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GOVERNANCE AND THE WORLD BANK GROUP
YEAR IN REVIEW 2017
FOUNDATIONS AND FRONTIERS

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THE WORLD BANK GROUP'S GOVERNANCE GLOBAL PRACTICE

The Governance Global Practice (GP) is the locus of the World Bank Group's work to help client countries build capable, efficient, open, inclusive, and accountable institutions. Countries with sound institutions prosper by creating an environment that facilitates private sector growth, reduces poverty, delivers valuable services, and earns the confidence of citizens. A relationship of trust is created when people can participate in government decision making and know their voices are heard.

At the heart of the Governance GP's work is a problem-driven, diagnostic approach, combining global comparative knowledge of reform successes and failures with keen understanding of the institutional challenges and opportunities of developing countries. The expertise of its more than 700 staff from more than 90 countries is broad and includes anti-corruption, citizen engagement, digital governance, financial management, illicit financial flows, intergovernmental finance oversight and accounting, justice and legal reform, open government, procurement, public management, regulatory

policy, social accountability, and taxation to develop innovative, integrated solutions to institutional problems.

The Governance GP's loan portfolio in fiscal year 2017 included 89 projects worth nearly \$10 billion, along with 324 advisory activities. Strategic priorities to help countries strengthen their governance include improving public financial management, strengthening public sector performance, and enhancing accountability in service delivery to support openness and transparency.

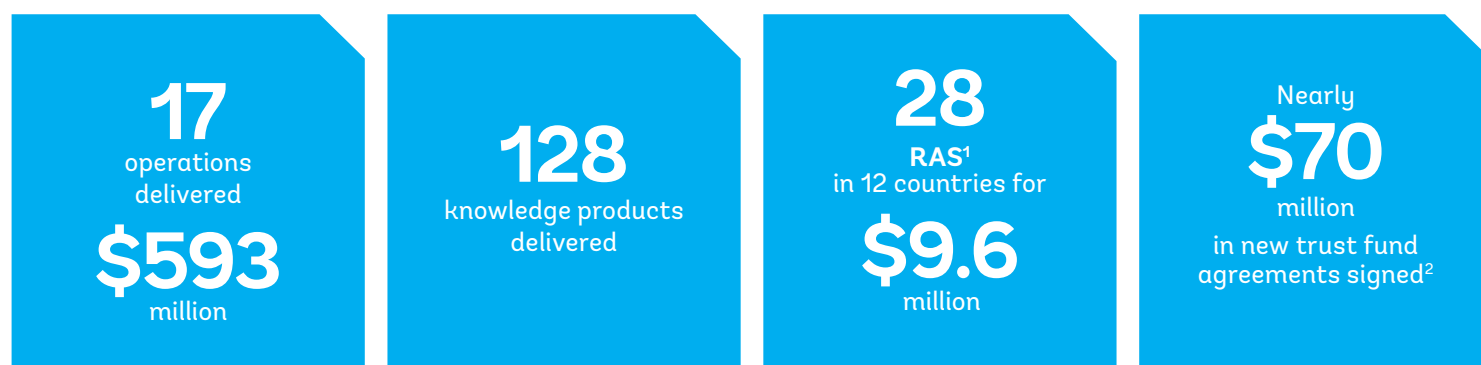
Within the World Bank's overall portfolio, governance components are embedded in more than 20 percent of active projects. The Governance GP provides fiduciary support to more than 2,000 projects and has one of the largest Reimbursable Advisory Services portfolios in the World Bank. It also has a joint mandate with the Social, Urban, Rural, and Resilience Global Practice to lead implementation of the Strategic Framework for Mainstreaming Citizen Engagement in World Bank Group operations. This includes achieving the goal of beneficiary feedback in 100 percent of investment projects by July 2018.

2017 Governance Portfolio in Numbers

Governance-related Activities in Fiscal 2017



Work Led by the Governance Global Practice in Fiscal 2017



¹ Advisory Services & Analytics, Reimbursable Advisory Services

² More information about trust fund partners may be found in appendix A.

MESSAGE FROM THE SENIOR DIRECTOR

Welcome to this 2017 Year in Review of the World Bank Group's work in Governance.

This review offers a snapshot of the work we are doing across the globe to help our clients build public institutions that are capable, efficient, open, inclusive, and accountable.

Using the three phases of the public policy cycle as an organizing framework, the report first presents a selection of the type of work we undertake at each of these critical entry points—formulation, implementation, and evaluation.

The review then looks at three of the year's most significant milestones for our work in governance. The first is the publication of the World Bank Group's flagship report—*World Development Report 2017: Governance and the Law*—a game changer for how we work to close implementation gaps in public policy and performance going forward. The second is the launch of the new Procurement Framework which better positions our institution to help clients strengthen their national procurement systems, get better value for money, and increase transparency in public spending. The third milestone was the inclusion of Governance and Institutions as a Special Theme in the 18th replenishment of the International Development Association (IDA18)—a recognition of the importance of good governance in achieving development results on the ground.

In the coming year, the Governance Global Practice will build on these milestones to support the needs of our clients and further reduce gaps in policy implementation.

Deborah L. Wetzel

Senior Director, Governance Global Practice
World Bank Group

THE GOVERNANCE GLOBAL PRACTICE: FOUNDATIONS AND FRONTIERS

The World Bank Group's work in governance has evolved from a fiduciary focus in earlier decades that verified funds were used for their intended purposes to one that helps clients develop their public management capacity and sees governance as the process through which state and nonstate actors interact to design and implement policies within a set of both formal and informal rules.

Governance systems that are transparent, responsive, participatory, and accountable ensure that benefits and services are delivered to the citizens who need them most, especially the poor and marginalized. Open and accountable public institutions help build citizens' trust in government and support for development policies and outcomes.

