

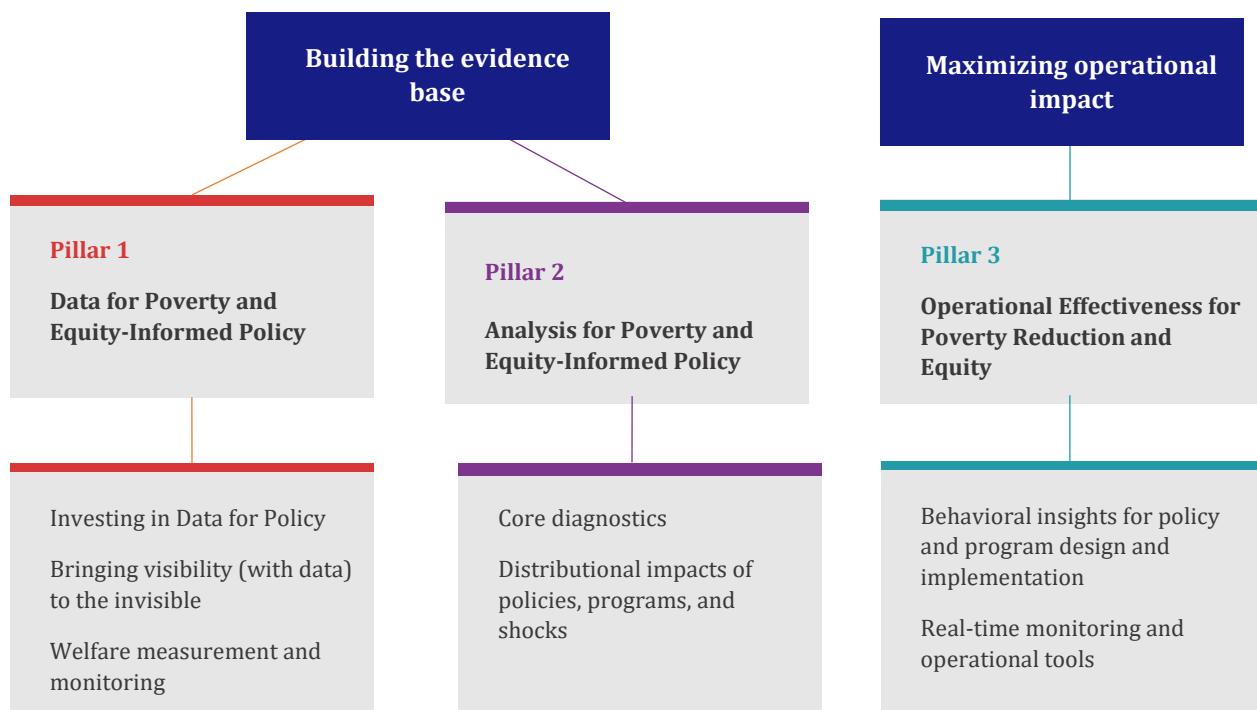


**Introductory Guide to the Umbrella Facility for Poverty and Equity**

**Updated: May 2022**

- (1) **The Umbrella Facility for Poverty and Equity (UFPE) is the first global trust fund to support the cross-cutting poverty and equity agenda.** The objective is to inform and support the design, implementation, and monitoring and evaluation of policies and programs to reduce poverty and promote equity. The UFPE was launched in July 2021. Founding donors include the Bill and Melinda Gates Foundation (BMGF), the German Federal Ministry for Economic Cooperation and Development (BMZ/GIZ), the United Kingdom's Foreign, Commonwealth and Development Office (FCDO), and the Swedish International Development and Cooperation Agency (SIDA).
- (2) **The UFPE strategy** aims to: (1) build the evidence base for policies and programs that promote poverty reduction and equity through investments in data and analysis; and (2) maximize operational impact through investments in targeting and monitoring tools and the application of behavioral insights. The UFPE funding priorities fall into three broad pillars of work as depicted in figure 1 and described below.

**Figure 1. UFPE Strategic Focus Areas**



- **Data for Poverty and Equity-informed Policies.** The availability of timely, relevant, and good-quality data is critical for effective and efficient decision making, resource allocation and service delivery. Data are crucial to knowing where a country stands in terms of social and human development and to assess the challenges ahead. Data are also needed to understand which policies work, and which do not work for pro-poor and equitable economic growth and addressing social deprivations. Across countries, comparable data are also needed to monitor progress towards the eradication of extreme poverty and, more broadly, the achievement of the Sustainable Development Goals.

