

Financial Trends of World Bank Group Trust Funds, FY13-FY17

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2.1 Overview of World Bank Group Trust Funds, FY13–FY17

1. Key Statistics on WBG-administered Trust Fund Portfolio (FY13–FY17)⁹¹

Figure 1: Key statistics on WBG-administered trust fund portfolio, FY13–FY17

Number of Active Main Trust Funds	FY13	FY14	FY15	FY16	FY17
IBRD/IDA Trust Funds (TFs) ⁹²	685	653	635	667	751
<i>of which MIGA</i>	4	5	5	4	4
IFC TFs	290	275	249	238	217
Total	975	928	884	905	968
Funds Held in Trust (US\$ billions)	FY13	FY14	FY15	FY16	FY17
IBRD/IDA Trust Funds (TFs) ^{93,94}	9.1	9.8	9.9	9.2	8.9
<i>of which MIGA</i>	0.05	0.1	0.1	0.1	0.1
IFC TFs	0.7	0.6	0.6	0.6	0.6
Others ^{94, 95}	0.8	0.8	0.8	0.8	1.0
Total	10.6	11.1	11.3	10.7	10.5
Cash Contributions ⁹⁶ (US\$ billions)	FY13	FY14	FY15	FY16	FY17
IBRD/IDA Trust Funds (TFs)	3.5	3.6	3.4	3.0	2.8
<i>of which MIGA</i>	—	0.0239	—	—	—
IFC TFs	0.4	0.3	0.3	0.3	0.3
Total	3.8	4.0	3.7	3.4	3.0
Disbursements and Cash Transfers ⁹⁷ (US\$ billions)	FY13	FY14	FY15	FY16	FY17
IBRD/IDA Trust Funds (TFs)	4.0	4.1	4.2	4.2	3.9
BETF	0.7	0.8	0.8	0.9	1.0
RETF	3.3	3.3	3.4	3.4	2.9
<i>of which MIGA</i>	0.0001	0.0001	0.0012	0.0008	0.0003
IFC TFs	0.4	0.4	0.3	0.3	0.3
Total	4.4	4.5	4.4	4.5	4.2

91 Due to rounding, figures presented may not add up to total/s. This applies to the entire report.

92 The number of IBRD/IDA Trust Funds in FY16 and FY17 include parallel accounts, which were created to apply the World Bank's new cost recovery framework on additional contributions to an existing trust fund. The number of parallel accounts in FY16 and FY17 are 27 and 107 respectively.

93 FHIT are comprised of cash, investments, and promissory notes receivable at the end of the FY. It includes transfers from FIFs to IBRD/IDA trust funds as the IA.

94 Due to the reclassification of trust funds, the FHIT for IBRD/IDA TFs and Others in FY13 are different from what was reported in the FY13 TFAR. See Endnote 1 for a detailed explanation.

95 Others includes amounts held in escrow on behalf of the ICSID, donor balance accounts, balances on administration accounts, and unapplied receipts.

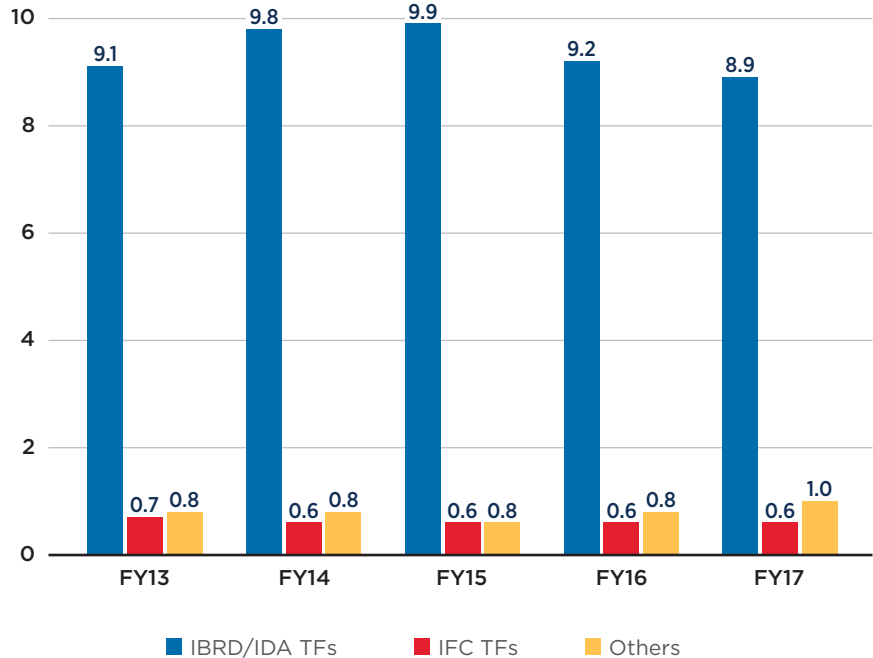
96 Cash contributions include encashment of promissory notes and cash receipts from donors and do not include transfers from FIFs to WBG trust funds as the IA.

97 Includes disbursements and cash transfers made from IBRD/IDA trust funds as a FIF IA. Cash transfers refer to transfers made to other internal and external organizations such as IFC, United Nations, International Monetary Fund, etc. This applies to the entire report.

2. Funds Held in Trust (FY13–FY17)

At \$10.5 billion, the amount of WBG FHIT as of end-FY17 almost reached the end-FY13 level of \$10.6 billion, after peaking at \$11.3 billion as of end-FY15. IBRD/IDA trust funds continued to account for the largest share (85 percent) followed by Others (9 percent) and IFC trust funds (6 percent) as of end-FY17.⁹⁸ FHIT of IBRD/IDA trust funds increased from \$9.1 billion in FY13 to the highest level over the five-year period of \$9.9 billion in FY15 and decreased in FY16 and FY17. Three large trust funds experienced a significant decrease in FHIT in FY17—the ARTF by \$208 million, the Education for All Supervising Entity Trust Fund by \$169 million, and the Carbon Trust Fund by \$71 million.

Figure 2: FHIT, FY13–FY17 (US\$ billions)

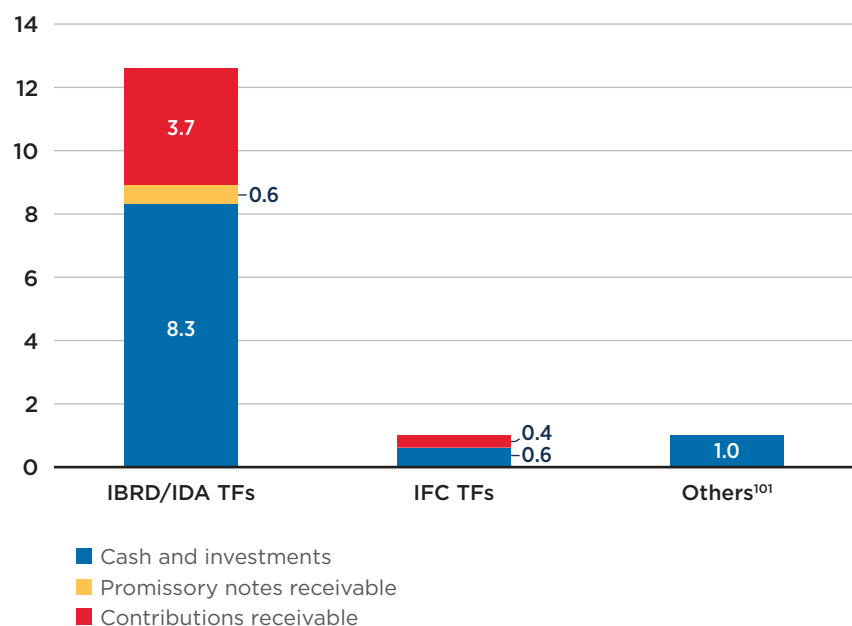


⁹⁸ Others includes amounts held in escrow on behalf of the ICSID, donor balance accounts, balances on administration accounts, and unapplied receipts.

3. Cash and Investments, Promissory Notes Receivable, and Contributions Receivable (as of end-FY17)

Total WBG cash and investments, promissory notes receivable, and contributions receivable amounted to \$14.6 billion as of end-FY17, the same level as in FY16. Of these, cash and investments constituted 68 percent, contributions receivable and promissory notes receivable constituted 28 percent and 4 percent, respectively.^{99, 100} IBRD/IDA trust funds held \$12.6 billion (87 percent), followed by IFC trust funds and Others trust funds with \$1.0 billion (7 percent) each as of end-FY17.

Figure 3: Cash and investments, contributions receivable, and promissory notes receivable, as of end-FY17 (US\$ billions)



⁹⁹ Contributions receivable refers to any portion of a contribution that is not a qualified contribution, to be received in the form of cash or a promissory note

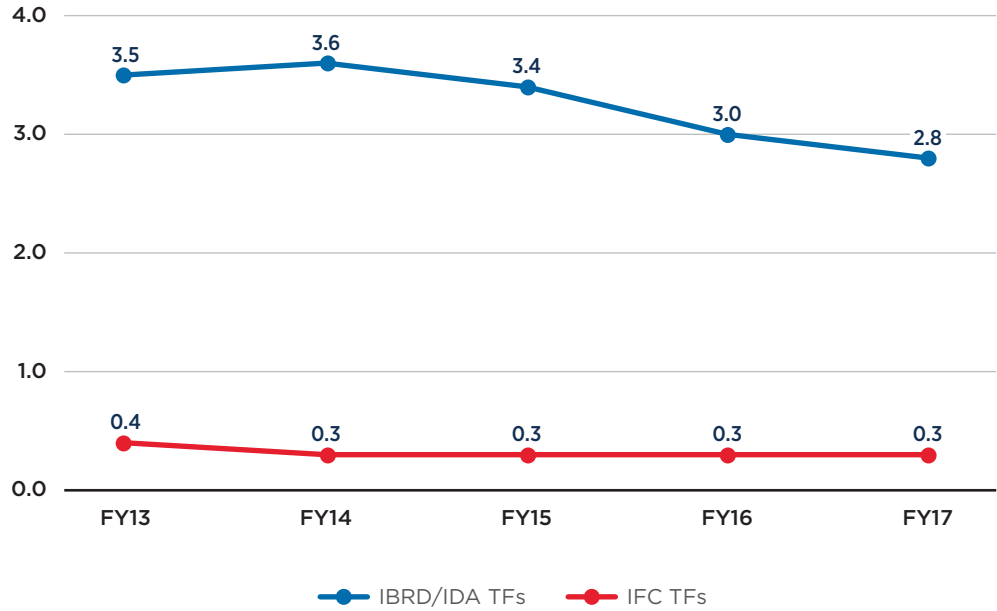
¹⁰⁰ Promissory notes receivable refers to the balance of promissory notes not yet received in cash.

¹⁰¹ Others includes amounts held in escrow on behalf of the ICSID, donor balance accounts, balances on administration accounts, and unapplied receipts.

4. Cash Contributions to Trust Funds (FY13–FY17)¹⁰²

Total cash contributions to WBG trust funds dropped to \$3.0 billion in FY17, the lowest point over the past five years. Total cash contributions in FY17 decreased significantly (24 percent) from the highest cash contribution of \$4.0 billion in FY14. Cash contributions to IBRD/IDA trust funds decreased from \$3.0 billion in FY16 to \$2.8 billion in FY17, as the United Kingdom and the United States decreased their cash contributions to IBRD/IDA trust funds by \$208 million and \$311 million, respectively. At the same time, the European Union, Germany, and Norway increased their cash contributions to IBRD/IDA trust funds by \$86 million, \$111 million, and \$124 million, respectively. Similarly, cash contributions to IFC trust funds decreased from \$319 million in FY16 to \$268 million in FY17. The United Kingdom and Italy contributed less compared to FY16 by \$15 million and \$11 million, respectively. IBRD/IDA trust funds received 91 percent of WBG cash contributions, while IFC trust funds received the remaining 9 percent in FY17.

Figure 4: Cash contributions to trust funds, FY13–FY17 (US\$ billions)

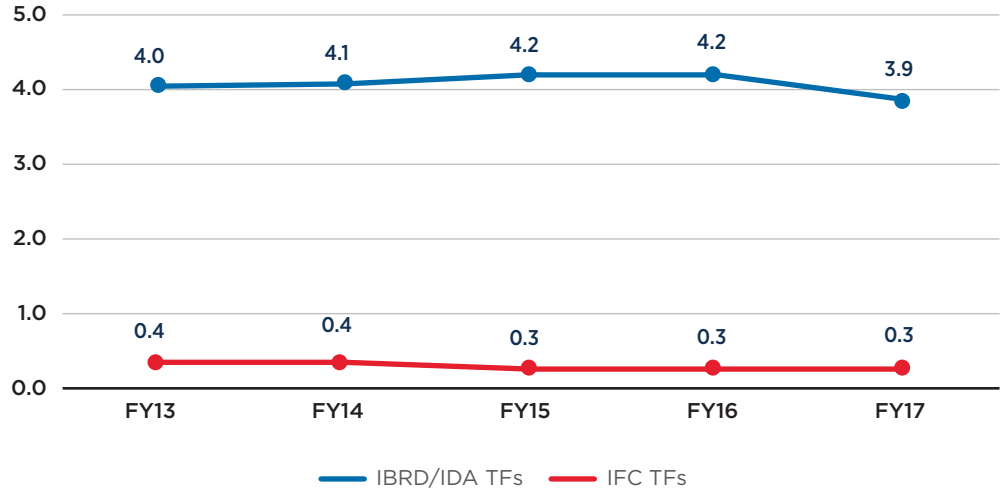


¹⁰² Cash contributions include encashment of promissory notes and cash receipts from donors and do not include transfers from FIFs to WBG trust funds as the IA.