Around the world, this process called governance is not working as well as it should or could. Resources are shrinking or not well used, services delivery is often inadequate, and citizens are being excluded.

At the heart of this are pervasive gaps in policy implementation, and these gaps seem to be widening. In many countries, the sense of exclusion and the lack of responsiveness and accountability are compounded by mismanagement of resources, corruption, capture, and collusion. As a result, the trust of citizens in public institutions has fallen sharply around the globe.

What can the World Bank Group do to help close these implementation gaps?

The public policy cycle is the core of how government works and provides critical entry points for interventions and solutions: policy formulation, implementation, and evaluation. A breakdown in governance can occur at any stage, from the beginning when plans and goals are formulated, through the transactions and institutions that bring them to life.

At the start of the cycle are primary government functions such as agenda setting, formulating and approving policy, developing the appropriate regulatory framework, and consulting on that policy to gain support.

Once a policy is approved, the cycle moves on to implementation—allocating resources and spending them effectively, procuring the goods and services needed, and assuring they are delivered at the most appropriate level of government to the right people and the right time.

The cycle then moves on to reporting and accounting for results and the oversight of institutions to make sure resources are used as intended and without corruption. It also includes the corrective mechanism of the judicial system when things go wrong, and learning from experience and evaluation to feed back into adjustments and changes as the cycle begins again.

At every stage of this cycle there is a need for openness, transparency, and engagement with citizens—because more inclusive approaches lead to better results.

All the elements of the public policy cycle come together in the World Bank Group's Governance Global Practice (GP),

Policy Formulation

- Political economy
- Legislative process
- Regulatory framework
- Diagnostics for policy formulation
- Center of government

Policy Evaluation

- Judicial oversight and redress
- Audit and financial accountability
- Financial reporting
- Performance management
- Feedback mechanisms and citizen monitoring
- Integrity and anticorruption



Policy Implementation

- Leadership and coalition building
- Civil service capabilities and incentives
- Budget preparation and implementation
- Procurement
- Public-private partnerships
- Devolution / decentralization
- Delivery of services

which captures the synergies of procurement, financial management, taxation, public management, regulatory policy, citizen engagement, digital governance, law and development, anti-corruption, and social accountability to help our clients build effective, accountable, and inclusive institutions, and close implementation gaps that are eroding public trust in institutions.

Below are some key areas where the World Bank Group is putting specific attention to help client countries improve their governance for the benefit of all, particularly the poorest.

Fiduciary Aspects of Bank Operations

A fundamental foundation of governance work is supporting sound fiduciary management and procurement for all projects. The World Bank Group continues to build its excellence in fiduciary management to help clients strengthen their own financial management systems. On the frontier of this work is the World Bank's new Procurement Framework, which became effective in fiscal 2017. It enables the World Bank to support clients in new ways that lead to not only the effective use of public resources, but also stronger governance and transparency more broadly. The new framework is a key instrument for empowering improved government performance and achieving development goals. Transformational engagements, such as the use of big data, e-procurement, and open contracting, create new opportunities to leverage information, detect and deter corruption, and promote improved service delivery.

Mobilizing and Using Resources Effectively

Domestic resource mobilization and effective budgeting and public financial management remain at the very top of international and country agendas, as do decentralization, transparency, and openness. New data tools and techniques can be tapped for more effective use of human resources through civil service reform. Work in supreme audit institutions and control entities, and more effective reporting, all help to improve transparency, generate citizen feedback, and control corruption. On the frontiers of this work are opportunities to use information technology to enhance transparency and leverage information to fight fraud and abuse, tax evasion, and illicit financial flows.

Basic Service Delivery

Better governance is essential for equitable and reliable service delivery. The World Bank is actively engaged in improving service delivery in the water, health, education, and transport sectors with a focus on openness, transparency, and citizen engagement to ensure services reach the poorest and marginalized. At the frontiers of governance for service delivery is big data to help generate citizen feedback and engagement and to think through how governments can become more adept at reaching citizens with what they need, when they need it.

The Public-Private Interface

Rather than thinking of the public and private sectors as separate universes, the World Bank Group works to reduce public sector risks that may prevent investors from entering a country by providing greater transparency and corporate governance, especially for state-owned enterprises (SOEs), and by helping to strengthen the regulatory framework and improve the management of public investment. A key objective is maximizing finance for development by working with governments upstream to deepen the development impact of both domestic and external financing through the national budget. The focus is on how to leverage commercial financing to meet the infrastructure gap in developing countries. Getting good results from infrastructure investment requires good governance.

Good governance requires sufficient public sector capacity, workable regulatory frameworks, and attractive incentives. That means building value for money, affordability, and fiscal risk management into the roles and responsibilities of key actors; managing SOEs to enable rather than block enhanced private sector participation; making land available in a fair, transparent, and consultative manner; fighting corruption and political capture of projects; and building impact evaluation, data collection, and learning into the infrastructure cycle to enable countries to refine their systems continually for the benefit of all.

Purpose and Structure of this Review

This year in review first presents a sample of the World Bank Group's work in governance during fiscal year 2017. Using the three phases of the public policy cycle as an organizing framework to illustrate the scope of the World Bank's work on governance, this review presents a selection of work undertaken at each of these critical entry points—formulation, implementation, and evaluation.

The review then looks at three of the year's most significant milestones for our work in governance: the publication of the World Bank Group's flagship report—*World Development Report 2017: Governance and the Law*; the launch of the new Procurement Framework; and the establishment of Governance and Institutions as a Special Theme of the 18th replenishment of the International Development Association (IDA18)—the World Bank Group's fund for the world's poorest countries.