To this end, the UFPE supports the Data for Policy (D4P) initiative, a priority policy commitment under IDA19 and IDA20, that helps modernize and strengthen the capacity of national statistical systems to be fit-for-purpose for the data revolution.<sup>1</sup> The focus is on the regular production and use of a core set of economic, social, and sustainable statistics through investments in key enabling factors to improve performance and productivity of statistical agencies, including quality assurance, data integration, and institutional resources and management. D4P also promotes open data and data utilization to embed evidence in policymaking. In addition to the D4P, the UFPE supports bringing visibility to invisible and vulnerable groups (including women) through the production, use and dissemination of data, and strengthening global welfare measurement and monitoring.

- **Analysis for Poverty and Equity-informed Policies.** Understanding who the poor and vulnerable are, where they live and work, and how they are affected by markets, institutions, risks, and government action is critical for designing policies and programs that tackle the root causes of poverty and inequality in a sustainable way. Building a robust evidence base for poverty and equity-informed policy is critical to ensure that policies and programs seek to improve the well-being of society.

For this purpose, the UFPE supports analysis to understand the macro- and microeconomic drivers of and constraints to poverty reduction and equity and the assessment of distributional impacts of selected policies, programs, and shocks to make policies work better for the poor and vulnerable. Example areas of distributional analysis include taxes and expenditures, private sector development and competition, infrastructure, trade, spatial transformation, labor markets, fragility and conflict, and climate shocks.

- **Enhancing Operational Effectiveness for Poverty and Reduction and Equity.** The success of development policies and program depends as much on successful implementation as it does on design. Policies and programs may fall short of their intended impact due to behavioral barriers that undermine effective implementation or limit beneficiary uptake of intended outcomes. Similarly, imperfect alignment between objectives and resources and implementation bottlenecks, particularly in the early stages of policy or program rollout, can hinder performance and, ultimately, compromise impact. Mainstreaming tools and approaches that can help address behavioral, targeting and implementation challenges for World Bank and government interventions could have significant payoffs in terms of enhanced operational effectiveness for poverty reduction and equity.

In this context, the UFPE supports the application of behavioral insights for program design and implementation, and the implementation of tools for improved targeting and monitoring of policies and programs with a poverty and equity focus.

---

<sup>1</sup> While D4P activities are eligible under the UFPE, it is likely that most D4P funding will be eventually be channeled through the new Global Data Facility (GDF) umbrella hosted by the World Bank's Development Data Group. The GDF is expected to launch and become operational before the end of 2021. The Poverty and Equity GP will help manage the administration of the GDF as it relates to D4P and other related activities.

- (3) The UFPE brings value to the World Bank, our partners, and our clients** through a strategic focus on creating policy-relevant global public goods, strengthening strategic partnerships on the poverty and equity agenda, leading and promoting innovation, and developing and scaling new tools and methods to strengthen the poverty and equity lens of country and regional engagements.
- (4) Further thematic / regional priorities.** The themes of gender, green recovery and climate, digital inclusion, and capacity building cut across all three main pillars (data, analysis, and operational effectiveness), which are broad by nature to accommodate the inclusion of new priorities as they are collaboratively identified over the seven-year lifespan of the facility.

#### **Implementation Model**

- (5) The UFPE is a hybrid trust fund that supports both Bank-executed and Recipient-executed activities at the country, regional and global levels.** Global activities focus on the creation of knowledge public goods with global coverage, the development of new tools and methods for poverty and equity analysis, and the production of knowledge and technical resources to facilitate dissemination and scale-up. Regional and country-level activities focus on the “localization” of global knowledge and the production of new knowledge, the adoption of tools and methods for distributional analysis to bring a poverty and equity lens to policy dialogue, and the use of operational tools and behavioral insights to inform the design, implementation and monitoring and evaluation of WBG interventions and client governments’ policies and programs.
- (6) Donors may express a preference to finance specific thematic and/or geographic priorities that align with the objectives of the UFPE.** The preference is stated in a cover letter of the Administrative Agreement and in the Annual Work Plan and Budget. While the expression of preference is not legally binding, it is understood that it will be accommodated to the extent possible.

