



Global Agriculture and Food Security Program Trust Fund

Public Sector Window

Financial Report

Prepared by the Trustee

As of June 30, 2020



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Introduction

GAFSP Trust Fund Financial Summary as of June 30, 2020

Pledges and Contributions:

A pledge represents a contributor's expression of intent to make a contribution. Contributors finalize their pledges by way of a countersigned Contribution Agreement/Arrangement.

As of June 30, 2020, donor contributions to the Public Sector Window of the Trust Fund totaled USDeq. 1,485.4 million. Of this amount, USD 1,389.4 million has been received by the Trustee in cash.

Investment Income:

As of June 30, 2020, the Trust Fund earned investment income of approximately USD 50.4 million on the liquid balances of the Trust Fund and investment income received from Supervising Entities is USD 9 million.

Funding Approvals:

The cumulative funding decisions made by the GAFSP Steering Committee ("Steering Committee") through June 30, 2020 totaled USD 1,418.1 million, of which USD 1,307.8 million represents allocations for projects, USD 57.8 million for Supervising Entity fees, USD 34.5 million for Trustee and Coordination Unit administrative budget, and USD 17.9 million for monitoring and evaluation.

Cash Transfers:

The Trustee has transferred a total of USD 1,116.6 million up to June 30, 2020, including USD 1,008.5 million related to projects.

Funds Held in Trust:

*Funds Held in Trust*¹ reflect contributions paid in from contributors, and investment income earned less cash transfers. Funds Held in Trust as of June 30, 2020 amounted to USD 335.8 million, including USD 3.5 million in the form of unencashed promissory notes.

Funds Available for Steering Committee Funding Decisions:

Funds available to support Steering Committee funding decisions amounted to USD 34.2 million as of June 30, 2020.

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, 2020

In USD millions

	Total	% of Total
<u>Donor Pledges and Contributions</u>		
Contributions	1,485.4	



2. Contributions



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.

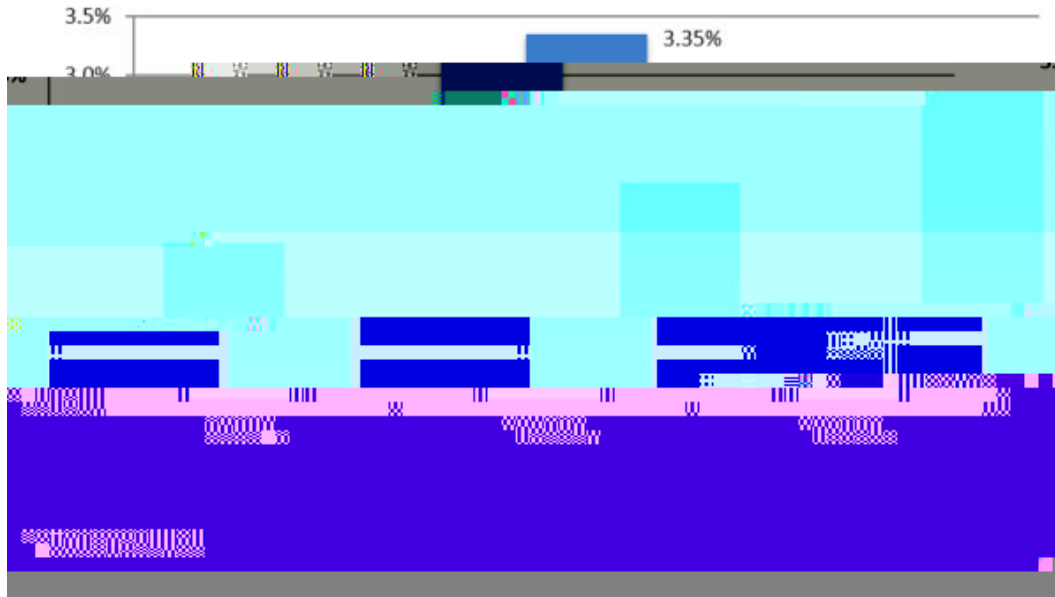
The Trust Fund balance is currently invested across three of the Pool’s investment model portfolios (“Model Portfolio 0” (MP0) with an investment horizon of up to three months, “Model Portfolio 1” (MP1) with an investment horizon of one year, and “Model Portfolio 2” (MP2) with an investment horizon of three years). While MP0 has the objective of ensuring timely availability of funds to meet the short term cash flow needs, MP1 and MP2 aim to enhance returns subject to capital preservation with a high degree of confidence (based on statistical models) over the respective investment horizons. Preservation of capital is the primary investment objective. Consequently, the Trust Funds investment portfolios are managed to conservative overall risk tolerance parameters.²

The Trust Fund assets are invested in high grade fixed income and money market instruments. Currently, these instruments include high quality securities that are issued by sovereign governments, government agencies, as well as multilateral and other official institutions. In addition, eligible instruments include asset backed and agency guaranteed mortgage backed securities, as well as swaps and a range of other derivative instruments related to investments and which are used to manage the interest rate risk. Figure 1 below presents the portfolio



INVESTMENT RETURNS

The Trust Fund liquid portfolio (which totaled approximately USD 335.8 million at end June 2020) earned approximately USD 50.4 million in investment income since inception. The portfolio returns during the first two quarters of calendar year 2020 was about 1.58% non annualized.







Projects <i>(continued)</i>	Supervising Entity	Amount	% of Total Projects by Country
Missing Middle Mali	IFAD	2.6	0%
Missing Middle Mali	WFP	3.0	0%
Missing Middle East Africa	IFAD	2.6	0%
Missing Middle Bangladesh	FAO	2.5	0%
Missing Middle Senegal	FAO	2.5	0%
Rwanda	IBRD	24.8	2%
	FAO	1.5	0%
Burkina Faso	IBRD	24.0	2%
Pacific Islands	IFAD	11.0	1%
	FAO	1.0	0%
Afghanistan	ADB/FAO	15.0	1%
Central African Republic	AFDB/FAO	15.4	1%
Democratic Rep of Congo	IBRD/FAO	15.0	1%
Cote d'Ivoire	AFDB/FAO	12.0	1%
Haiti	IDB/FAO	14.0	1%
Liberia	AFDB/FAO	8.2	1%
Yemen	IBRD/FAO	20.0	2%
The Gambia	AFDB/WFP	16.0	1%
		1,307.8	100%

<u>Fees</u>	% of Total Fees by SE
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The World Bank Group
Financial Intermediary Funds

GAFSP
Trust Fund



5. Funds Available

In USD millions

HIGHLIGHTS FOR THE PERIOD APRIL 1, 2020 THROUGH JUNE 30, 2020:

Funds Held in Trust represent cumulative receipts less cumulative cash transfers, and amount to USD 335.8 million as of June 30, 2020. Funds Held in Trust decreased by USD 0.1 million due to:

- Cash receipts from contributors, including promissory note encashments, totaling USD 3.5 million and additional investment income of approximately USD 1.5 million during the second quarter of calendar year 2020
- Offset by a reduction in unencashed promissory notes by USD 3.5 million and cash transfers of USD 1.6 million

Funding Availability increased by USD 0.3 million over the prior reporting period due to:



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.
FAO	Food and Agriculture Organization of the United Nations
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
IFAD	International Fund for Agricultural Development
Investment Income	Returns (realized and unrealized) on cash and investments, allocated to individual Trust Funds
Pledge	A Contributor'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
Supervising Entity (SE)	Any agency receiving funds from a FIF, which is responsible for managing those funds for project activities as approved by the governing body
WFP	World Food Programme