I - WORKING ACROSS THE POLICY CYCLE



1 Policy Formulation

- Political economy analysis
- Diagnostics for policy formulation
- Center of government

At the start of the public policy cycle are core government functions such as setting agendas, formulating and approving policy, developing the appropriate regulatory framework, and undertaking efforts to gain broad support.

At this stage of the cycle, the World Bank Group helps countries design policies to help mobilize and spend resources effectively and efficiently, design legislative and regulatory processes, and ensure this is done in a transparent and accountable manner. Its efforts include ways to enhance a client's capacity to improve domestic resource mobilization and measures to improve public financial and expenditure management. The World Bank also aims to build client capacity to engage citizens in the policy process.

Following are some examples of interventions across the formulation phase of the public policy cycle.

Analyzing Political Economy

Policy making does not occur in a vacuum. It takes place within complex political and social settings, which can make or break a policy. The World Bank Group uses political economy analysis to understand these dynamics and potential impact. An analysis in Uganda looked at why growth and productivity stagnated despite considerable policy attention and donor support on the governance and incentive aspects of implementing agricultural reforms. As a result, a Governance Program-for-Results (PforR) operation is closing an implementation gap—reflecting Uganda’s renewed emphasis on reviving sector growth and reducing rural poverty. Its design is being informed by stakeholder consultations and ways to incentivize change.

Mongolia’s 2010 Fiscal Stability Law couldn’t prevent an escalation of public debt from less than 40 percent to more than 100 percent of GDP in only six years. Because this best practice solution failed, the World Bank analyzed the nontechnical drivers of fiscal consolidation. They include increasing state capture coupled with heightened electoral promises with each cycle; scattered public investments for constituencies and social transfers; and greater politicization and frequent restructuring of public institutions. Findings informed the Strengthening Fiscal and Financial Stability Project and fed into the Systematic Country Diagnostic.

Assessing Public Systems Performance: PEFA, PIMA, and MAPS

Global experience with Public Expenditure and Financial Accountability (PEFA) assessments demonstrates that effective planning and management are critical success factors for driving dialogue on public financial management (PFM) reform and to hone reforms and planning. Good planning and preparation are also the key to ensuring relevant stakeholders—government officials, civil society, and development partners—are engaged in, committed to, and own the results of both the process and subsequent reform strategies.

A new PEFA Framework took effect on July 1, 2016, adding four new indicators, expanding and refining existing ones, and recalibrating baseline standards for good performance. New training materials and guidance notes are available in three languages. Workshops, seminars, and other events reached 1,250 participants from 85 countries. Over the past year, 18 new national and 17 sub-national assessments in 26 countries were conducted.

The Public Investment Management Assessment (PIMA), developed by the IMF, is another tool to assess three key pillars of investment management (planning, budgeting or allocation of investments and project implementation), and to identify priority reforms for creating efficiencies.

In procurement, global experience with the Methodology for the Assessment of Procurement Systems (MAPS) demonstrates that such assessments are critical to drive dialogue on public procurement, prompt clients to pursue reforms, and highlight where reforms are most needed and how best to implement them. The recent MAPS revision enhances its capability as a universal tool to accelerate the implementation of modern, efficient, sustainable, and more inclusive public procurement systems.

Supporting Procurement Policy Development

The World Bank helps clients determine the best policy options to

fit their unique circumstances. For example, Myanmar is developing its public procurement system. With World Bank support, it took an inclusive approach to developing public procurement policy by establishing a committee that includes officials from key spending ministries and oversight agencies. The committee received just-in-time technical assistance as well as knowledge derived from related experience. In November 2016, the World Bank and Myanmar jointly organized the first-ever Public Procurement Knowledge Exchange Forum for the Association of Southeast Asian Nations, providing crucial inputs to the country’s effort to build a new procurement system.

Getting Feedback through Data Analytics

The World Bank Impact Evaluation Program on Public Sector Governance, or ieGovern, is a collaboration between the Governance GP and the Development Economics Research Group. It aims to improve project performance and push the governance knowledge frontier by systematically collecting evidence from operations to inform project design. It also helps operational teams plan results-oriented public sector management operations based on what works and why.

To enable real-time feedback on project performance through impact evaluations, many projects embed innovative data collection methods in project designs and government systems. Kenya is working to reform the judiciary around delivering timely justice, clearing case backlogs, and improving case management systems. An impact evaluation is testing the effects of information technology investments and performance contracts for judges. As part of court reform, a “big data” tool will gather and organize administrative daily court output, and feed into a monthly report on each court.

The use of data analytics in public procurement supports data-driven decision making and helps maximize the use of limited resources. Several studies were carried out in the Latin America and the Caribbean Region to identify areas to improve efficiency, generate savings, and decrease procurement transaction costs.

Driving Performance from the Center

Many governments adopt good policies, but often encounter implementation gaps that derail intended outcomes. Problems can occur anywhere along the public policy chain for reasons ranging from technical complications to a process breakdown or a lack of understanding of related power asymmetries. Many governments address these gaps through the center of government approach, including the introduction of delivery units. The Governance GP’s work in this area is expanding. Today it is active in 26 countries, up from five countries in 2014. A new addition is Thailand, where the government recently established a delivery unit at its center of government.

Malaysia fostered a performance culture in its public sector. A 2017 report, *Driving Performance from the Center: Malaysia’s Experience with PEMANDU*, highlights how delivery units can help strengthen the link between policy and service delivery outcomes. Performance incentives can drive the public sector to produce high-quality outputs in an efficient, accountable manner. The report also identifies success factors for the Performance Management and Delivery Unit (PEMANDU) and documents challenges faced. Lessons may be found in what can be replicated and how to avoid pitfalls.