5. Disbursements and Cash Transfers from Trust Funds (FY13–FY17)

Total WBG disbursements and cash transfers were relatively stable over the past five years, and fluctuated between \$4.2 billion and \$3.9 billion for IBRD/IDA trust funds and between \$0.4 billion and \$0.3 billion for IFC trust funds. The dip in disbursements and cash transfers to IBRD/IDA trust funds from FY16–FY17 was mainly due to a decrease in disbursements for three large trust funds—ARTF, Education for All Supervising Entity Trust Fund, and the Polio Buy Down Trust Fund (altogether, disbursements for these three trust funds decreased by \$332 million between FY16–FY17). IBRD/IDA trust funds accounted for 93 percent of WBG disbursements and cash transfers from trust funds, while IFC trust funds accounted for the remaining 7 percent in FY17.

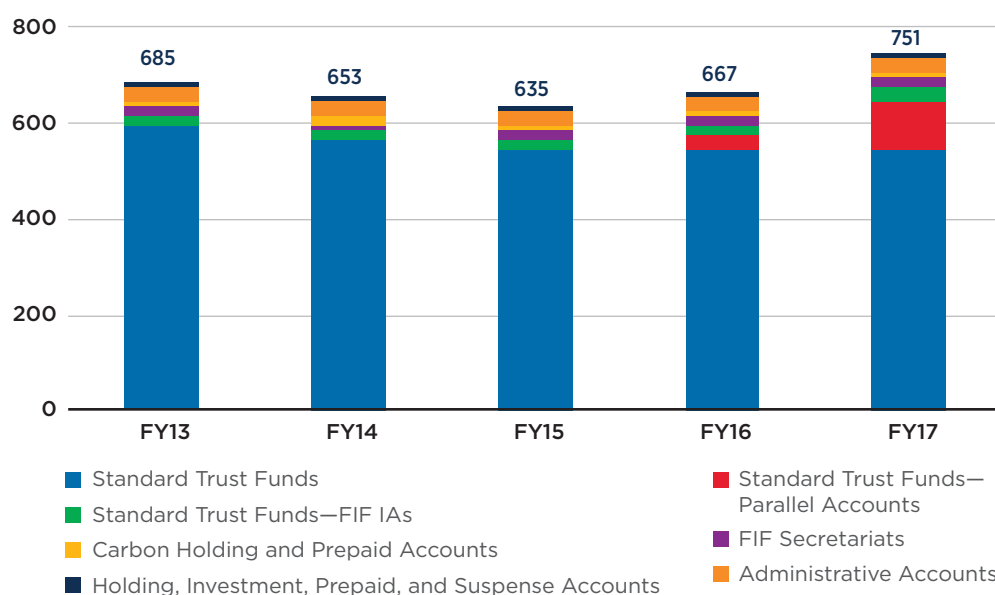
Figure 5: Disbursements and cash transfers from trust funds, FY13–FY17 (US\$ billions)



6. Number of IBRD/IDA Trust Funds (FY13–FY17)

Over the five-year period, the number of standard trust funds decreased from 597 in FY13 to 544 in FY17, as part of the World Bank’s consolidation efforts toward programmatic trust funds and MDTFs.¹⁰³ The total number of IBRD/IDA trust funds increased over the past five years from 685 as of end-FY13 to 751 as of end-FY17. The primary reason for the increase was the introduction of the new cost recovery framework in FY16, which required setting up parallel accounts for existing trust funds.¹⁰⁴ In FY17, the total number of IBRD/IDA trust funds included 107 parallel accounts, while in FY16 there were only 27 parallel accounts. The increase in parallel accounts was due to the application of the new cost recovery framework to additional contributions donors made to an existing trust fund.

Figure 6: Number of IBRD/IDA trust fund accounts, FY13–FY17



Trust fund account types	FY13	FY14	FY15	FY16	FY17
Standard trust funds	597	565	544	550	544
Standard trust funds—parallel accounts				27	107
Standard trust funds—FIF IAs	21	21	24	24	26
Subtotal—standard trust funds	618	586	568	601	677
FIF secretariats	15	15	15	15	17
Carbon holding and prepaid accounts	18	18	14	13	15
Administrative accounts	25	25	29	29	33
Holding, investment, prepaid, and suspense accounts	9	9	9	9	9
Subtotal—other trust funds	67	67	67	66	74
Grand Total	685	653	635	667	751

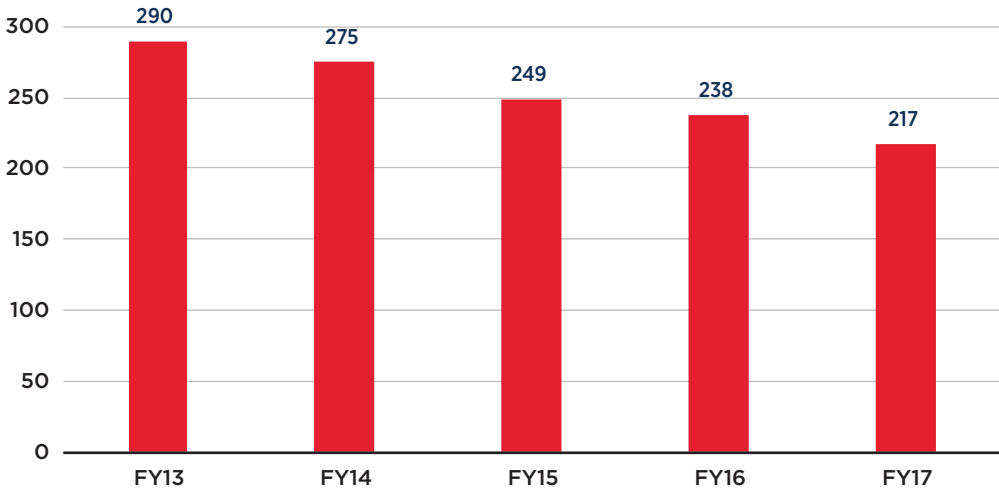
¹⁰³ Standard trust funds: A financing arrangement set up to accept contributions from one or more donors to be held and disbursed/transferred by a WBG entity as trustee in accordance with agreed terms. Standard trust fund—FIF IAs: A financing arrangement set up to accept contributions from a FIF to be held and disbursed/transferred by a WBG entity as FIF IA trustee in accordance with agreed terms.

¹⁰⁴ Parallel account: In order to apply the World Bank’s new cost recovery framework on additional contributions to an existing trust fund (“original trust fund”), a new parallel trust fund account is established for the purposes of receiving new donor contributions to trust funds that had “old” cost recovery arrangements. For this group of trust funds, there are then essentially two trustee-level accounts (until the original one is fully disbursed).

7. Number of IFC Trust Funds (FY13–FY17)

The total number of IFC trust funds decreased over the past five years from 290 as of end-FY13 to 217 as of end-FY17. Over the last few years, IFC has made a concerted effort to consolidate their trust fund portfolio, creating large Single-Donor Global/Regional Partnership trust funds, which helps to reduce transaction costs in negotiating individual agreements with the donors. Under this consolidated Single-Donor Trust Fund (SDTF) approach, donors can channel all their funds to the various IFC initiatives using one trust fund. For donors who are highly decentralized, IFC has encouraged them to channel their funds to thematic MDTFs, as part of the consolidation effort.

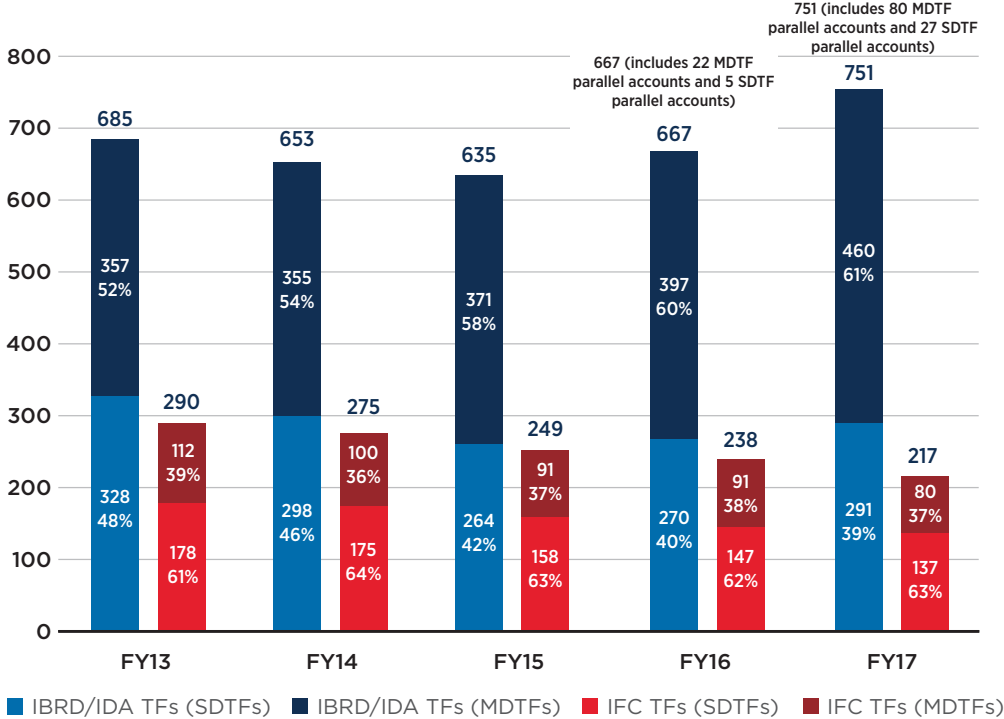
Figure 7: Number of IFC trust funds, FY13–FY17



8. Multi-Donor Trust Funds and Single-Donor Trust Funds (FY13–FY17)

IBRD/IDA MDTFs have seen a steady year-on-year increase over the past five years, growing from 52 percent as of end-FY13 to 61 percent as of end-FY17. Particular to IBRD/IDA trust funds, as of end-FY17, out of the 107 parallel accounts, 80 were MDTFs and 27 were SDTFs. By contrast, SDTFs represent the majority (63 percent) of IFC trust funds as of end-FY17.

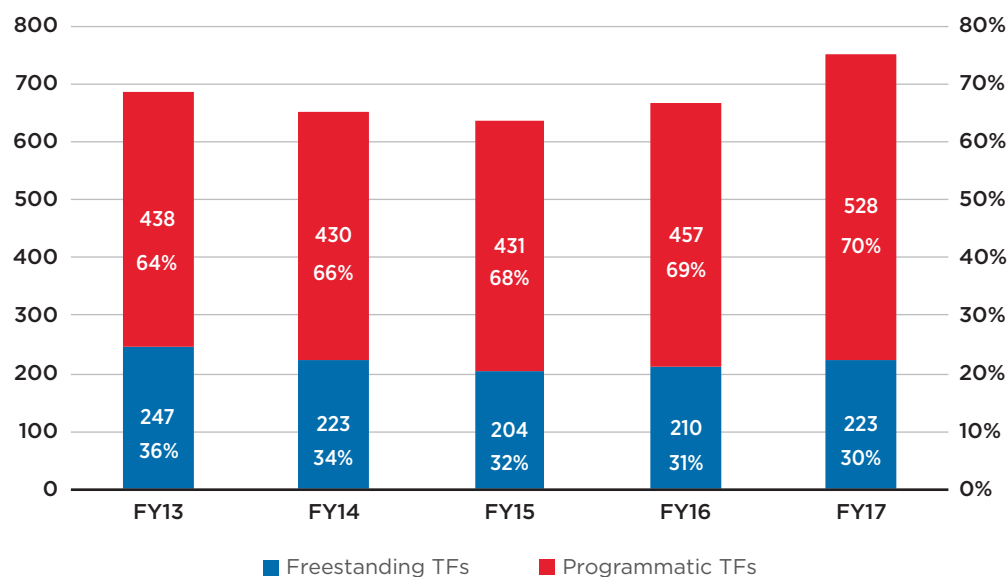
Figure 8: WBG MDTFs and SDTFs, FY13–FY17



9. Programmatic and Freestanding IBRD/IDA Trust Funds (FY13–FY17)^{105, 106}

The share of programmatic IBRD/IDA trust funds increased from 64 percent in FY13 to 70 percent in FY17, and the share of freestanding IBRD/IDA trust funds declined from 36 percent in FY13 to 30 percent in FY17.

Figure 9: Programmatic and freestanding IBRD/IDA trust funds, FY13–FY17



¹⁰⁵ A programmatic trust fund finances multiple grants under a two-stage mechanism. In the first stage, one or more donors agree to a thematic framework with criteria for supporting a program of activities. The donors commit their funds to the trust fund on this basis. In the second stage, grants are approved for specific activities on the agreed criteria.

