

Global Agriculture and Food Security Program Trust Fund
Public Sector Window
Financial Report
Prepared by the Trustee
As of June 30, 2022



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Introduction

The GAFSP Trust Fund (“Trust Fund”) was established as a Financial Intermediary Fund (FIF) in April 2010 in the World Bank. The GAFSP is a multilateral mechanism to assist in the implementation of pledges made by the G20 in Pittsburgh in September 2009. The objective is to address the underfunding of country and regional agriculture and food security strategic investment plans already being developed by countries in consultation with contributors and other stakeholders at the country level. The GAFSP operates through two windows: Public Sector Window and Private Sector Window. The Public Sector Window is managed under the Trust Fund while the Private Sector Window is managed by the IFC. This report covers only the Public Sector Window.

The report

GAFSP 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. Contributors finalize their pledges by way of a countersigned Contribution Agreement/Arrangement.

As of June 30, 2022, contributions and pledges to the Public Sector Window of the Trust Fund totaled USD 1,891.1 million. Of this amount, USD 1,638.1 million has been received by the Trustee in cash.

Investment Income:

As of June 30, 2022, the Trust Fund earned investment income of approximately USD 58.4 million on the liquid balances of the Trust Fund and investment income received from Supervising Entities.

Funding Approvals:

The cumulative funding decisions made by the GAFSP Steering Committee ("Steering Committee") through June 30, 2022, totaled USD 1,646.0 million, of which USD 1,519.4 million represents allocations for projects, USD 72.3 million for Supervising Entity fees, USD 35.5 million for Trustee and Coordination Unit administrative budget, and USD 18.7 million for monitoring and evaluation.

Cash Transfers:

The Trustee has transferred a total of USD 1,257.0 million up to June 30, 2022, including USD 1,138.4 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, 2022, amounted to USD 439.4 million.

Funds Available for Steering Committee Funding Decisions:

Funds available to support Steering Committee funding decisions amounted to USD 50.5 million as of June 30, 2022.

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 –



2. Contributions

Contributions to the Public Sector Window as of June 30, 2022 (in millions)

HIGHLIGHTS FOR THE PERIOD APRIL 1, 2022 TO JUNE 30, 2022:

- The Trustee executed a contribution agreement with the United States for



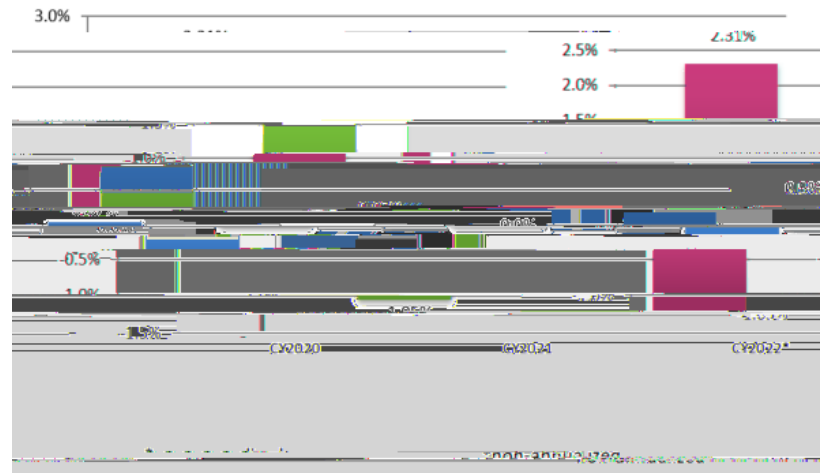
3. Asset Mix and Investment Income

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 Trust Agreement (the "Trust Agreement") and the Investment Policy Statement (the "IPS").

INVESTMENT RETURNS

The Trust Fund liquid portfolio earned approximately USD 58.4 million³ in investment income since inception. The portfolio returns during the first two quarters of calendar year 2022 was negative 1.05%, non annualized. 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 longer durations, in particular mortgage backed securities.



ESG SUMMARY REPORT – GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAM 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 the 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 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 the GAFSP 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 to the current investment objectives or risk limits for the GAFSP Trust Fund portfolio.