2 Policy Implementation

- Civil service capabilities and incentives
- Budget preparation and implementation
- Delivery of services

Once a policy is approved, the public policy cycle moves to implementation, which includes allocating resources and spending them effectively, procuring goods and services, and assuring they are delivered to the right people and at the right time.

At this stage of the policy cycle, the World Bank Group helps clients strengthen their budget and procurement systems, build the capabilities and incentives of civil servants, leverage public-private partnerships to effectively deliver services to citizens, and establish or strengthen feedback loops to ensure citizens can voice their priorities in budget allocations and provide feedback to the state on the quality and delivery of services.

Following are some examples of interventions across the implementation phase of the public policy cycle.

Analyzing State Capability

State capacity to implement incrementally more complex and contentious tasks to achieve development objectives depends in large part on the motivation and productivity of government personnel. They also impact an economy through business regulations, infrastructure provision, and service delivery. Governments typically employ 15 to 30 percent of all workers. Developing countries employ about 50 to 60 percent of formal sector or salaried workers.

The World Bank recently launched an initiative called the Bureaucracy Lab to gather administrative data, survey government bureaucrats, and conduct field experiments of public sector reform initiatives. A better understanding of government personnel—their numbers, gender, age, academic qualifications, earnings, and occupations—is the bare minimum for analyzing state capacity and its impact on development outcomes. Surveys of government workers can complement descriptive statistics by offering insights on human resource and management practices. A recent survey in the Philippines found that teachers were largely motivated by mission while administrative workers were largely driven by job security.

The government of Tunisia adopted a comprehensive civil service reform strategy in May 2017 to improve public sector performance and strengthen human resource management through a combination of short-term and structural reform measures. The government imposed restrictions on wage increases through 2020 and strict controls on future recruitments. Public-sector wages in Tunisia are among the highest in the world. Through technical assistance under a multi-donor trust fund, the World Bank engaged in a policy dialogue with the government and stakeholders to reach mutually beneficial agreements that will mitigate negative effects on public service quality from an early retirement and voluntary departure program.

Making Public Institutions More Inclusive

The Nordic Trust Fund (NTF), a knowledge and partnership program housed in the Governance GP, focuses on a wide spectrum of human rights issues that can help make institutions more inclusive. These include promoting participation, accountability, and nondiscrimination as well as incorporating human rights considerations into development programs in the context of fragility, conflict, and violence.

In Vietnam, a series of grants contributes to citizen awareness of human rights and provides an example of how the World Bank can engage on this issue in politically sensitive contexts. Human rights are clearly embedded in Vietnam's Constitution and policies. But there is a gap in implementation. The NTF-funded program took a multipronged approach to strengthening the capacity of the government to raise awareness. It also trained journalists and built government and civil society capacity on the right to information, in view of Vietnam's new access to information law. Working with the

Ho Chi Minh Political Academy, the program trained elected officials and civil servants on human rights issues and helped build their capacity to respond to citizens. In addition, efforts focused on building the capacity of civil society organizations that promote the rights of women, youth, persons with disabilities, and ethnic minorities, and connecting these organizations with their government counterparts for better inclusivity.

Mobilizing Revenues

The international community recognizes the pressing need for developing countries to expand fiscal space under the “billions to trillions” effort to mobilize investments of all kinds to meet the Sustainable Development Goals. Broadening and deepening the tax base can help countries avoid dependence on official development assistance and foreign borrowing, while also serving as a catalyst for broader improvements in government accountability, responsiveness, and institutional capacity.

Apart from raising more revenue, focus is needed on the quality, fairness, and equity of domestic tax collection. Countries with tax revenues below 15 percent of gross domestic product (GDP) have difficulty funding basic state functions. Tax revenues in 36 percent of International Development Association (IDA) countries and 70 percent of fragility, conflict, and violence (FCV) situations are below that threshold.

To address its low rate of revenue mobilization, Pakistan is reforming tax policy and administration through the Pakistan Trust Fund for Accelerating Growth and Reforms Project. By taking a more holistic approach to tax policy, administration, and expenditure, the project builds on lessons from previous efforts that met internal resistance. It deploys an innovative set of tools covering process mapping and reengineering of tax administration, information technology and human resources assessments, and stakeholder analysis. To date, the tax to GDP ratio increased by 2 percent; taxpayer registration and payment grew by 9 percent and 30 percent, respectively; and the number of tax exemptions fell.

Involving Citizens in Local Budget Planning

The Open Government Partnership is an international platform that brings together governments and civil society from 75 countries that are committed to transparency, accountability, and citizen participation. It enables access to knowledge, resources, and a support community that can accelerate and deepen structural reforms. A key objective is to catalyze larger, multiyear support from IDA for open governance reforms. Activities include access to information, asset disclosure, citizen engagement, fiscal transparency, open contracting, open data, participatory budgeting, service delivery, and social accountability.

Kenya faces wide disparities in opportunity and service delivery across the country, and the government is pushing to

give communities greater decision-making power over public resources. Translating these goals into meaningful action is no simple task given the challenges of reaching citizens in remote regions and ensuring the participation of women. The World Bank is piloting a participatory budgeting approach, which involves citizens in setting spending priorities, in the rural counties of Makueni and West Pokot.

Preliminary results show government spending is better aligned with needs. Citizens are increasingly prioritizing maintenance and upgrades of facilities as well as community-level investments such as wells and women's development funds. The approach also sped up the budget approval process. In West Pokot County, the share of women participating in budget consultations grew from 11 percent to 35 percent. About 30 percent of the county's development budget is now allocated through participatory budgeting. The World Bank is working to scale up these initiatives in other countries.