¹⁰⁶ A freestanding trust fund supports a specified activity or set of activities in a specific country, region, or globally. The uses of the fund's activities are known up front and are specified in the Administration Agreement and the Grant Agreement, if any, for the trust fund.

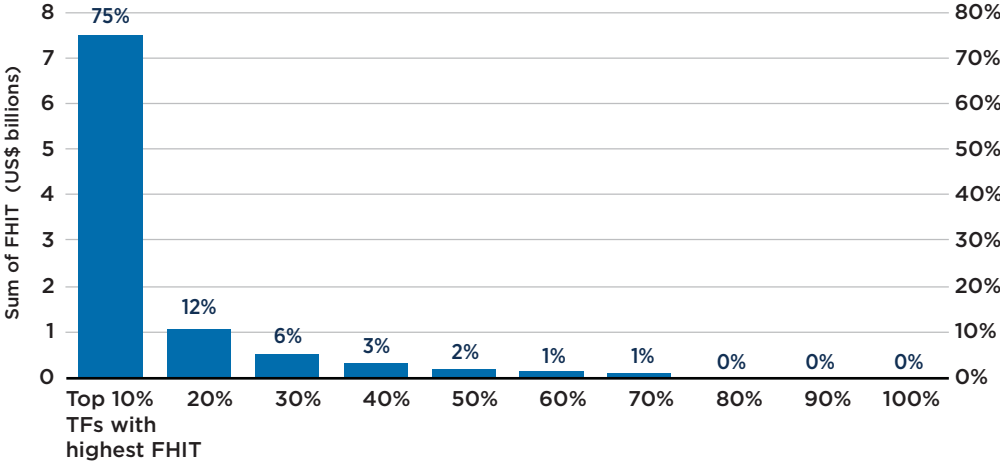
2.2 IBRD/IDA Trust Funds

IBRD/IDA trust funds are an important vehicle for channeling concessional development finance and for the World Bank to engage in a wide range of partnerships and leverage development assistance to client countries. These funds can be disbursed in the form of RETFs or BETFs. RETFs are provided to a third party under a grant agreement and finance projects implemented by recipients under the World Bank’s appraisal and supervision. BETFs complement the World Bank’s own budget to deliver knowledge services or support the World Bank’s preparation and supervision, primarily of RETF-funded projects. Many IBRD/IDA trust funds support both bank- and recipient-executed activities.

10. Distribution of Funds Held in Trust (as of end-FY17)

The top decile of the trust funds (measured by FHIT) held 75 percent of total FHIT, as of end-FY17. These trust funds broadly demonstrate a clear link to high priority areas such as fragile states (Afghanistan and Liberia), global themes (gender), and support to the SDGs (water). The bottom eight deciles held less than 15 percent of total FHIT. While the long tail of smaller funds can provide important funding for innovation and knowledge, fragmentation makes the clear link to strategic priorities and broader development outcomes more challenging. Small, customized trust funds may also increase transaction costs of fundraising, establishment, heterogeneous governance, results frameworks, and reporting requirements.

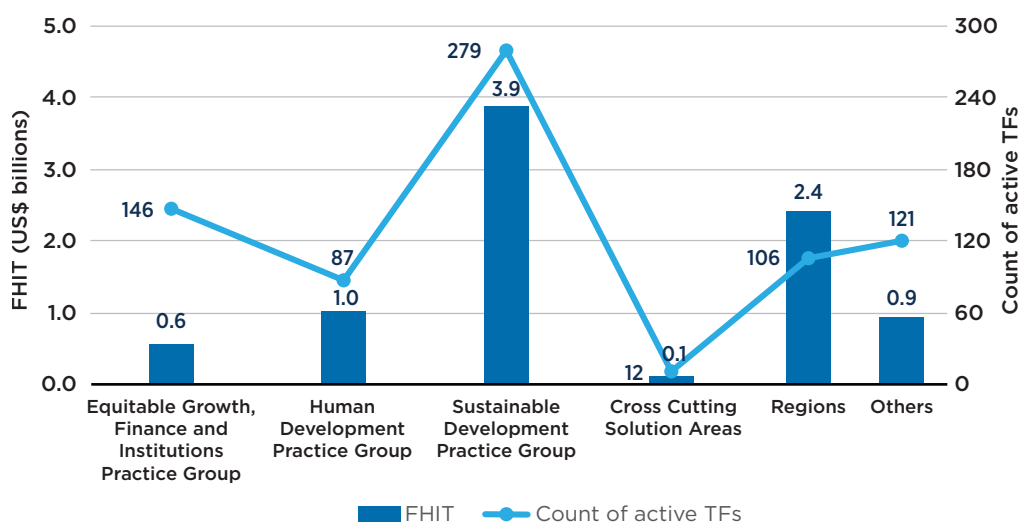
Figure 10: Distribution of FHIT, as of end-FY17 (US\$ billions)



11. IBRD/IDA Trust Fund Count and FHIT Distribution by World Bank Units (as of end-FY17)

In FY15, the WBG implemented a new organizational structure and created 14 Global Practices and five Cross Cutting Solution Areas.¹⁰⁷ The Global Practices are organized into three practice groups: (i) Equitable Growth, Finance, and Institutions Practice Group; (ii) Human Development Practice Group; and (iii) Sustainable Development Practice Group.¹⁰⁸ The highest number of active trust funds were mapped to the Sustainable Development and the Equitable Growth, Finance, and Institutions Practice Groups (279 and 146 respectively). The highest FHIT were within the Sustainable Development Practice Group (\$3.9 billion) and the Regions (\$2.4 billion), driven by the Climate Change funds and the ARTF respectively.¹⁰⁹ Other units constituted 10 percent of total FHIT.¹¹⁰

Figure 11: IBRD/IDA trust fund distribution by World Bank units, as of end-FY17



¹⁰⁷ In FY18, the Cross Cutting Solution Areas were renamed as Global Themes. Since this report covers FY13–FY17, the term Cross Cutting Solution Areas is used throughout the report. The term Global Themes is only used when describing work in FY18.

¹⁰⁸ The Equitable Growth, Finance and Institutions Practice Group includes Finance and Markets, Governance, Macro and Fiscal Management, Poverty, and Trade and Competitiveness; the Human Development Practice Group includes Education, Health, Nutrition and Population, Social Protection and Labor, and Jobs (dual mapped to Cross Cutting Solution Areas); the Sustainable Development Practice Group includes Agriculture, Climate Change (dual mapped to Cross Cutting Solution Areas), Energy and Extractives, Environment and Natural Resources, Public-Private Partnerships (dual mapped to Cross Cutting Solution Areas), Transport and ICT, Social, Urban, Rural, and Resilience, and Water. The Cross Cutting Solution Areas include FCV and Gender.

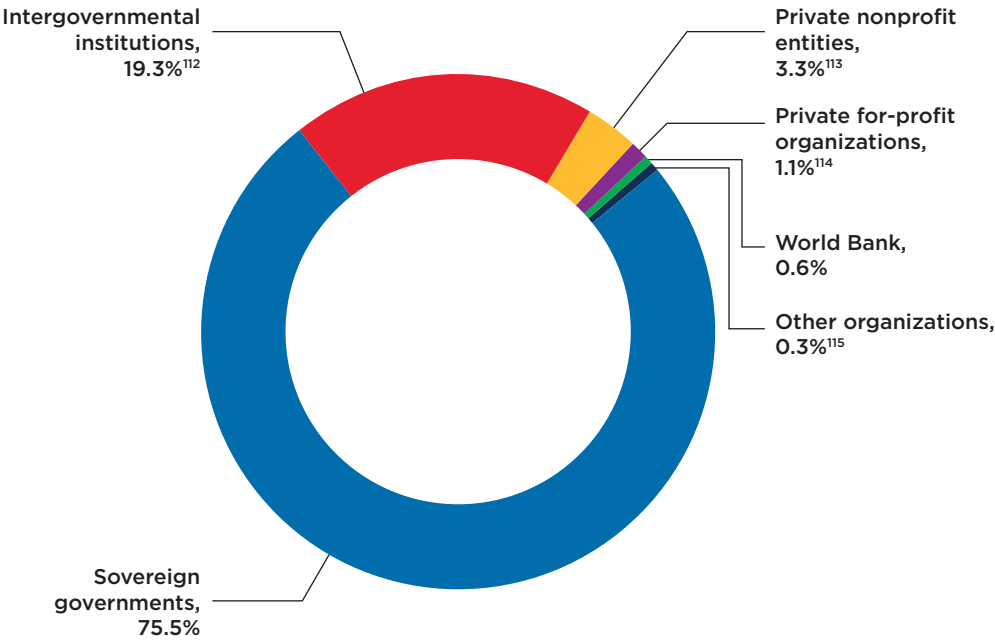
¹⁰⁹ Climate Change is mapped to both the Sustainable Development Practice Group and the Cross Cutting Solution Areas (Global Themes). In this report, Climate Change is considered as part of the Sustainable Development Practice Group.

¹¹⁰ Other units include External and Corporate Relations, Development Economics, Development Finance, GEF, Independent Evaluation Group, Legal, Treasury, Corporate Secretariat, and Operations Policy and Country Services.

12. IBRD/IDA Trust Funds Cash Contributions by Donor Type (FY17)¹¹¹

Sovereign governments remain the largest contributors to IBRD/IDA trust funds, accounting for 76 percent of total cash contributions received in FY17 (\$2.1 billion). Intergovernmental institutions contributed 19 percent (\$0.5 billion), and private nonprofit entities contributed 3 percent (\$90 million). The European Union contributed 83 percent of total intergovernmental institutions cash contributions in FY17, while the Bill and Melinda Gates Foundation contributed 48 percent of total private nonprofit entities cash contributions.

Figure 12: IBRD/IDA trust funds: cash contributions by donor type, FY17

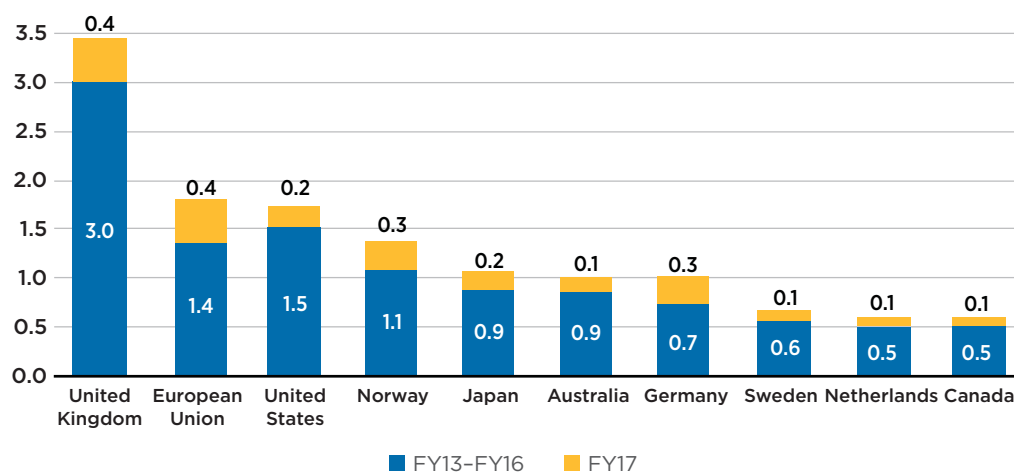


¹¹¹ Cash contributions include encashment of promissory notes and cash receipts from donors and do not include transfers from FIFs to WBG trust funds as IA.
¹¹² Intergovernmental institutions include organizations such as the European Union, Organization of Petroleum Exporting Countries, International Fund for Agricultural Development, etc.
¹¹³ Private nonprofit entity refers to a nonprofit organization, also known as a nonbusiness entity, which is dedicated to furthering a particular social cause or advocating a shared point of view.
¹¹⁴ Private for-profit organizations refer to private organizations that exist solely for making profit.
¹¹⁵ Academic organizations like the Korea Development Institute are typically grouped under Other organizations.

13. Cumulative Cash Contributions by Top Ten IBRD/IDA Trust Fund Donors (FY13–FY17)¹¹⁶

The United Kingdom was the largest donor to IBRD/IDA trust funds in cumulative cash contributions (\$3.4 billion) between FY13–FY17, followed by the European Union (\$1.8 billion) and the United States (\$1.7 billion).¹¹⁷ In FY17, the European Union made the largest total cash contributions of \$443 million to IBRD/IDA trust funds. While both the United Kingdom and the United States remain within the top three donors in cumulative cash contributions, both countries decreased their cash contributions to IBRD/IDA trust funds in FY17 compared to FY16, from \$638 million to \$430 million for the United Kingdom, and from \$515 million to \$204 million for the United States.

