



Note on World Bank FIF Fees and Charges

October 20, 2023

World Bank fees and charges linked to the operation of a Financial Intermediary Fund have several different components, each linked to different roles that the World Bank may play in such a fund. The charges are based on the principle of full cost recovery and are not meant to generate a profit for the World Bank.

- **Trustee fee** –Standard Trustee services include commitment and transfer of funds, administration of assets, preparation of reports for the Fund Board, etc. These services are carried on a sliding scale basis linked to the size of the funds under management. Such costs are generally around 0.5% of total contributions to the FIF. If a FIF needs customized services (e.g., customized reporting, fund restructuring, special audits required by Fund board), there is an additional charge.
- **Secretariat hosting costs** – FIFs are assessed the full cost (direct + indirect) of hosting the fund. Direct costs (e.g., staff salary and benefits, staff travel, cost of consultants hired by the Secretariat) typically represent an average of 83% of secretariat costs, while indirect costs (e.g., office space, IT services, security) average 17%** of total secretariat costs. It is important to note that these are not overheads or fees – but represent actual costs incurred by the service providing units, apportioned to the Secretariat.
- **Implementing entity fees** – all institutions serving as implementing entities are compensated for the cost of supporting governments in the development and implementation of their projects receiving FIF support. The World Bank for its role as implementing entity charges on average 5% of the total FIF financed project cost for the portion of assistance that is implemented through the World Bank.

*** Note: at the TC4 meeting, this 17% figure was mischaracterized. It relates only to Secretariat costs, and has no linkage to the overall size of the fund,]*