Reforming Public Financial Management Systems

A key to success in PFM reform is experimenting with best fit approaches that combine standardized best practice with customized solutions. Best fit entails not just adopting and adapting effective solutions from elsewhere but also discovering new solutions to unique problems. Failing is often the necessary price for succeeding in the long run. The approach involves creating both instruments and a culture for doing adaptive, experimental, and iterative work.

Cambodia has travelled far along its reform journey. In 2004, the country was beset by poorly designed budgetary systems and inadequate domestic revenue. Through program-based budgeting, legislative reform, and strategic planning and assessment, Cambodia's PFM systems are substantially stronger today, particularly at the central level. Achievements include revenue collection going from 10 percent of GDP in 2004 to 18 percent in 2015 and 2016; elimination of payment arrears; and implementation of a financial information management system, leading to timelier payments and more accurate financial reports. Improved revenue performance led to the funding of several key reforms such as more education funding and better compensation for civil servants.

Helping Enterprises Access Finance through Better Financial Reporting

A new regional program financed by the European Union and implemented by the World Bank provides analysis and advice to Western Balkan countries to help them effectively implement financial reporting reform. EU-REPARI—the Road to Europe: Program of Accounting Reform and Institutional Strengthening—focuses on the particular needs of small and medium enterprises (SMEs), the most critical engines of economic growth and job creation in many client countries.

In the Western Balkans, SMEs can't readily access financing largely because banks are wary of their lack of

knowledge about cash management, business planning, risk management, and succession planning. EU-REPARI harnesses the power of the accounting profession to help small business develop standards, institutions, and practices so they can provide banks and investors with reliable and relevant financial information. Improving financial transparency and financial management among SMEs is good for business and good for growth.

Modernizing Public Procurement Systems

Public procurement reform is one of the most effective tools for sustainable public sector reform. It is at the core of translating public policy into tangible results for citizens and delivering essential services, while enabling transparency and citizen engagement. The World Bank provides finance and technical support to reform initiatives, including capacity building, for its client countries. Its active portfolio exceeds \$250 million in procurement reform and capacity development components across a range of lending and advisory instruments.

Vietnam is making significant progress in reforming its public procurement system after a new law went into effect in 2015. The World Bank became the partner of choice for Vietnam's Public Procurement Agency and played a key role in operationalizing the law. With the help of Advisory Services and Analytics providing just-in-time technical assistance, several objectives were met such as standard bidding documents for various procurement types, guidance notes for procuring agencies, and expansion of the e-procurement system. Vietnam is removing legislative barriers to take full advantage of free trade agreements, and the World Bank helped identify and address gaps in legislation to permit full participation.

The World Bank also encourages the digitization of public sector procurement systems in client countries to improve public service delivery and governance. This work includes customizing web-based procurement portals, enhancing e-procurement capabilities, adopting integrated e-procurement systems, and integrating innovations such as geotagging for asset management. The World Bank supports initiatives in 35 countries as part of broader reforms. For example, Bangladesh saves \$90 million annually in public procurement by using an electronic government procurement system developed and implemented with World Bank support—a savings equivalent to building 2,000 primary schools or 1,000 kilometers of rural roads.

The World Bank's new Procurement Framework sets a modern, principles-based foundation for public procurement and serves as an important standard for countries to use to modernize their public procurement systems. Clients are using the new framework to achieve value for money. In Morocco, the Project Procurement Strategy for Development determines the fit-for-purpose procurement methods and has

been employed for a \$2.2 billion public-private partnership for solar energy production. In India, the North Eastern Region Power System Improvement Project is using “best and final offer” and reverse auctions to achieve value for money to construct transmission lines in remote areas.

In Papua New Guinea, the Emergency Tuberculosis Project aims to improve the quality of health services and expand their coverage and use to control the spread of tuberculosis in targeted areas. Hands-on-Expanded Implementation Support (HEIS) is being provided given the country’s fragile situation and limited procurement experience. Moreover, the country last received health sector support from the World Bank in 1993. HEIS was included in the project’s design to work with the National Department of Health during start-up activities, such as hiring consultants and contracting with United Nations agencies for the provision of specialized goods and services.

A cadre of public service staff is being created throughout the Caribbean through a regional resource center that will allow governments to build their procurement capacity and maintain it. The Caribbean Procurement Training and Consultancy Center is part of a strategy to build sustainable procurement skills within government agencies. It offers professional and technical training programs to develop professionals with internationally recognized qualifications.

Addressing Bottlenecks in Service Delivery

Countries strive to improve public service delivery, but technical approaches have proved insufficient to improve services for the poor. Experience suggests improvements do not come simply through policy reforms, administrative engineering, facility modernization, or staff training. Effective political, administrative, and social institutions are essential. To improve public services, policy makers, public servants, and service providers must be accountable to citizens, and citizens must trust and engage with public institutions.

Recognizing these interconnections are especially crucial in FCV situations, the Governance GP seeks to find integrated governance solutions within a local context. The Public Service Delivery Global Solutions Group integrates sector-specific and cross-cutting governance approaches and harnesses, adapts, and applies global knowledge across disciplines to help operational staff meet client demand for innovative public service delivery solutions. The group proactively connects perspectives, people, and knowledge across disciplines, facilitates learning and innovation, and distills lessons from experience.

The Water Supply, Sanitation, and Hygiene Poverty Diagnostic initiative is a partnership among the Governance; Health, Nutrition, and Population (HNP); and Water Global Practices. It is conducting multidisciplinary research in 18 countries to better understand the impacts of inadequate services on human development outcomes and identify the

binding constraints to service delivery. In-depth studies show that, in many countries, services do not reach the poor because of poor implementation, not poor policy. Findings offer a fresh perspective on the complexities of why services fail and the broader political and governance environment in which service providers operate.