Figure 13: IBRD/IDA trust funds: cumulative cash contributions by top ten donors, FY13–FY17 (US\$ billions)



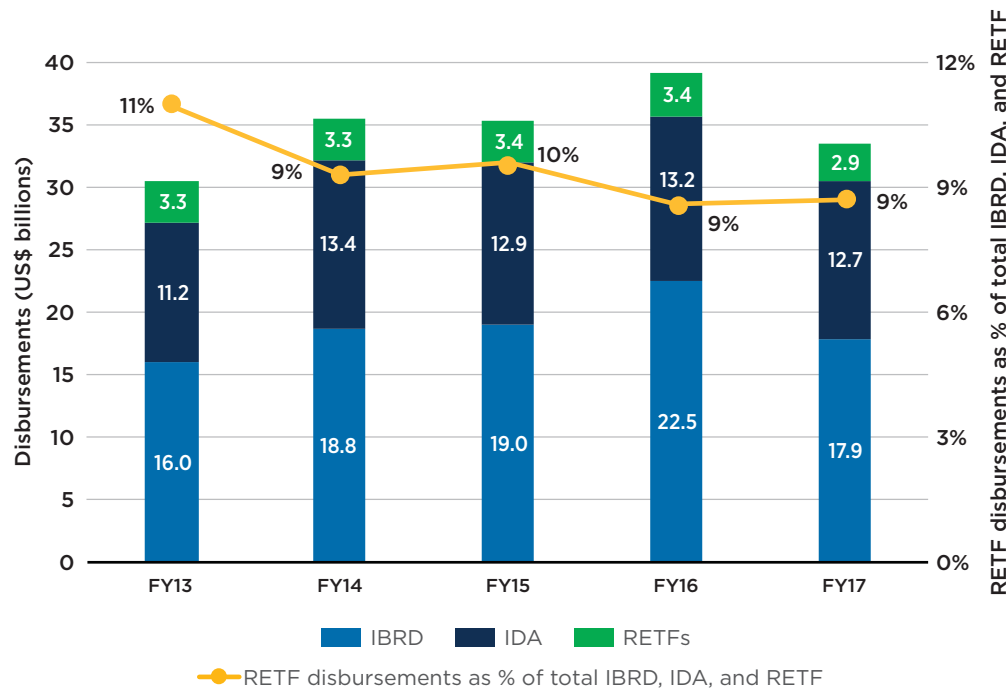
¹¹⁶ Cash contributions include encashment of promissory notes and cash receipts from donors and do not include transfers from FIFs to WBG trust funds as IA.

¹¹⁷ Transfers from FIFs to IBRD/IDA TFs as IA during FY13–FY17 amounted to \$4.0 billion. These transfers, when aggregated, accounted for the highest inflows to WBG trust funds when compared with direct contributions made by any single sovereign donor to trust funds over the five-year period.

14. Disbursements from IBRD, IDA, and RETFs (FY13–FY17)

Total disbursements from all RETFs remained steady, around \$3.3 billion between FY13–FY16, and decreased to \$2.9 billion in FY17. This was primarily due to a decrease in disbursements of a few trust funds—ARTF, the Education for All Supervising Entity Trust Fund, the Polio Buy Down Trust Fund, the CTF Trust Fund (IBRD serving as a FIF IA), and the West Bank and Gaza—IBRD Funded Trust Fund (altogether, RETF disbursements for these trust funds decreased by \$404 million between FY16–FY17). Similarly, IBRD and IDA disbursements also decreased from FY16–FY17. The share of RETFs in total project financing remained relatively stable over the past five years—approximately one out of every ten dollars disbursed to client countries came from RETFs. On average, RETFs accounted for 80 percent of total trust fund disbursements over the past five years.

Figure 14: Disbursements from IBRD, IDA, and RETFs, FY13–FY17



15. RETF Disbursements by Country Eligibility (FY13–FY17) (US\$ millions)¹¹⁸

Between FY13–FY17, cumulative total RETF disbursements were \$16.3 billion, with the highest annual level of \$3.4 billion in FY15. There was a 13 percent decrease in RETF disbursements from \$3.3 billion in FY13 to \$2.9 billion in FY17. IDA countries continued to receive the largest share of RETF disbursements year after year. In FY17, RETF disbursements to IDA countries accounted for 66 percent of total RETF disbursements. Over the past five years, approximately \$1 out of every \$7 disbursed to IDA-only and blend countries was from RETFs; RETF disbursements to IBRD countries were equivalent to 3 percent of IBRD disbursements.¹¹⁹

Figure 15: RETF disbursements by country eligibility, FY13–FY17 (US\$ millions)

Country Eligibility Category ¹²⁰	FY13	FY14	FY15	FY16	FY17
IDA	2,029	1,960	2,184	2,229	1,918
Blend	177	345	211	255	222
IBRD	703	520	579	643	554
Global/regional/others ¹²¹	431	477	427	236	225
Grand Total	3,341	3,301	3,401	3,363	2,919

¹¹⁸ The country eligibility classifications for each particular fiscal year were used. See Endnote 2 for a detailed explanation.

¹¹⁹ Blend countries refer to those that are IDA-eligible based on per capita income levels and are also creditworthy for some IBRD borrowing, such as Nigeria and Pakistan.

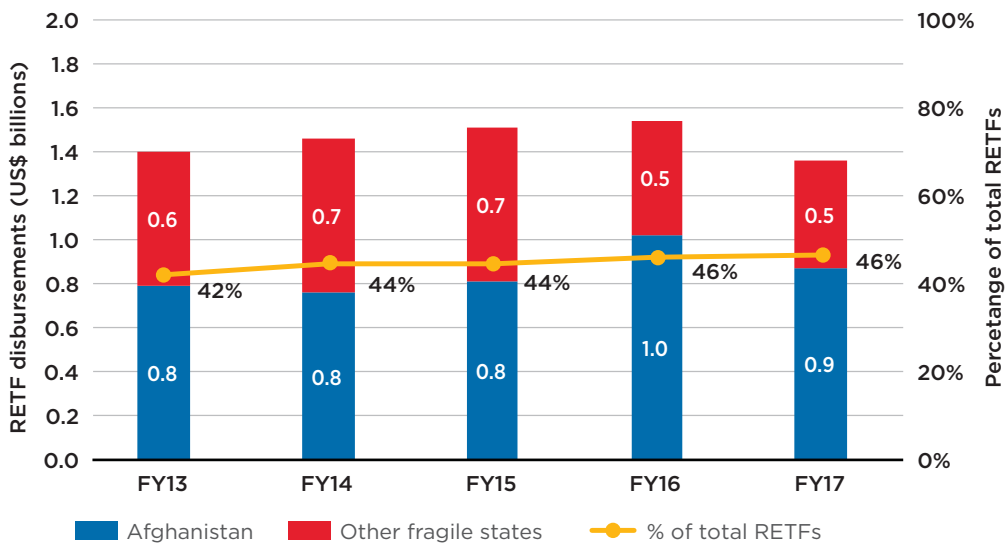
¹²⁰ Due to reclassification, RETF disbursements in this report are different from those reported in the FY13 TFAR. Please see Endnote 3 for a detailed explanation.

¹²¹ The Global/regional/others category includes disbursements for regional and global activities and to non-members like the West Bank and Gaza.

16. RETF Disbursements in Fragile and Conflict-Affected States (FY13–FY17)

RETFs are an important financing instrument to respond to the needs in FCS. RETF disbursements in FCS increased from \$1.40 billion in FY13 to \$1.54 billion in FY16. However, in FY17, RETF disbursements in FCS decreased to \$1.36 billion. The share of RETF disbursements in FCS out of total RETF disbursements increased from 42 percent to 46 percent over the five-year period. Disbursements to Afghanistan continued to account for a significant portion of total RETF disbursements in FCS—64 percent in FY17 (\$0.9 billion). RETF disbursements to FCS other than Afghanistan fluctuated between \$0.7 billion and \$0.5 billion over the past five years. In FY17, besides Afghanistan, the top five FCS that received the highest RETF disbursements were the West Bank and Gaza (\$104 million), Liberia (\$70 million), Somalia (\$42 million), Democratic Republic of the Congo (\$38 million), and Madagascar (\$38 million).

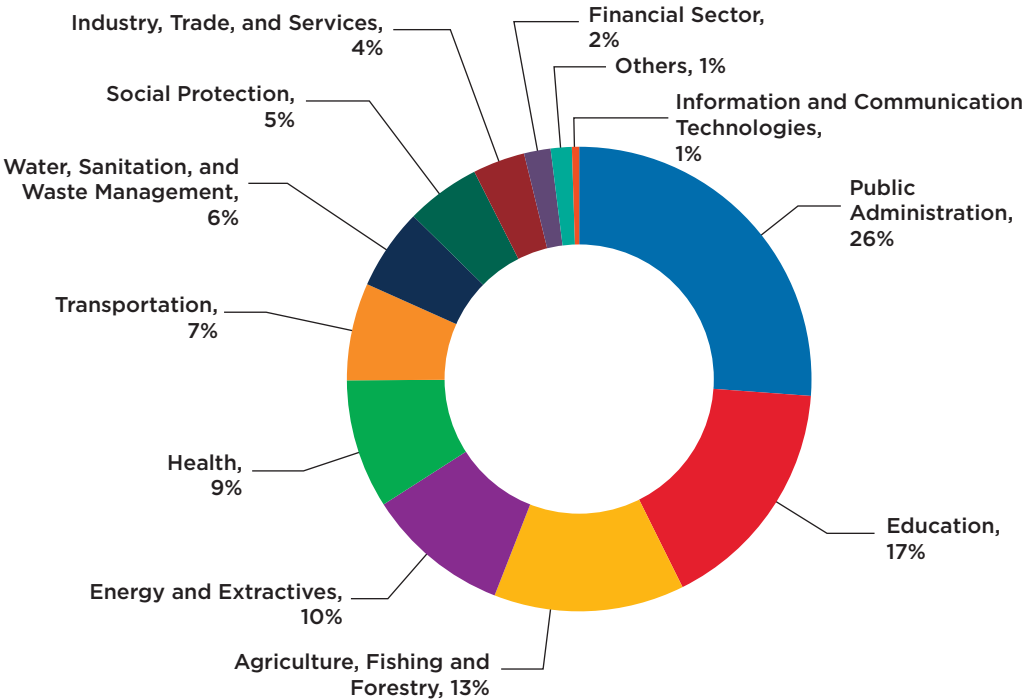
Figure 16: RETF disbursements in fragile and conflict-affected states, FY13–FY17



17. Sectoral Allocation of RETF Disbursements (FY17)

The majority of RETF disbursements went to the following three sectors: (i) Public Administration, (which includes the World Bank’s work on governance and anticorruption) at 26 percent; (ii) Education at 17 percent; and (iii) Agriculture, Fishing and Forestry, at 13 percent.¹²² Together, the three sectors accounted for 56 percent of total RETF disbursements in FY17. The share of RETF disbursements to the Health sector decreased from 16 percent in FY16 to 9 percent in FY17, primarily due to lower recipient-executed disbursements to the sector in the following trust funds: ARTF, the Polio Buy Down Trust Fund, the West Bank and Gaza IBRD-Funded Trust Fund, and the Indonesia Program for Community Empowerment Trust Fund.

Figure 17: Sectoral allocation of RETF disbursements, FY17

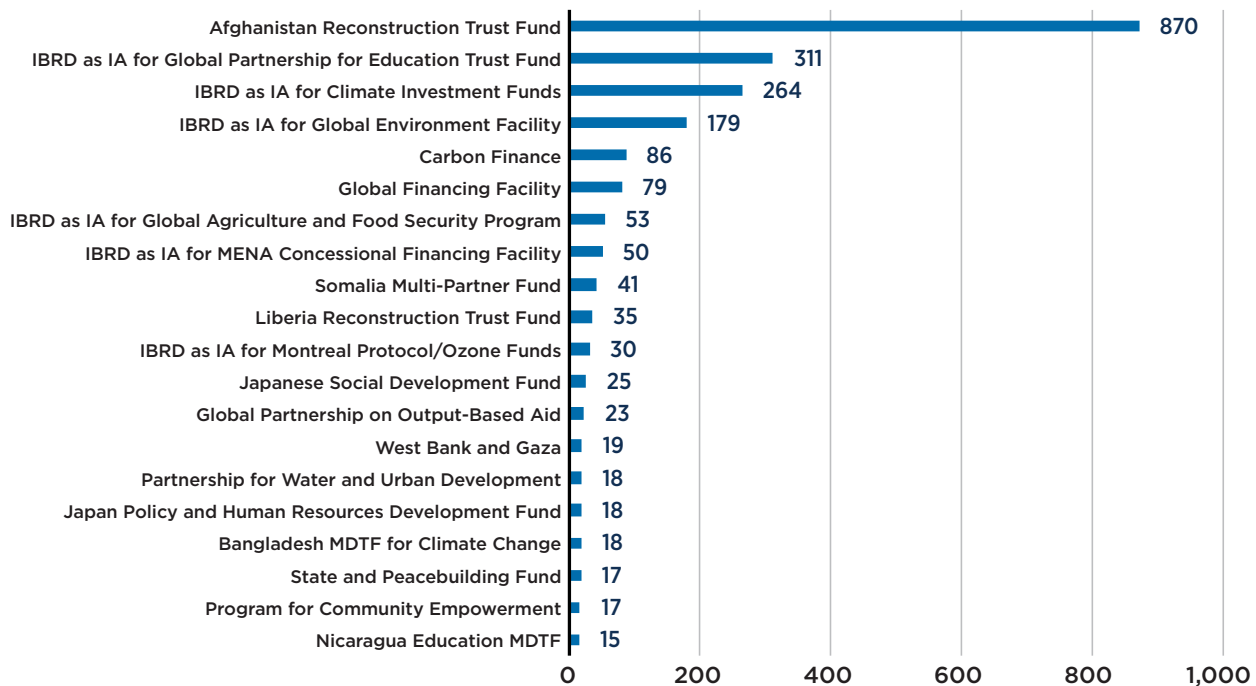


¹²² The World Bank sector taxonomy, applicable in FY17, has been used to generate this figure.