#### **Coordination and Alignment**

- (7) The UFPE is a cross-cutting program meant to enhance and complement several existing and planned umbrellas across the World Bank,** such as: Global Tax Program, Umbrella Facility for Gender Equality, Global Data Facility, Forced Displacement Trust Fund, Partnership for the Sustainable Development Goals, and the Climate Support Facility. In areas where umbrella complementarities are intertwined the following criteria will help guide the coordination approach to avoid overlap: (i) leadership on global dialogue; (ii) placement of institutional mandate; and (iii) experience and expertise to deliver the intended priority outcomes. There are also internal arrangements in place to support coordination, such as harmonized fundraising planning and organized consultations between umbrellas, implementing teams and management.

## Governance

- (8) **Governance and decision making for the UFPE is guided by a Partnership Council (PC).** The PC provides strategic guidance and direction on the implementation of the UFPE, endorses the annual work plan and indicative budget, and reviews progress reports provided by the Bank based on the results framework for the trust fund. The PC is comprised of representatives from the Bank, including as Chair, and a representative of each Donor contributing to the UFPE. The Bank in consultation with the PC can invite other relevant stakeholders (e.g. expert groups, representatives of the UN system, academia, client country representatives, representatives of civil society or nongovernmental organizations, private sector representatives) to attend meetings of the PC. It is expected to meet at least annually, as convened by the Bank. The meetings may be conducted physically or virtually. The Bank may also agree to hold ad hoc meetings of the PC at the request of any member. All PC decisions are made on the basis of consensus.
- (9) **Technical Coordination Committees may be established (as needed) to serve as a platform for coordination** among World Bank teams, country-based Donor counterparts, client countries' government ministries/agencies, recipients, and other stakeholders to discuss technical and operational aspects of trust funded projects or activities, as appropriate with a view to an open and collaborative dialogue on such activities.

## Program Management and Administration Arrangements

- (10) **Program Management Team (PMT).** The World Bank's Global Practice for Poverty and Equity's Global Unit will host the UFPE PMT to manage daily operations of the umbrella. This includes:
- Managing the day-to-day operations of the UFPE, including administering the flow of funds, managing funding projections and plans, and preparing periodic progress and results reports;
  - Preparing the annual work plan and budget for consideration by the PC;
  - Developing and maintaining operational documents and resources to facilitate the management of the trust fund including an operations manual, M&E plan, communications and visibility plan, branding materials, website, etc.
  - Organizing donor coordination, including Partnership Council meetings;
  - Other technical activities as agreed in the work program including partnership outreach and fundraising, communications strategy, events, dissemination activities, etc.

## Reporting and Evaluation

- (11) **The PMT will prepare an annual progress report by October 31 of each year.** The progress report will provide an updated narrative on the key outcomes achieved with a brief description of the progress made in achieving the intended objectives as identified in the results framework. It will also provide an overview of the program financials, specific risks or challenges encountered or expected, any strategic issues, and other relevant information related to the implementation of

activities. Current financial information and monthly unaudited financial statements is accessible to all UFPE donors through the World Bank's [Development Partner Center](#).

**(12) An independent mid-term and completion evaluation will be undertaken.** The mid-term evaluation will be conducted after four years of implementation. Evaluation findings will offer lessons learned to capture successes, identify problems, and inform course corrections related to the full implementation of activities.

#### **Focal Points**

**(13) UFPE focal points:**

- Carolina Sanchez-Paramo, Global Director, Poverty and Equity Global Practice ([csanchezparamo@worldbank.org](mailto:csanchezparamo@worldbank.org))
- Benu Bidani, Practice Manager, Poverty and Equity Global Practice ([bbidani@worldbank.org](mailto:bbidani@worldbank.org))
- Jessica Adler, Program Manager ([jadler@worldbank.org](mailto:jadler@worldbank.org))

#### **Other Useful Resources**

**(14) Additional resources:**

- [A Guide for Development Partners – Partnering with the World Bank through Trust Funds and Umbrella 2.0 Programs](#)
- [Trust Fund Reform Website \(external\)](#)
- [Umbrella Newsletter Update #1 \(April 2021\)](#)