While Nepal has achieved significant improvements in health indicators, weaknesses in public sector management systems are undermining coverage and quality of healthcare services. The Health Sector Management Reform Program is a collaboration between the Governance and HNP Global Practices. Under PforR financing, disbursement linked indicators in financial management, procurement, reporting, and information sharing enhance accountability, transparency, and citizen engagement. The indicators provide incentives for addressing service delivery bottlenecks.



3 Policy Evaluation

- Judicial oversight and redress
- Audit and financial accountability
- Financial reporting
- Feedback mechanisms and citizen monitoring
- Integrity and anticorruption

The policy evaluation phase includes reporting and accounting for results and the oversight of control institutions to make sure resources are used as intended and without corruption. This part of the cycle also includes the corrective mechanism of the judicial system when things go wrong, and learning from experience and evaluation to feed back into adjustments and changes as the cycle begins again.

The World Bank Group supports core systems of accountability including the judiciary, the legislature, and formal audit and financial reporting systems. It also aims to ensure the integrity of public resources and helps identify ways to protect these resources from corrupt practices. Finally, as in the earlier parts of the policy cycle, facilitating citizen feedback using mechanisms such as access to information provides opportunities to demand accountability from the state on the use of resources.

Following are some examples of interventions across the evaluation phase of the public policy cycle.

Strengthening Justice Institutions

Effective and sustainable justice institutions, whether formal or informal, are inclusive institutions. Inclusion promotes broad citizen engagement and meaningful participation and voice, especially for the poor and other vulnerable populations. It can also mitigate the drivers of fragility, conflict, and violence providing processes and results that are perceived as being fair, open, participatory, and nondiscriminatory, which in turn can help resolve underlying tensions. Improving justice services is part of the broader governance effort to help meet the World Bank Group's commitments in FCV situations, enhance the business environment, and attract significant private sector investment.

The Palace of Justice in Oradea has been restored as part of the Judicial Reform Project in Romania to improve physical infrastructure, administrative capacity, and overall functional performance of the court system. For 300 judges and justice personnel in three courts, it means a major improvement in their ability to serve citizens and marks an important step in meeting European and international standards of justice. The project helped revise civil and criminal codes, prepare impact assessments for four codes, and draft an insolvency code. It also supported information technology and audio recording systems for court hearings.

Strengthening Parliamentary Oversight

The national budget is one of the most powerful development tools at a country's disposal. Parliamentary participation in the budget process establishes checks and balances crucial for transparent and accountable government and efficient delivery of public services. Although the important role parliaments play in public financial management systems is well established, how parliaments from different traditions can most effectively perform these functions is less clear.

In the Western Balkans, a project on strengthening legislative scrutiny addresses a knowledge deficit around the powers, functions, and practices of parliaments as they relate to budget scrutiny and audit reports, with the goal of enhancing capabilities. The project collaborates with the Network of Parliamentary Committees on Economy, Finance, and European Integration of West Balkans (NPC). It consists of the Committee on Finance and Budget from the Parliament of Albania, House of Representatives of the Parliament of the Federation of Bosnia and Herzegovina, Assembly of Kosovo, Assembly of the Republic of Macedonia, Parliament of Montenegro, National Assembly of the Republic of Srpska, and the National Assembly of the Republic of Serbia, as well as parliamentary budget offices (PBOs) in the region.

The NPC and PBOs are mapping practices across each jurisdiction related to the parliamentary secretariat, procedure and committee system, parliamentary involvement over time, and participation and transparency. Practices are being compared to international parliamentary benchmarks to create

a baseline for measuring good parliamentary financial oversight; to pinpoint Balkan-led reforms and successes that could be replicated; and to identify primary challenges for effective financial oversight. This policy and reform process will result in a regional performance framework for parliamentary financial oversight, endorsed by the stakeholders. The framework can be used by West Balkan budget and finance committees to improve performance and help identify the challenges around which the development community can work with parliaments to improve their financial oversight.

Harnessing Citizen Feedback

Constructive engagement between governments and civil society creates an enabling environment in which citizen feedback can help solve fundamental problems in service delivery and ultimately strengthen the performance of public institutions. It is on this premise that the World Bank's Global Partnership for Social Accountability (GPSA) was founded in 2012.

The GPSA's current portfolio of 34 projects involves more than 200 civil society organizations and thousands of volunteers in 25 countries. Examples of its work to harness citizen feedback for better development outcomes include the Improving Social Accountability in Drinking Water and Sanitation Project in Tajikistan, which helped enhance the ability of water associations and community advisory boards to monitor the quality of water and sanitation in five districts. Greater transparency and better service led to an increase in collection rates. In Benin, social accountability mechanisms such as public audits were adopted to better manage the collection of water fees. Preliminary results indicate an increase of 23 percent in collection rates.

Analyzing Big Data to Improve Public Procurement Results

Making policy and strategy choices based on data enables transformational shifts in government procurement. The World Bank helps clients adopt performance measurements of their systems and collect and analyze procurement data. Under the new Procurement Framework, the Systematic Tracking of Exchanges in Procurement (STEP) collects data on the results of procurement activities related to World Bank projects and provides a monitoring and evaluation framework, benchmarks, and performance metrics. Clients can use STEP for all procurement under Bank-financed projects.

In addition, electronic government procurement (e-GP) is a primary tool to obtain data on performance, promote openness, and enhance transparency. By reducing transaction costs, including procurement lead times, and promoting greater oversight, e-GP enables economic gains for governments and improves results.