18. RETF Disbursements—Top 20 Programs (FY17)

In FY17, the top 20 programs in RETF disbursements cumulatively disbursed \$2.2 billion, out of a total RETF disbursements of \$2.9 billion. The ARTF Program disbursed \$870 million and remained the highest, followed by IBRD as IA for GPE with \$311 million, CIF with \$264 million, and the GEF with \$179 million. Six of the top 20 programs, cumulatively disbursing \$887 million in FY17, were from trust funds where the World Bank is an IA for a FIF.

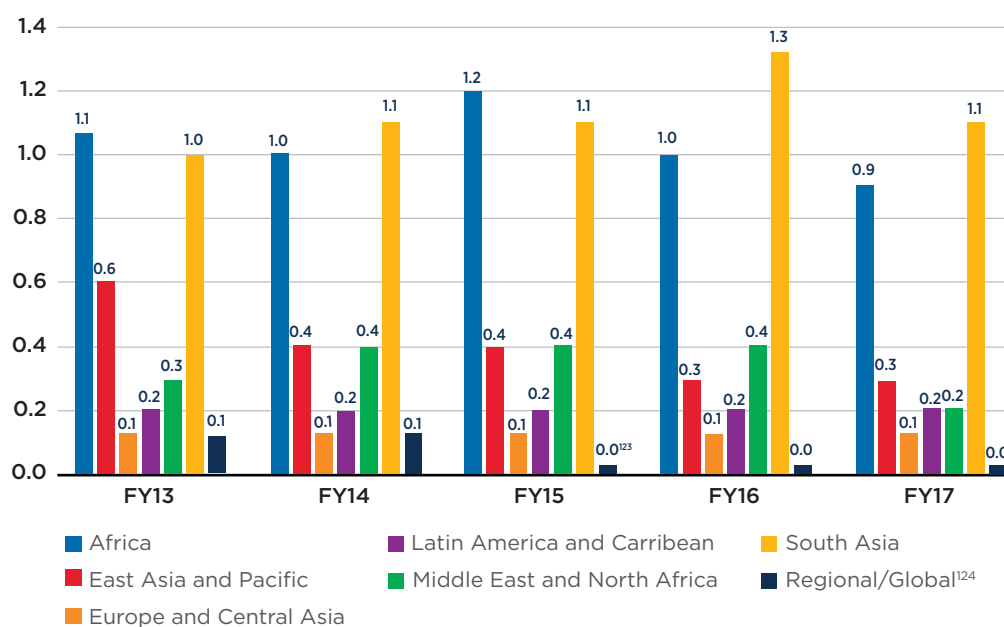
Figure 18: RETF disbursements—top 20 programs, FY17 (US\$ millions)



19. Regional Shares of RETF Disbursements (FY13–FY17)

Among the World Bank’s regional units, South Asia was the largest beneficiary of RETFs in FY17 (\$1.1 billion), primarily due to the ARTF, followed by Africa (\$904 million), and East Asia and Pacific (\$292 million). RETF disbursements in Middle East and North Africa, Latin America and Caribbean, and Europe and Central Asia were \$230 million, \$187 million, and \$135 million, respectively. Compared with FY16, RETF disbursements decreased in Africa, East Asia and Pacific, Middle East and North Africa, and South Asia. In the Middle East and North Africa, RETF disbursements decreased significantly, by 44 percent from \$413 million to \$230 million, primarily due to the decrease in disbursement of \$146 million from the CTF Trust Fund (IBRD serving as a FIF IA) in the region.

Figure 19: RETF disbursements by region, FY13–FY17 (US\$ billions)



¹²³ Due to rounding of numbers, disbursements below \$50 million are displayed as \$0.0. For instance, in FY15 Regional/Global disbursements were \$26 million.

¹²⁴ Includes disbursements for regional/global activities, such as the DMF Phase II Trust Fund and the Stolen Asset Recovery Initiative MDTF.

20. BETF Disbursements by Country Eligibility (FY13–FY17) (US\$ millions)¹²⁵

Over the five-year period, BETF disbursements increased by 39 percent, from \$685 million in FY13 to \$952 million in FY17. More than half of BETF disbursements (the “Global/regional/others” category) in FY17 went to support regional work (such as the PDRFI) or global work (such as the Global Financial Inclusion Indicators Trust Fund) and non-members such as the West Bank and Gaza. Out of approximately \$4 billion in BETF disbursements over the last five years, about \$940 million were for activities that support IDA countries. Between FY13–FY17, BETF disbursements for activities that support IDA countries grew by 29 percent and reached the highest level of \$214 million in FY17; BETF disbursements for activities that support blend countries grew by 42 percent and reached \$72 million in FY17; and BETF disbursements for activities that support IBRD countries grew by 49 percent and reached \$157 million in FY17.

Figure 20: BETF disbursements by country eligibility, FY13–FY17 (US\$ millions)

Country Eligibility Category ¹²⁶	FY13	FY14	FY15	FY16	FY17
IDA	166	191	174	197	214
Blend	51	66	54	65	72
IBRD	106	110	139	141	157
Global/regional/others ¹²⁷	363	405	403	458	510
Grand Total	685	772	770	861	952

¹²⁵ The country eligibility classifications for each particular fiscal year were used. See Endnote 2 for a detailed explanation.

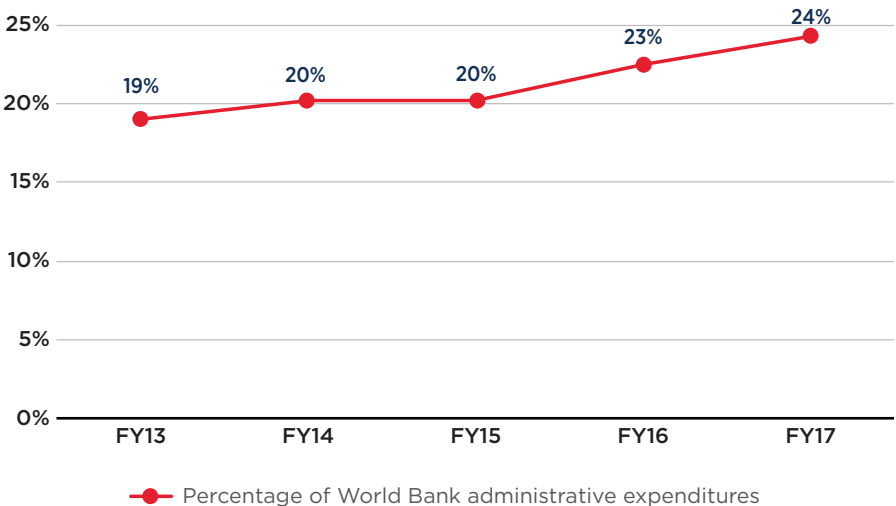
¹²⁶ Due to a change in FY14 to the BETF definition and reclassification of trust funds, BETF disbursements in this report are different from those reported in the FY13 TFAR. See Endnote 4 for a detailed explanation.

¹²⁷ The Global/regional/others category includes disbursements for regional and global activities and to non-members.

21. World Bank Administrative Expenditures (FY13–FY17)¹²⁸

The share of BETF disbursements in total World Bank administrative expenditures has continued to increase from 19 percent in FY13 to 24 percent in FY17, the highest in the past five years.

Figure 21: Share of BETF disbursements in World Bank administrative expenditures, FY13–FY17

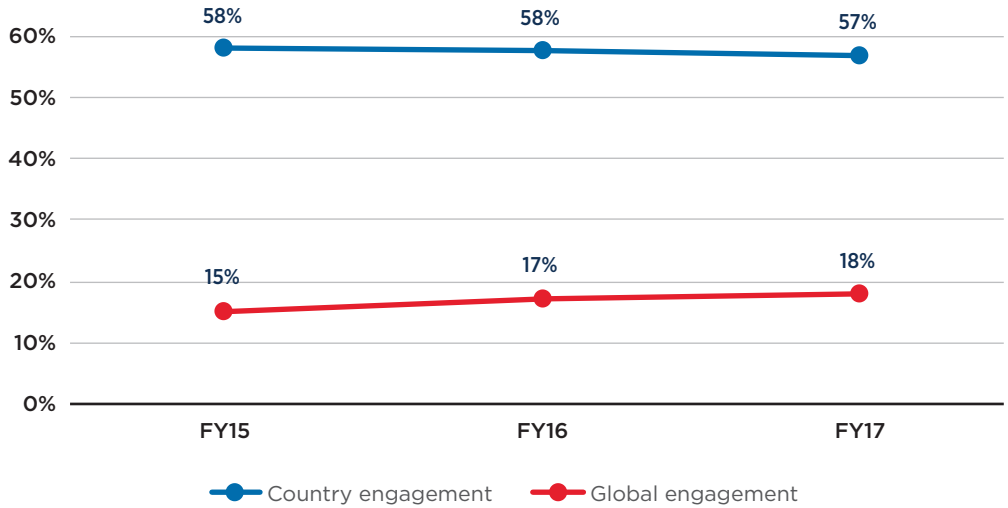


¹²⁸ Administrative Expenses means expenses incurred to administer the work program of WBG Institutions, including WBG-executed Trust Fund programs.

22. Share of BETF Disbursements for Country Engagement and Global Engagement Activities (FY15–FY17)

In FY17, country engagement activities (including lending, supervision, and advisory services and analytics) accounted for 57 percent of total BETF disbursements, a slight decrease from 58 percent in FY15.¹²⁹ Global engagement activities (including global knowledge research and development and global advocacy) accounted for 18 percent of total BETF disbursements in FY17, increasing from 15 percent in FY15.¹³⁰

Figure 22: Share of BETF disbursements for country engagement and global engagement activities, FY15–FY17



¹²⁹ Country engagement refers to country and regional work programs, such as lending, supervision, and advisory services and analytics.

¹³⁰ Global engagement is funding for global activities, which are not demand driven by a specific borrower country, such as global knowledge, research and development, and global advocacy.

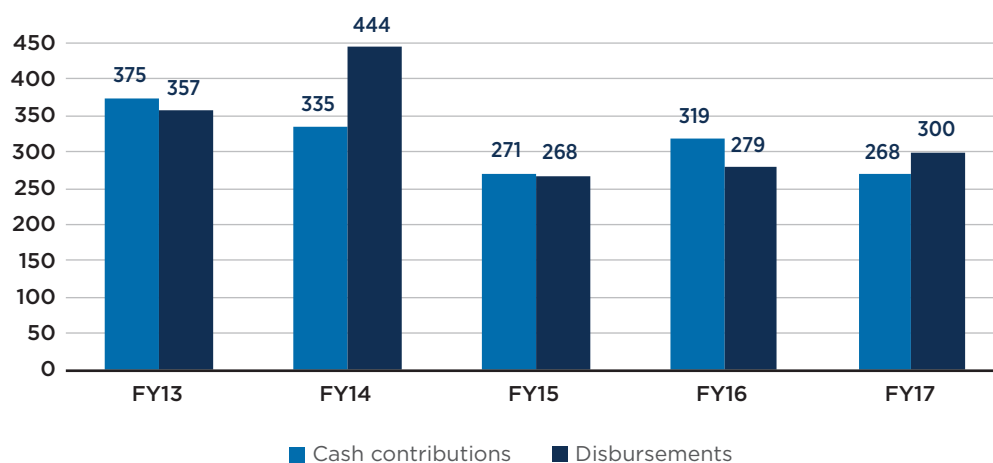
2.3 IFC Trust Funds¹³¹

IFC trust funds are the main instrument for financing IFC Advisory Services, with funding coming from development partners, IFC, and clients. Through 700 active projects (as of end-FY17), IFC is providing advisory solutions for private sector clients, focusing on fragile and conflict-affected areas and IDA countries in more than 100 countries. IFC Advisory Services aim to improve the investment climate; increase the availability and affordability of financial services; foster vital public-private partnerships; design efficient value chains and boost food security; develop innovative energy solutions across the value chain; raise environmental, social, and corporate governance standards; and strengthen local business expertise.

23. IFC Advisory Services Trust Funds Cash Contributions and Disbursements (FY13–FY17)¹³²

Cash contributions to IFC trust funds decreased from \$375 million in FY13 to \$268 million in FY17. Over the last five years, IFC increased funding of Advisory Services using its regular administrative budget, instead of through IFC trust funds, thus contributing to the decrease in cash contributions. Following the period of strong growth in FY13 and FY14, disbursements leveled off in FY15 and FY16 to consolidate internal Advisory reforms, which was reflected in the lower level of disbursements, bringing it from \$357 million in FY13 to \$279 million in FY16. In FY17, disbursements experienced a moderate growth, reaching \$300 million.

