-annualized

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.

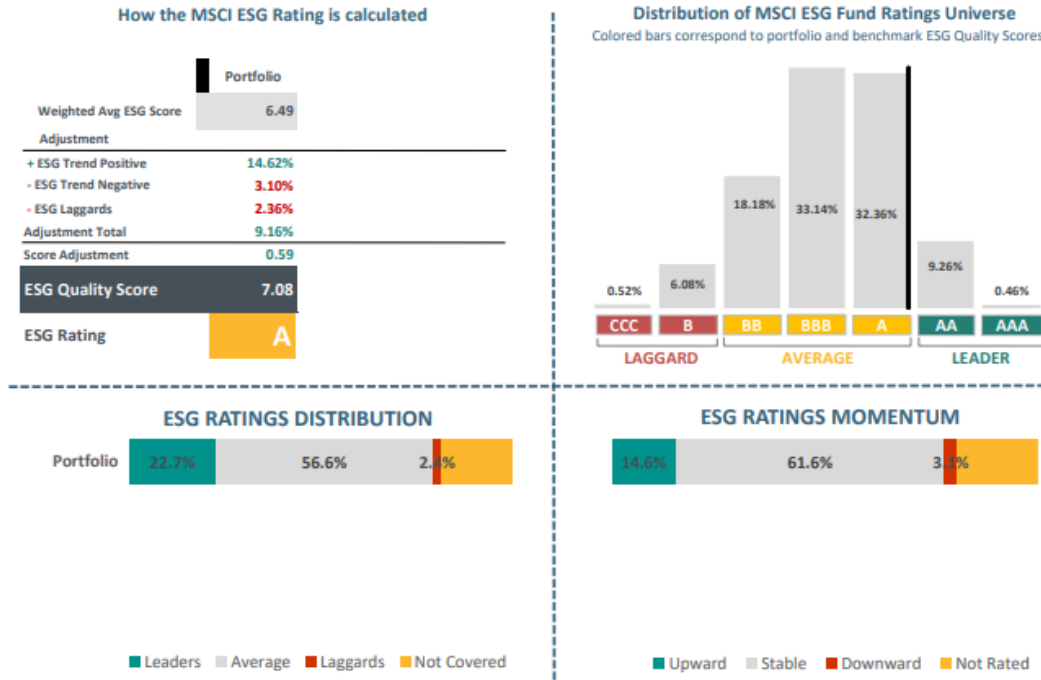
Considering and incorporating ESG factors into investment processes should, all things being equal, lead to portfolios that have stronger ESG profiles compared to portfolios that do not explicitly consider these ESG issues. ESG Integration has become part of the existing investment processes and is intended 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 at September 30, 2021, the portfolio has an ESG Quality Score* of 7.08 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 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.

³ Includes investment income received from IPs



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 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

In USD millions

<u>Projects</u>		<u>as of</u> <u>September 30, 2021</u>
Africa	AfDB	57.76
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
		279.43
 <u>Fees</u>		
ADB	ADB	2.13
AfDB	AfDB	4.04
EBRD	EBRD	1.45
IBRD	IBRD	1.97
IDB	IDB	2.52
IFC	IFC	4.07
ISDB	ISDB	2.79
		18.98
 <u>Administrative Budget</u> a/		
Secretariat		9.89
Trustee		2.30
		12.19
Total Funding Decisions		310.60
 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, 2021 (a)	As of June 30, 2021 (b)	Change since last report (a) - (b)
1. Cumulative Receipts	338.26	338.00	0.26
a. Cash receipts from Contributors	324.98	324.98	-
b. Investment Income earned a/	13.28	13.02	0.26
2. Cumulative Cash Transfers	190.16	170.59	19.58
a. Projects	163.62	148.04	15.58
b. Fees	14.36	13.56	0.79
c. Administrative Budget b/	12.19	8.98	3.21
3. Funds Held in Trust (3 = 1 - 2)	148.09	167.42	(19.32)
4. Operational Reserve c/	2.00	2.00	-
5. Funding Decisions Pending Cash Transfer	120.43	140.55	(20.12)
6. Funds available to support Governing Committee decisions (6 = 3 - 4 - 5)	<u>25.66</u>	<u>24.87</u>	<u>0.79</u>

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, 2021 THROUGH SEPTEMBER 30, 2021:

- **Funding Availability** increased by USD 0.79 million over the prior reporting period due to:
 - The return of unused funds totaling USD 0.53 million related to administrative budgets to support the activities of the We-Fi Secretariat and Trustee; and
 - Additional investment income of approximately USD 0.26 million during the third quarter of calendar year 2021
- **Funds Held in Trust** represent cumulative receipts less cumulative cash transfers, and amount to USD 148.09 million as of September 30, 2021. Funds Held in Trust decreased by USD 19.32 million due to:
 - Cash transfers totaling USD 19.58 million;
 - Offset by additional investment income of approximately USD 0.26 million during the period

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