Through the Public Procurement Statistics Capacity Building Project in Indonesia, the World Bank is helping to build the capacity of the local government of Bandung City. The goal is to improve the availability and accessibility of data related to

public contracting and use the data for procurement and contract monitoring to enhance government, civil society, and private sector capabilities.

The World Bank has also been providing technical guidance, assistance, and support to the government of Zambia to develop its e-GP system under the Public Financial Management Reform Program. The system provides full functionalities for e-tendering, framework contracting, catalog management, contract management, procurement information management, and a visualization interface to generate performance monitoring reports for stakeholders, including citizens. The system is integrated with other e-services, open contracting, and geotagging, which uses smart phones to remotely track a project's physical progress.

Fraud and Illicit Financial Flows

The rise of illicit financial flows (IFFs)—the movement of financial assets across borders illegally or through illicit transfer—demonstrates the international nature of corruption in a globalized world and the need to adapt anti-corruption efforts. The World Bank's response to IFFs is organized around three work streams: measuring illicit flows; assisting client countries in preventing the underlying behaviors that give rise to illicit funds; and supporting country and international efforts to stop the flow of illicit funds and recover stolen assets.

For example, engaging with customs services in Madagascar is a part of the World Bank's contribution to improving public sector performance and an element of an overall effort to combat IFFs and customs fraud. A review of compliance with the Malagasy Anti-Money Laundering/Combating the Financing of Terrorism regime looks at progress toward meeting international standards, and an intervention is underway to change the behavior of customs officials through performance contracts and an electronic system for tracking operations.

Reducing Corruption Risks

By escalating risks to some sectors of the economy, corruption discourages investment and the creation of new firms, leads to mistrust of institutions, and harms the poor the most. The poor pay a higher share of their income in bribes and are most likely to be deterred from using health, education, and other essential services. The World Bank Group has an extensive program of activities to confront corruption, deploying its convening power, global reach, and technical expertise spanning 20 years. Its work emphasizes the critical role of transparency in addressing corruption and the transformative power of technology to generate, exchange, and analyze information.

A data analytics trial in the state of Ceará, Brazil, explored how mobile surveys and scientific techniques can be used to uncover suspicious patterns of interactions between public service providers and users. In the first experiment, feedback provided by patients through mobile phones was combined with administrative data from hospital services. The second experiment investigated

how survey and administrative data could be used to find anomalies in the environmental licensing process. While bribery data collected through mobile phones offered inconclusive results, administrative data were effectively used to identify corruption red flags.

The World Bank Group added a new dimension to its work by signing an agreement with Italy to forge an innovative partnership for reducing corruption risk in public administration. Now in its fourth year, the program involves an anti-corruption curriculum for civil servants and peer learning on managing risks among public agencies to support Italy's passage of an anti-corruption law. Success comes from its capacity to deliver timely, comprehensive, and engaging state-of-the-art training programs. New knowledge and tools can be shared with other countries facing similar challenges.

Preliminary results indicate a threefold increase in detecting fraud cases and a 15 percent increase in collected revenues. More revenue is critical for economic growth and the public sector's budget.

Supporting Supreme Audit Institutions

Supreme audit institutions (SAIs) oversee the management of public funds and the quality and credibility of financial data reported by governments. They play a critical role in public sector accountability and good governance. Their contribution to good governance is twofold. As part of the public sector accountability system, SAIs reinforce the effectiveness of bodies responsible for government policy, expenditure, and public financial management. Through their audit work, they assess policy implementation and assure compliance of policy makers. The World Bank supports these key institutions, which are central to citizen trust in their institutions.

In fiscal 2017, the World Bank completed a three-year project with the Caribbean Organisation of Supreme Audit Institutions to improve the ability of its 23 member countries to effectively implement capital investment projects by enhancing external accountability, legislative oversight, and public procurement. The project supported the development and dissemination of an audit manual for capital investment projects and a parliamentary oversight reference guide to support the capacity of the Public Accounts Committee in overseeing the execution of public funds and building an understanding of risks and auditing within an e-procurement environment.

Also in fiscal 2017, the World Bank completed a three-year project in Suriname. It helped build the capacity of the professional accountancy organization and the SAI, and enhance the capacity of local accountants and auditors in using international financial reporting and auditing standards.

In Chile, the World Bank is undertaking an ambitious work program with the SAI through nonlending advisory services. In fiscal 2017, the World Bank's focus is strengthening the SAI's capacity to implement international practices in public sector accounting and auditing.

II - MAJOR MILESTONES IN OUR GOVERNANCE WORK

Three Milestones

Fiscal 2017 marked three important milestones for the World Bank Group's work in evolving the governance agenda. These are: the publication of *World Development Report 2017: Governance and the Law (WDR 2017)*, the launch of the World Bank's new Procurement Framework; and the inclusion of Governance and Institutions as a Special Theme in the 18th Replenishment of IDA (IDA18).

Focusing on Governance and the Law

Policy making and policy implementation do not occur in a vacuum, but rather in complex political and social settings where individuals and groups with unequal power interact in an environment of changing rules as they pursue conflicting interests. The interactive process is what the WDR 2017 calls “governance,” and the space in which these interactions take place, the policy arena.

Policy effectiveness depends on the capacity of actors to commit and their willingness to cooperate and coordinate to achieve socially desirable goals. But who bargains, who is excluded, and what barriers block entry to the policy arena determine the selection and implementation of policies and their ultimate impact on development outcomes. Exclusion, capture, and clientelism are manifestations of power asymmetries that lead to failures to achieve security, growth, and equity.