Figure 23: IFC Advisory Services trust funds cash contributions and disbursements, FY13–FY17 (US\$ millions)



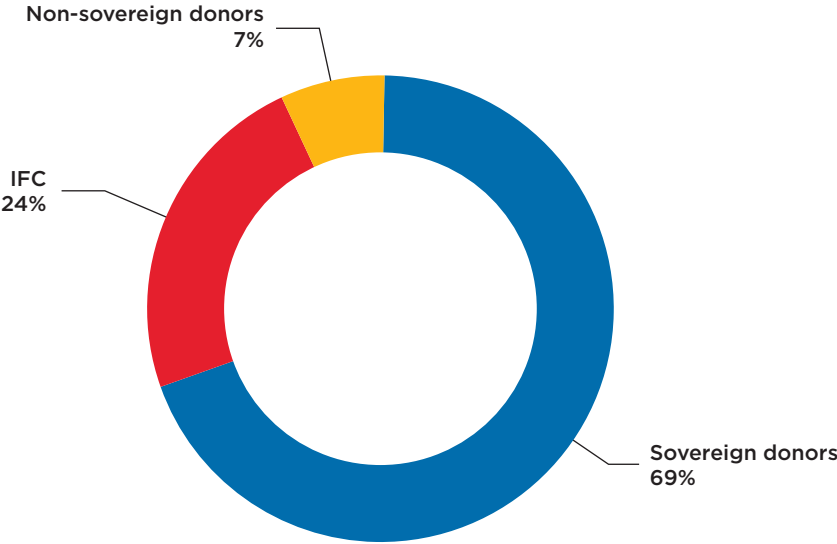
¹³¹ The data for this section are provided by IFC's Advisory Services Portfolio Management team.

¹³² The report does not include trust funds that support IFC's Investment Programs, except for a few legacy trust funds with cash contributions of \$72 million in FY13 and disbursements of \$7 million and \$121 million in FY13 and FY14, respectively. This report does not include transfers from FIFs to IFC trust funds as IA, which amounted to \$44 million between FY13–FY17.

24. IFC Advisory Services Trust Funds Cash Contributions by Donor Type (FY17)

IFC trust funds received cash contributions predominantly from Sovereign donors. In FY17, 24 percent of cash contributions to IFC Advisory Services trust funds came from IFC.

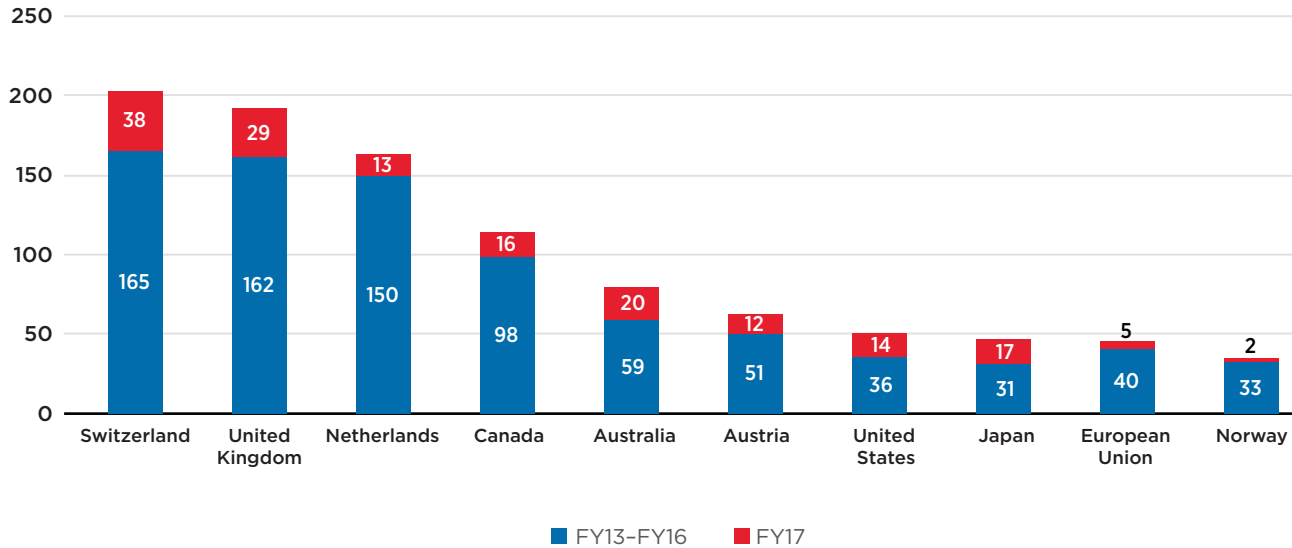
Figure 24: IFC Advisory Services trust funds cash contributions by donor type, FY17



25. Top Ten Donors to IFC Advisory Services Trust Funds by Cash Contributions (FY13–FY17)¹³³

Between FY13–FY17, Switzerland was the largest cash contributor to IFC Advisory Services trust funds accounting for 13 percent of total cumulative cash contributions (\$203 million), followed by the United Kingdom with 12 percent (\$191 million) and the Netherlands with 10 percent (\$163 million).¹³⁴ In FY17, Switzerland was also the largest cash contributor to IFC Advisory Services trust funds by contributing 14 percent (\$38 million) of the cash contributions.

Figure 25: Top ten donors to IFC Advisory Services trust funds by cash contributions, FY13–FY17 (US\$ millions)



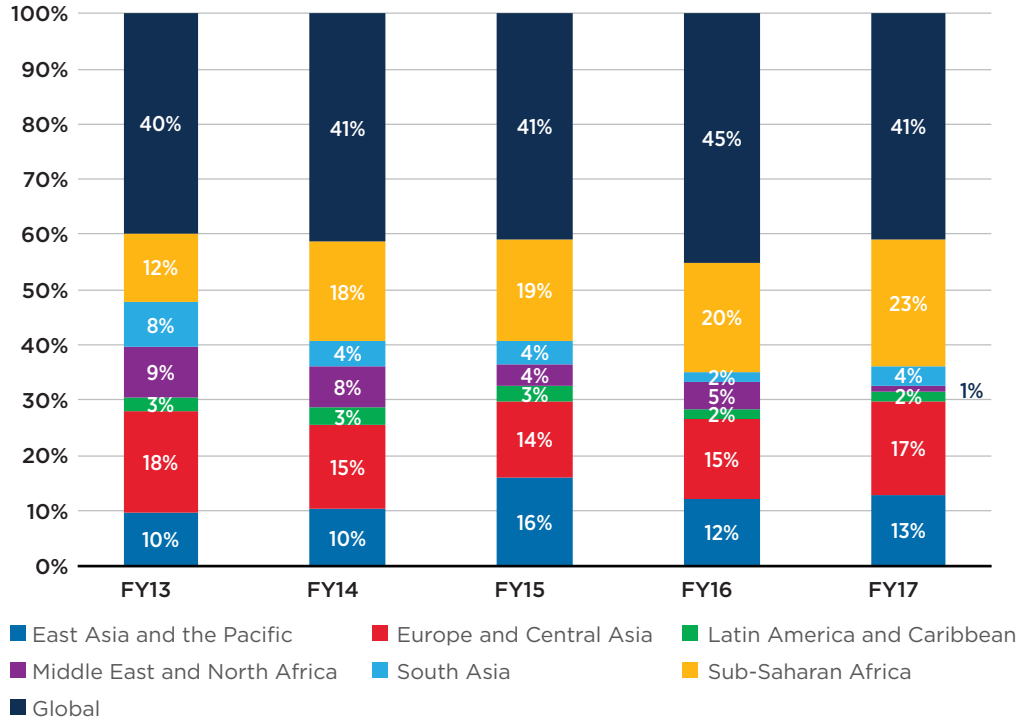
¹³³ IFC is the largest contributor to its Advisory Services trust funds.

¹³⁴ This does not include trust funds that support IFC's Investment Programs, except for a legacy trust fund with the Netherlands' cash contribution of \$72 million in FY13.

26. IFC Advisory Services Trust Funds Cash Contributions by Regional Distribution (FY13–FY17)¹³⁵

Global trust funds in IFC accounted for the largest share (41 percent) of contributions received in FY17.¹³⁶ Although a slight increase compared to 40 percent in FY13, global trust funds received their highest share of contributions (45 percent) in FY16. The Africa region accounted for the second largest share in FY17 (23 percent), steadily increasing from 12 percent in FY13.

Figure 26: IFC Advisory Services trust funds cash contributions by regional distribution, FY13–FY17



¹³⁵ IFC regional classification is used for this figure.

¹³⁶ Trust funds established for global activities, such as the Global Small and Medium Enterprises Financing Initiative and the FIAS.

27. IFC Advisory Services Program Expenditures and Share in IDA Countries (FY13–FY17)¹³⁷

IFC trust funds are the main instrument for financing IFC Advisory Services. Program expenditures for IFC Advisory Services increased from \$221 million in FY16 to \$246 million in FY17, the highest level in the five-year period. IDA countries accounted for 63 percent of the Advisory Services Program expenditures in FY17.

Figure 27: IFC Advisory Services Program expenditures and share in IDA countries, FY13–FY17

Category	FY13	FY14	FY15	FY16	FY17
Advisory Services program (US\$ millions)	232	234	202	221	246
Share of Advisory Services program in IDA countries (percent) ¹³⁸	65%	66%	65%	62%	63%

¹³⁷ Advisory Services Program expenditures stand for disbursements of IFC Advisory Services projects with clients. This is a subset of the entire IFC project portfolio and excludes non-client projects, such as knowledge projects.

¹³⁸ Excludes global projects.

2.4 MIGA Trust Funds

28. MIGA Trust Funds

MIGA is one of the five WBG organizations with a mission to promote foreign direct investment in developing countries to help support economic growth, reduce poverty, and improve people's lives. MIGA provides political risk insurance to private sector investors and lenders. Since its inception in 1988, MIGA has issued more than \$45 billion of guarantees in support of over 800 projects in 110 of its member countries. In FY17, MIGA issued a record of \$4.8 billion in guarantees with projects spanning four strategic priority areas—IDA countries, FCS, climate change, and innovations.

Trust funds enable MIGA to work with donors to leverage its limited resources and to gain flexibility in developing innovative insurance products. By partnering with donors to establish specialized guarantee trust funds, MIGA (i) works with external partners to develop new products aimed at addressing the evolving needs of the private sector, including emerging market investors; (ii) mobilizes guarantee capacity in FCS, where it could not otherwise operate; and (iii) underwrites certain highly developmental projects that it could not otherwise support because of restrictions in the MIGA convention.

As of end-FY17, MIGA's portfolio consisted of four trust funds with FHIT amounting to \$108 million. These are the: (i) Afghanistan Investment Guarantee Facility Trust Fund; (ii) Conflict-Affected and Fragile Economics Facility; (iii) West Bank and Gaza Investment Guarantee Trust Fund; and (iv) European Union Investment Guarantee Trust Fund for Bosnia and Herzegovina. These trust funds offer support to fragile and conflict-affected situations and promote the stability and growth of countries in FCS by catalyzing private capital flows from investors and financial institutions to FCS through mobilizing political risk insurance products to these countries from both MIGA and the global political risk insurance industry.

These trust funds are included in the IBRD/IDA trust fund portfolio.

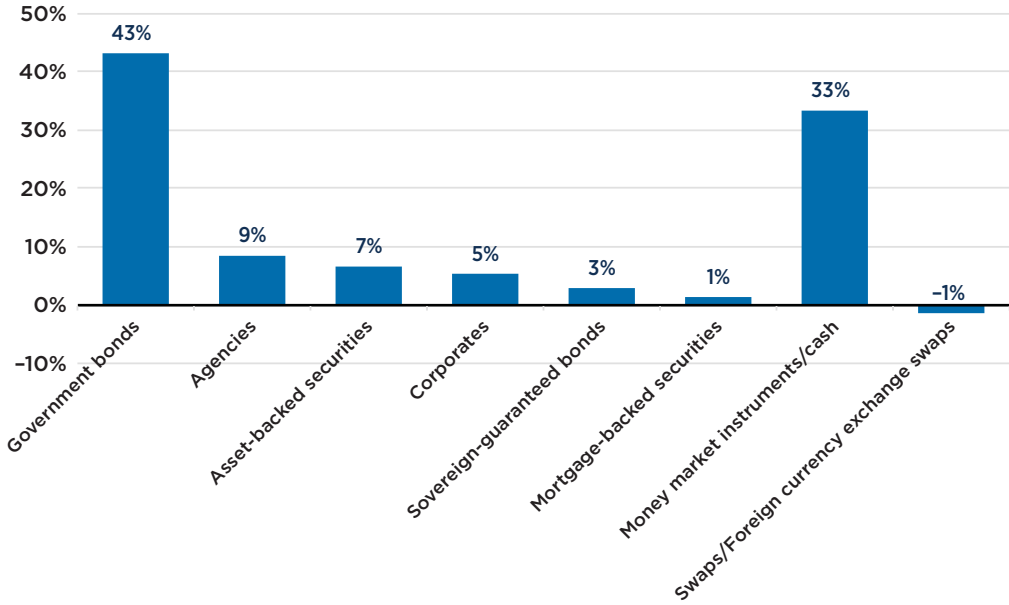
2.5 Asset Mix of Trust Funds Investment Portfolio

29. Asset Mix of Trust Funds Investment Portfolio (as of end-FY17)

Trust fund assets are managed with the primary investment objective of capital preservation. Accordingly, these assets are managed within conservative overall risk tolerance parameters and invested in short-term, high quality securities. Upon receipt of donor contributions to WBG trust funds, the WBG invests these resources in the international capital markets until funds are disbursed to final recipients. The investable universe includes high quality securities issued by sovereign governments, government agencies, and multilateral and other official institutions, as well as asset-backed and agency-guaranteed mortgage-backed securities, swaps, and a range of derivatives. As part of monitoring and financial and risk management oversight, a quarterly rebalancing of assets within each trust fund of the WBG portfolio is performed to ensure that sufficient liquidity is available to meet disbursements needs.