The GAFSP 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 7.85 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, GAFSP’s investment portfolio falls in the top decile of the ratings universe. This reflects high capability of GAFSP 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 SEs



Figure 1: MSCI ESG Portfolio Summary – Global Agriculture and Food Security Program 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*



4. Cumulative Funding Decisions as of June 30, 2022

In USD millions

<u>Projects</u>	<u>Supervising Entity</u>	<u>Amount</u>
Bangladesh	IBRD	42.9
	FAO	3.7
Benin	AFDB	24.0
Bhutan	IBRD	12.6
Burkina Faso	IBRD	61.1
Burundi	IFAD	30.0
Cambodia	ADB	42.9
Central African Republic	AFDB	13.9
	FAO	1.5
Cote d'Ivoire	AFDB	12.0
Ethiopia	IBRD	82.0
	FAO	5.5
The Gambia	AFDB	42.6
	FAO	1.4
Haiti	IBRD	10.0
	IDB	53.3
Honduras	IBRD	35.0
Kenya	AFDB	22.8
	FAO	1.2
Kyrgyz Republic	IBRD	38.0
Laos	IFAD	25.5
	WFP	8.3
Liberia	AFDB	54.7
Malawi	AFDB	39.6
Mali	AFDB	37.2
Mongolia	IBRD	11.0
	FAO	1.5
Myanmar	ADB	22.0
	FAO	5.0
Nepal	IBRD	b/ 63.3
Nicaragua	IBRD	33.9
Niger	AFDB	33.0
Pacific Islands	IFAD	b/ 11.6
	FAO	0.4
Rwanda	IBRD	50.0
Senegal	AFDB	44.4
Sierra Leone	IFAD	50.0
Tajikistan	IBRD	27.9
Tanzania	IBRD	22.9
Tanzania	AfDB	b/ 20.0
Timor Leste	IBRD	21.0
Togo	IBRD	18.2
	IFAD	16.5
Uganda	IBRD	34.6
Zambia	AFDB	32.5
Yemen	IBRD	63.0
Multi Country	FAO	c/ d/ 1.2
	WFP	d/ 0.1
Missing Middle Mali	IFAD	3.6
Missing Middle Mali	WFP	3.6
Missing Middle East Africa	IFAD	3.0
Missing Middle Bangladesh	FAO	3.7
Missing Middle Senegal	FAO	2.7



<u>Projects</u>	<u>Supervising Entity</u>	<u>Amount</u>
<i>(continued)</i>		
Rwanda	IBRD	30.8
	FAO a/	1.5
Afghanistan	FAO	3.0
	ADB a/	12.0
Democratic Rep of Congo	IBRD	9.0
	FAO a/	6.0
Bangladesh	FAO a/	3.3
Bangladesh	IFAD a/	16.0
	FAO a/	4.0
Bhutan	IFAD a/	10.4
	WFP a/	2.6
Burundi	IFAD a/	2.3
Cambodia	WFP a/	1.8
Democratic Rep of Congo	IFAD a/	1.7
Haiti	WFP a/	3.0
Honduras	FAO a/	2.1
Kyrgyz Republic	IBRD/FAO a/	5.0
Laos	IFAD a/	12.0
	WFP a/	8.0
Maldives	FAO a/	2.6
Nepal	ADB a/	9.0
	WFP a/	3.0
Nicaragua	FAO a/	3.2
Niger	FAO a/	2.7
Senegal	AFDB a/	20.0
	IFAD a/	2.3
Solomon Islands/Vanuatu	IFAD a/	12.2
	FAO a/	2.8
South Sudan	IFAD a/	20.0
Tanzania	AFDB a/	2.5
Uganda	IBRD a/	2.3
		1,519.4
<u>Fees</u>		
ADB		2.6
AFDB		18.0
FAO		2.8
IBRD		32.9
IDB		1.9
IFAD		12.4
WFP		1.8
		72.3
<u>Administrative Budget</u>		
DIME		6.4
Coordination Unit Core	e/	30.3
Coordination Unit M&E		5.8
Trustee		5.3
Project Impact Evaluation		6.5
		54.3
Total Funding Decisions		1,646.0
<p>a/ Subject to Steering Committee's approval of final project design b/ Includes Project Preparation Grant c/ Includes CSO budget for Asian Farmers Association and ROPPA d/ Includes Proposal Preparation Assistance e/ Includes budgets for CSOs and Technical Advisory Committee</p>		

Note: sub totals may not add up due to rounding



In USD millions

CUMULATIVE FUNDING DECISIONS

Since inception to June 30, 2022 funding approvals made by the Steering Committee totaled USD 1,646.0 million. Projinkt



5. Funds Available

In USD millions

HIGHLIGHTS FOR THE PERIOD APRIL 1, 2022 THROUGH JUNE 30,



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 or