

## Status Note on FIAS Trust Funds for Strategy Cycle FY08-11

FIAS' trust fund structure for its FY08-11 strategy cycle was established at the beginning of FY08 to facilitate the receipt and administration of donor funding for FIAS (see also Annex 7 in the FIAS strategy document). As of October 2008, in response to expressed donor interest and taking into account business needs and administrative requirements, the following trust funds have been set up (or are in the process of being set up):

### FIAS Master Trust Fund:

- **FIAS Master TF:** This is FIAS' principal trust fund to pool and administer unrestricted donor contributions to FIAS. It also receives the contributions from IFC, MIGA and the World Bank. From the Master Trust Fund, FIAS management can allocate funding to the various Operational Trust Funds from where FIAS' expenses are financed.

### FIAS Operational Trust Funds: core, regional and programmatic:

- **FIAS Core TF:** This is the most important FIAS Operational Trust Fund. It is funded by allocations from the Master TF and used to cover FIAS' global operational expenses, across all product lines. It is a reflection of the Master Trust Fund at operational level, and is unrestricted in terms of regions or use of funds.
- **FIAS Sub-Saharan Africa TF:** FIAS' Operational Trust Fund to administer donor contributions earmarked for the Sub-Saharan Africa region.
- **FIAS Western Balkans TF:** Operational Trust Fund to administer contributions earmarked for the Balkans/SEE region.
- **IDA Countries TF:** Operational Trust Fund to administer contributions earmarked for IDA countries<sup>1</sup>

<sup>1</sup> This TF is primarily established to accommodate IDA-earmarked contributions from the Dutch government under the Netherlands-IFC Partnership Agreement (NIPP).

- **Investment Generation TF:** Operational Trust Fund to administer contributions earmarked for FIAS’ Investment Generation practice area
- **Regulatory Simplification TF:** Operational Trust Fund to administer contributions earmarked for FIAS’ Regulatory Simplification work program
- **Tax Simplification TF:** Operational Trust Fund to administer contributions earmarked for FIAS’ Tax Simplification program
- **Secured Lending TF:** Operational Trust Fund to administer contributions earmarked for FIAS’ secured lending program
- **Sierra Leone RABI TF:** Operational Trust Fund to administer contributions earmarked for FIAS’ Removal of Administrative Barriers to Investment project in Sierra Leone
- **Kenya RPCB TF:** Operational Trust Fund to administer contributions earmarked for FIAS’ Regulatory Performance and Capacity Building project in Kenya

Other FIAS Operational Trust Funds that are currently under consideration, in response to expressed donor interest, include trust funds for the following practice areas and priority programs:

- Conflict-affected countries program
- Trade logistics program
- DB Reform Advisory

Additional trust funds for large projects at country-level can be set up provided that the aggregate contribution to be administered via a new Trust Fund is \$1 million or higher. Annex 1 provides an overview of the trust funds already established under the new trust fund structure and currently under consideration.

The FIAS specimen administration agreements will be used to formalize donor contributions to the FIAS Master Trust Fund and to FIAS’ Operational Trust Funds, respectively. A reimbursable agreement template is available for project co-financing contributions from donors towards smaller projects (up to \$250,000 project size).

# Annex 1: FIAS Trust Funds for Strategy Cycle FY08-11

## FIAS Master Trust Fund

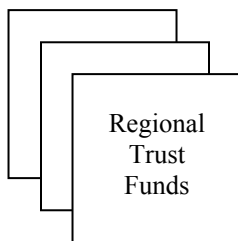
### *Master Trust Fund*

- Supports the implementation of FIAS’ strategy as a whole
- No restrictions (earmarks) in terms of use of funding
- Multi-donor, pooled funding
- Contributions are made under the “Model Agreement for Contributions towards the FIAS Master Trust Fund”
- Supported by FIAS’ core donors

### Other Trust Funds

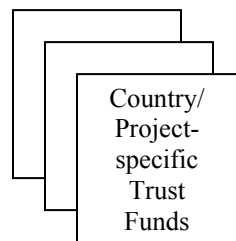
- Regional and Programmatic Trust Funds: support the implementation of FIAS’ work in priority areas (focused around regions and thematic areas)
- Country- and Project-Specific Trust Funds: support the implementation of large projects (e.g., for multi-year country programs)
- Multi-donor, pooled (single-donor in exceptional cases)
- May receive co-financing from the FIAS Master Trust Fund
- Minimum size: \$1 million (total aggregate contributions)
- Contributions are made under the “Model Agreement for Contributions towards FIAS Operational Trust Funds”

### *Regional and Programmatic Trust Funds*

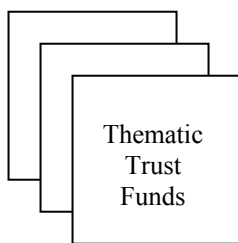


- Sub-Saharan Africa
- Balkans
- IDA countries

### *Country- and Project-Specific Trust Funds*



- Kenya – Improving Regulatory Performance and Capacities program
- Sierra Leona – RABI
- ... (others depending on donor interest)



- Investment Generation
- Tax Simplification
- Secured Lending
- Regulatory Simplification
- Under Consideration:
- Doing Business Reform
- Conflict-affected Countries
- Trade Logistics
- ... (others depending on donor interest)