The portfolio asset allocation as of June 30, 2017, is reflective of this conservative investment approach, with 43 percent of the portfolio invested in government bonds and 9 percent in government agencies (rated AA or above), and 7 percent in asset-backed securities (rated at least AAA), and the remaining assets in corporate issuances, short-term sovereign-guaranteed bonds, mortgage-backed securities, and money market instruments and cash. The negative position in swaps is primarily due to changes in foreign currency exchange rates in cross currency basis swaps. Such swap instruments are used to implement currency hedges on bond positions within the portfolio.

Figure 28: Asset mix of WBG trust funds investment portfolio, as of end-FY17



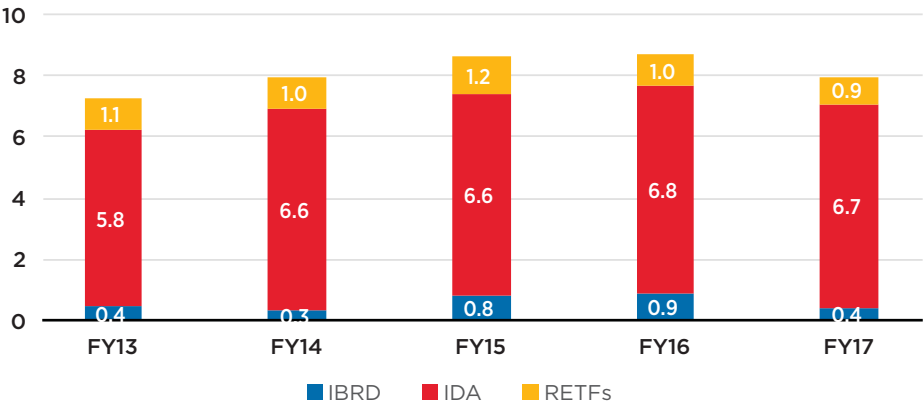
2.6 Attachments: Supplemental Financial Information

30. Disbursements from IBRD, IDA, and RETFs, by Region (FY13–FY17)

Total annual project disbursements decreased from \$39 billion in FY16 to \$33.4 billion in FY17. RETF disbursements accounted for 9 percent of the total FY17 project disbursements.

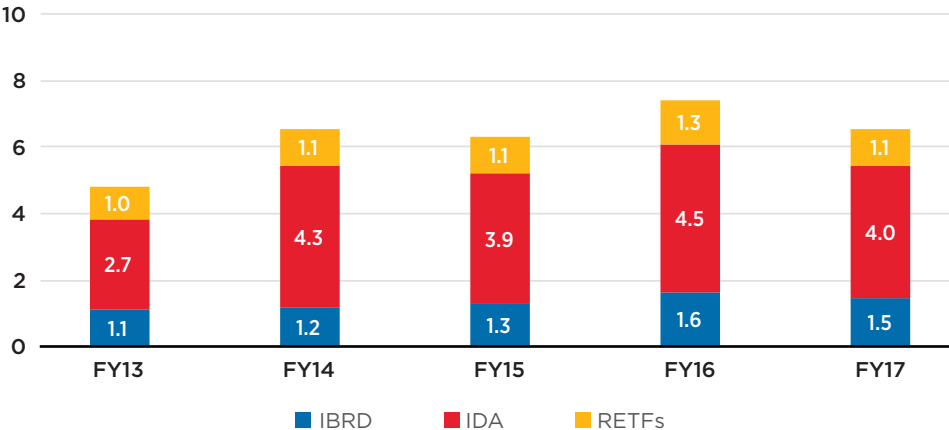
The Africa region had the highest annual project disbursements of \$8.0 billion in FY17 compared to other regions, out of which RETF disbursements accounted for 11 percent. While RETF disbursements in the region fluctuated between \$0.9 billion and \$1.2 billion over FY13–FY17, the region received the second highest cumulative volume of RETFs over the five years—\$5.2 billion.

Figure 29: Africa region disbursements from IBRD, IDA, and RETFs, FY13–FY17 (US\$ billions)



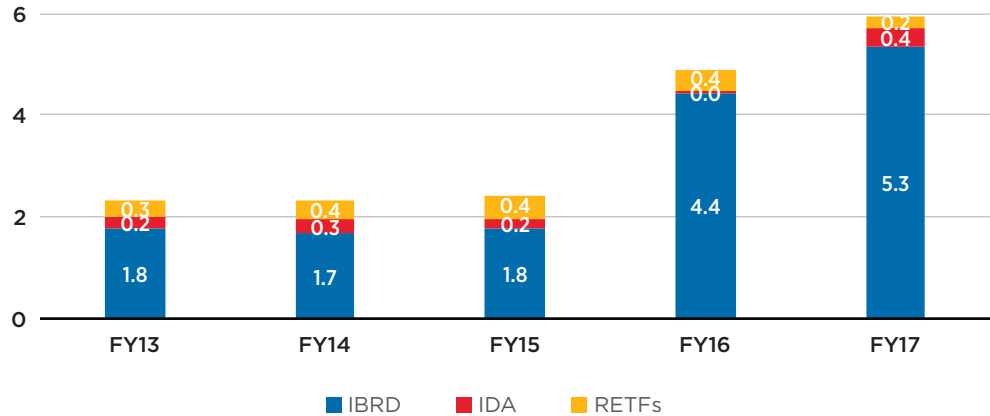
The South Asia region had the second highest annual project disbursements in FY17 with \$6.6 billion, out of which RETF disbursements accounted for 17 percent. Over FY13–FY17, the region received the highest volume of \$5.6 billion in cumulative RETF disbursements. ARTF accounted for approximately 75 percent of total RETF disbursements in the region over this period.

Figure 30: South Asia region disbursements from IBRD, IDA, and RETFs, FY13–FY17 (US\$ billions)



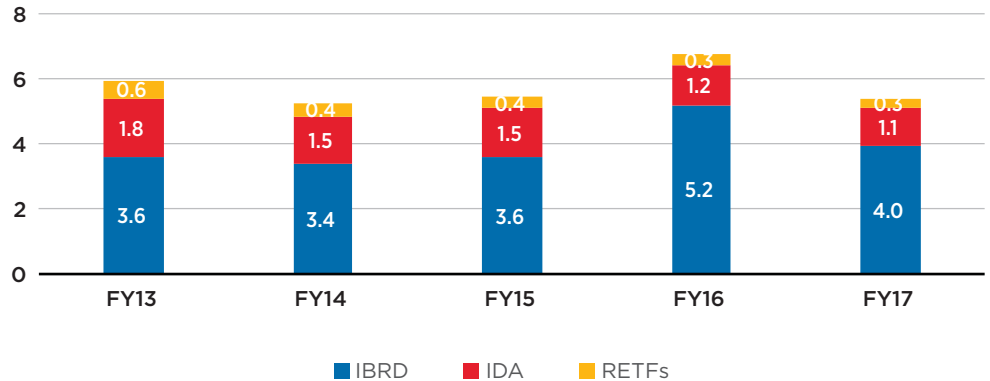
The Middle East and North Africa region represented the third largest share of annual project disbursements in FY17 with \$5.9 billion compared to other regions, out of which RETF disbursements accounted for 4 percent. Cumulative RETF disbursements over FY13–FY17 for the region were \$1.7 billion.

Figure 31: Middle East and North Africa region disbursements from IBRD, IDA, and RETFs, FY13–FY17 (US\$ billions)



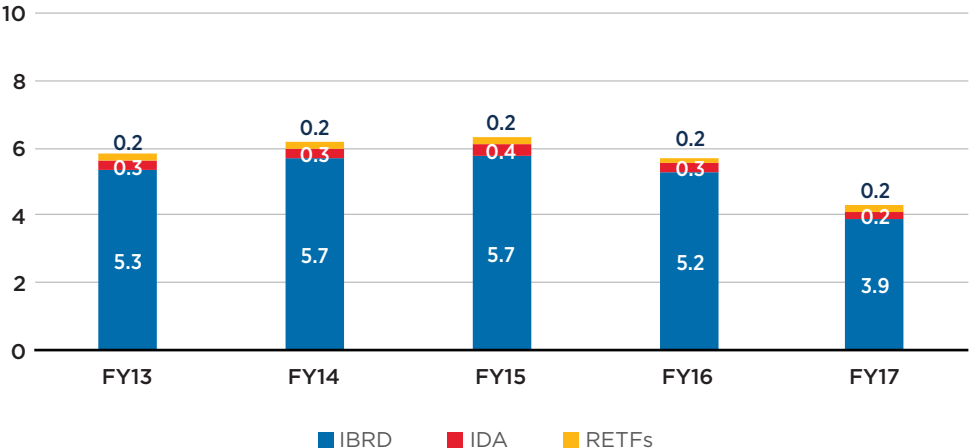
The East Asia and Pacific region accounted for the fourth largest share of annual project disbursements in FY17 with \$5.4 billion compared to other regions, out of which RETF disbursements accounted for 5 percent. Over FY13–FY17, RETF disbursements in the region gradually declined from \$0.6 billion in FY13 to \$0.3 billion in FY17, the largest proportion of decrease in RETF disbursements. Cumulatively, RETF disbursements to the region were \$2 billion over the five-year period.

Figure 32: East Asia and Pacific region disbursements from IBRD, IDA, and RETFs, FY13–FY17 (US\$ billions)



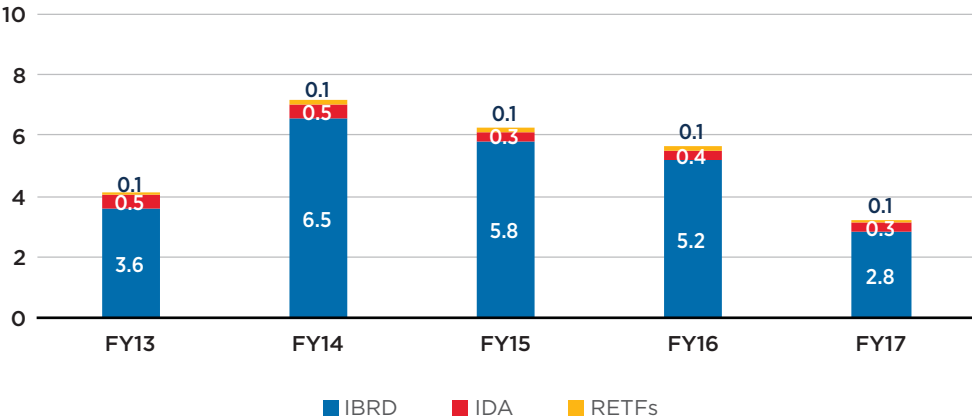
The Latin America and Caribbean region accounted for the fifth largest share of annual project disbursements in FY17 with \$4.3 billion compared to other regions, out of which RETF disbursements accounted for 4 percent. From FY13–FY17, RETF disbursements in the region fluctuated around \$0.2 billion, with cumulative disbursements of \$1 billion over the five-year period.

Figure 33: Latin America and Caribbean region disbursements from IBRD, IDA, and RETFs, FY13–FY17 (US\$ billions)



The Europe and Central Asia region accounted for the smallest region-specific share of annual project disbursements in FY17 with \$3.2 billion, out of which RETF disbursements accounted for 4 percent. From FY13–FY17, RETF disbursements in the region increased from \$107 million in FY13 to \$135 million in FY17 with cumulative disbursements of \$548 million over the five-year period.

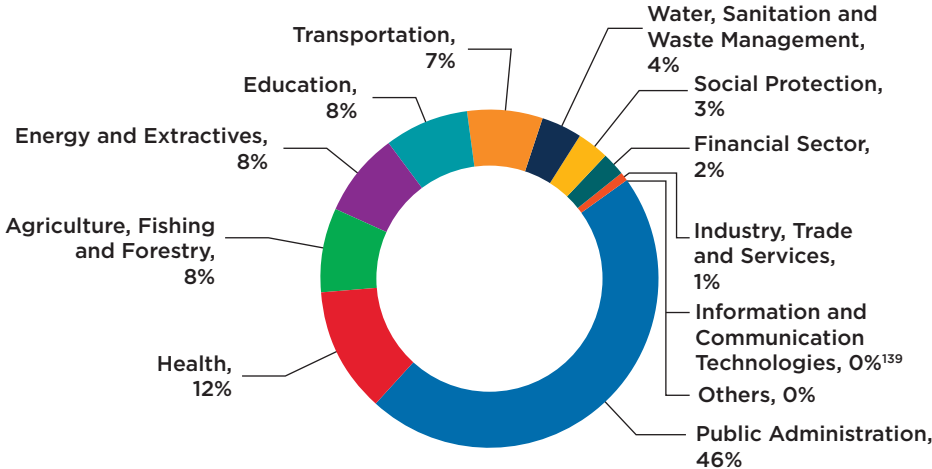
Figure 34: Europe and Central Asia region disbursements from IBRD, IDA, and RETFs, FY13–FY17 (US\$ billions)



31. Regional RETF Disbursements by Sector (FY17)

In the order of RETF disbursement volume, the South Asia region was the largest beneficiary of RETFs in FY17 and the Public Administration sector had the highest disbursements share in the region—46 percent. The Africa region saw the second highest RETF disbursements in FY17, and the Education sector led in the region with 33 percent of the disbursements share. The Energy and Extractives sector led in the East Asia and Pacific region with 29 percent disbursements share. In the Middle East and North Africa region, the Public Administration sector led with 33 percent of the disbursements share. While the Agriculture, Fishing and Forestry sector led in the Latin America and Caribbean region with 41 percent of the disbursements share, Energy and Extractive and Agriculture, Fishing and Forestry both led in the Europe and Central Asia region with 19 percent of the disbursements share, respectively.

Figure 35: South Asia region RETF disbursements, by sector, FY17



¹³⁹ Due to rounding of numbers, disbursements below 0.5% are displayed as 0%. For instance, in FY17 Information and Communication Technologies RETF disbursements were 0.1%.

Figure 36: Africa region RETF disbursements, by sector, FY17

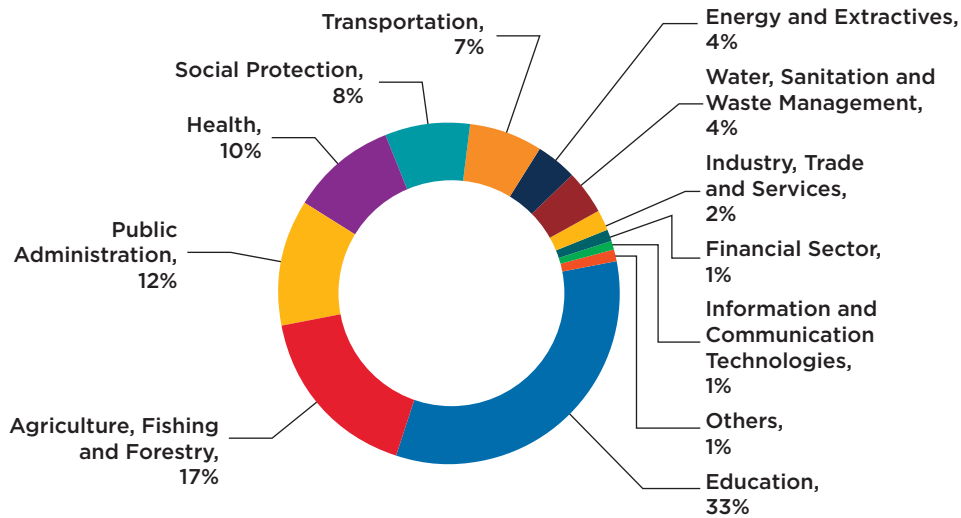


Figure 37: East Asia and Pacific region RETF disbursements, by sector, FY17

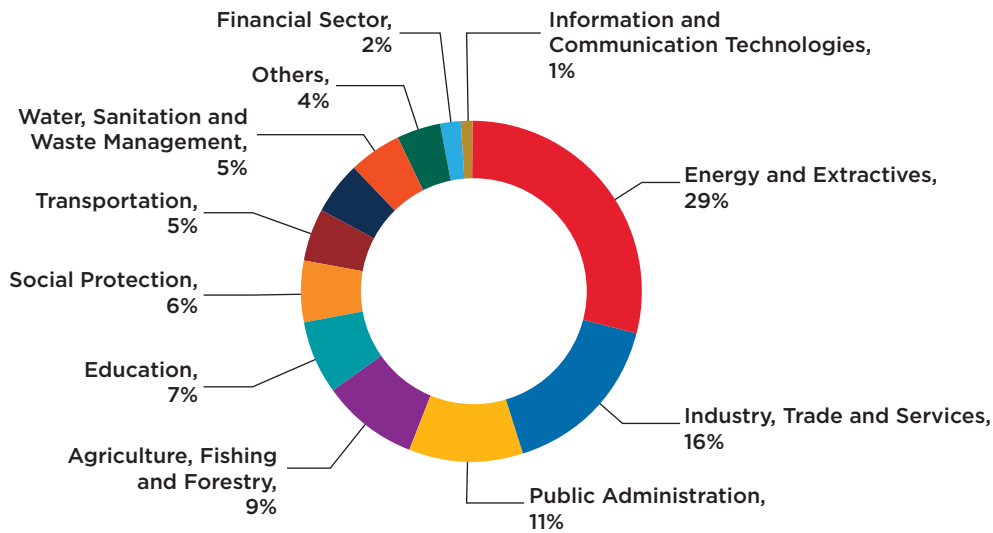


Figure 38: Middle East and North Africa region RETF disbursements, by sector, FY17

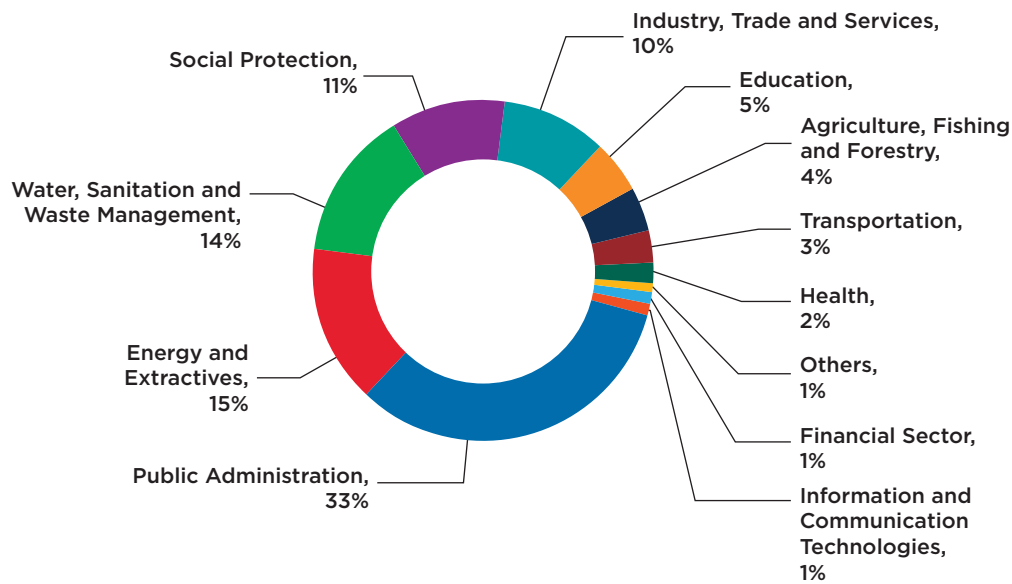


Figure 39: Latin America and Caribbean region RETF disbursements, by sector, FY17

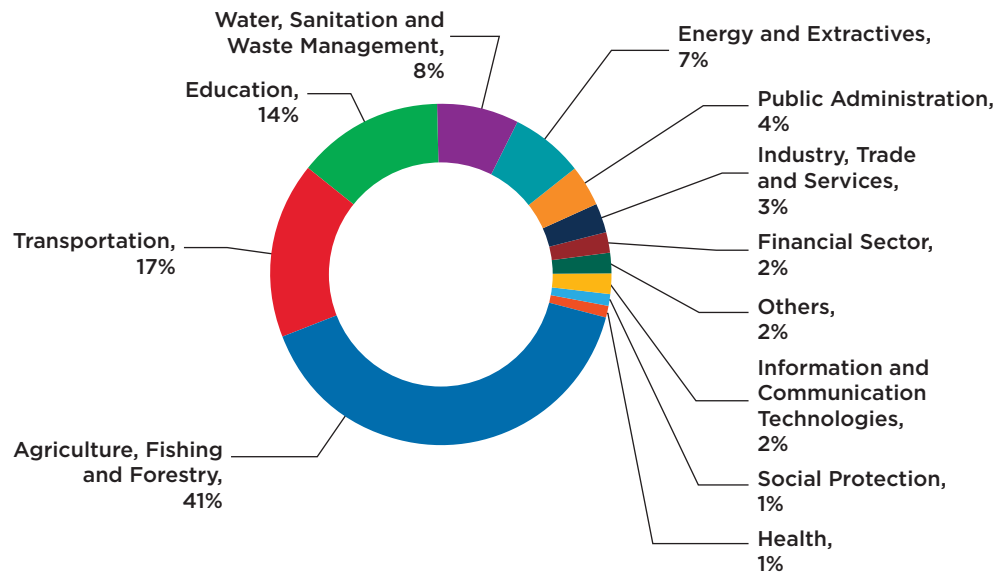
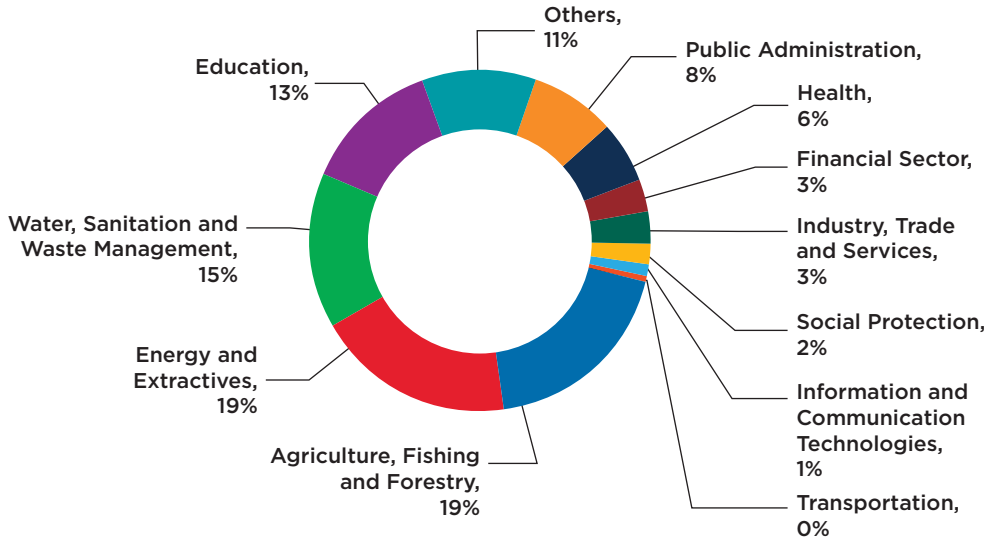


Figure 40: Europe and Central Asia region RETF disbursements, by sector, FY17



2.7 Endnotes

1. The following differences are noted between the FY13 TFAR and this report on the number of trust funds and FHIT:
 - a. The FY13 TFAR documented \$9.2 billion FHIT for IBRD/IDA trust funds in FY13; this report shows \$9.1 billion in FY13. The FY13 TFAR documented \$0.7 billion FHIT for Others trust funds in FY13; this report shows \$0.8 billion in FY13. A number of IBRD/IDA trust funds (e.g., Carbon-H) have changed classifications to be in line with donor balance accounts, holding accounts, and other administrative accounts, and therefore have been moved from the IBRD/IDA group to the Others group. The list of trust funds where classifications have been modified since the FY13 TFAR is available upon request.
2. The report adopts the country eligibility classification for each particular FY. For example, if country A was an IDA country in FY13 and became an IBRD country in FY14, all FY13 data in the report still identifies country A as an IDA country.
3. The following differences are noted between the FY13 TFAR and this report on RETF disbursements:
 - a. The FY13 TFAR documented \$2,016 million RETF disbursements to IDA countries in FY13; this report documents \$2,029 million RETF disbursements to IDA countries in FY13. The FY13 TFAR documented \$167 million RETF disbursements to blend countries in FY13; this report documents \$177 million RETF disbursements to blend countries in FY13. The FY13 TFAR documented \$702 million RETF disbursements to IBRD countries in FY13; this report documents \$703 million RETF disbursements to IBRD countries in FY13. The FY13 TFAR documented \$455 million Other RETF disbursements in FY13; this report documents \$431 million Global/regional/others RETF disbursements in FY13. The differences are due to changes in the fund country coding in the master data (i.e., a country was incorrectly tagged in FY13 and later corrected).
4. The following differences are noted between the FY13 TFAR and this report on BETF disbursements:
 - a. The FY13 TFAR documented \$160 million IDA BETF disbursements in FY13; this report documents \$166 million IDA BETF disbursements in FY13. The FY13 TFAR documented \$49 million blend BETF disbursements in FY13; this report documents \$51 million blend BETF disbursements in FY13. The FY13 TFAR documented \$98 million IBRD BETF disbursements in FY13; this report documents \$106 million IBRD BETF disbursements in FY13. The FY13 TFAR documented \$359 million Other BETF disbursements in FY13; this report documents \$363 million Global/regional/others BETF disbursements in FY13. The differences are due to the fact that this report is based on the new Business Intelligence query provided by the Budget, Performance Review and Strategic Planning unit of the World Bank. The numbers reported in the FY13 TFAR were based on the earlier query. The BETF definition was changed in FY14 to include certain costs such as (i) Bank execution on behalf of recipients disbursed through a RETF grant, and (ii) a deferred fee for trust funds. These categories were previously excluded from the BETF definition.