WDR 2017 asserts that governance can mitigate and even overcome power asymmetries to bring about more effective policy interventions that achieve sustainable improvements in security, growth, and equity. This can happen by shifting the incentives of those with power, reshaping their preferences in favor of good outcomes, and taking into account the interests of previously excluded participants. These changes can come about through bargains among elites and greater citizen engagement, as well as by international actors supporting rules that strengthen coalitions for reform.

Incorporating these insights into reform efforts is the charge for World Bank Group support for fiscal 2018 and beyond.

Modernizing the World Bank’s Procurement Framework

The new Procurement Framework, effective July 1, 2016, is designed to modernize the procurement policy and maximize the strategic role of procurement in achieving key development effectiveness goals. The Governance Global Practice and the World Bank’s Operations Policy and Country Services are collaborating on all aspects of the new framework and reporting results. The Governance GP is primarily responsible for implementation issues, including providing fiduciary assurance to operations and hands-on implementation support; building country procurement and integrity systems; and staff development.

Two examples show how the new framework supports clients in their efforts to achieve value for money with integrity. In Nicaragua, the Public Health Care System Project faced several obstacles in the public bidding process to buy off-road ambulances. After two failed attempts and extensive market research, the client, with World Bank support, carried out a negotiated process and 176 off-road ambulances were delivered. In Guatemala, the borrower prepared a Project Procurement Strategy for Development under the Nutrition and Health Project, describing how procurement would support the development objectives and deliver value for money under a risk-based approach. The World Bank helped the government identify activities, capacities, and markets, tailoring the procurement processes to market capacity.

Key Changes to the Procurement Framework

- Value for money (VfM) is introduced as the effective, efficient, and economic use of resources requiring the evaluation of relevant costs and benefits and an assessment of risks and the nonprice attributes or life cycle costs.
- To achieve VfM, fit-for-purpose procurement approaches are adopted, requiring borrowers to prepare a procurement strategy for development for each project.
- A one-stop-shop for procurement processing and data management—the Systematic Tracking of Exchanges in Procurement—will track all procurements to streamline processes, measure timeliness, and provide benchmarking.
- Improved quality in goods and services is supported through value for money decision making and the use of nonprice attributes in evaluating bids.
- Greater flexibility is seen around using alternative procurement arrangements, including those of other multilateral development organizations and the borrowers’ own implementing agencies, subject to review and acceptance by the World Bank.
- Greater support is available for fragile and conflict-affected situations and low-capacity borrowers through expanded hands-on implementation support.
- Speedier procurement decisions are made by reducing World Bank prior reviews of low-value contracts.
- Environmental and social development objectives are met by applying sustainable procurement.
- Greater integrity is achieved by introducing additional integrity management actions.
- Operating standards and measures are established for complaints tracking.
- Greater private sector participation in sector improvement programs is possible through model contract conditions for specific sectors.
- More World Bank support is available for capacity building at project and country levels.

Governance and Institutions in IDA18

For the first time, governance is receiving special attention within the International Development Association—the World Bank Group’s fund for the world’s poorest countries—in terms of funding and policy focus. The inclusion of “Governance and Institutions” as a Special Theme in IDA18 underscores the importance of governance to achieving development results on the ground. IDA18 provides a new set of priority areas expected to have transformative impact, underpinned by specific, measurable policy actions.

Policy Commitments for Governance and Institutions under IDA18

Objectives	Policy Commitments
Strengthen domestic resource management	<ul style="list-style-type: none"> Provide support to at least one-third of IDA countries targeted at increasing their tax/gross domestic product ratio through lending operations, Advisory Services and Analytics (ASA) and technical assistance including tax diagnostic assessments.
Improve public expenditure, financial management, and procurement	<ul style="list-style-type: none"> Support at least 10 IDA countries in performing second or subsequent public expenditure and financial accountability (PEFA) assessments to inform preparation of their systematic country diagnostics. Deliver the Methodology for Assessing Procurement Systems 2 in five IDA countries to accelerate the development of modern, efficient, sustainable, and more inclusive public procurement.
Strengthen active ownership of state-owned enterprises (SOEs)	<ul style="list-style-type: none"> Support at least 10 IDA countries on enhancing SOE performance through: (i) performance agreements and/or (ii) increased transparency through published reports on their SOE portfolio.
Support public administration performance for service delivery	<ul style="list-style-type: none"> Perform joint operations, technical assistance, and/or ASA on sector-focused governance in 10 IDA countries to identify and address institutional bottlenecks to service delivery with the health, water, and/or education sectors.
Support institutional capacity to respond to pandemics	<ul style="list-style-type: none"> Support at least 25 IDA countries in developing pandemic preparedness plans. Support 25 countries in developing frameworks for governance and institutional arrangements for multisectoral health emergency preparedness, response, and recovery.
Integrate citizen engagement and beneficiary feedback into service delivery operations	<ul style="list-style-type: none"> Support projects in at least 10 IDA countries in the development and implementation of user feedback and/or enhanced Grievance Redress Mechanisms 108 for service delivery that ensure participation by women in these processes.
Strengthen open, transparent, and inclusive governance through Open Government commitments	<ul style="list-style-type: none"> Support at least one-third of IDA countries to operationalize reform commitments toward the Open Government Partnership agenda to strengthen transparent, accountable, participatory, and inclusive governments.
Mitigate illicit financial flows (IFFs)	<ul style="list-style-type: none"> Perform IFFs assessments in at least 10 IDA countries to support the identification and monitoring of IFFs.
Enhance understanding of governance and institutions in situations of FCV	<ul style="list-style-type: none"> Strengthen and systematize governance and institutional analysis in one-half of Risk and Resilience Assessments and at least three-quarters of Recovery and Peace Building Assessments in IDA countries.
Operationalize the 2017 World Development Report (WDR)	<ul style="list-style-type: none"> Plan for operationalization of 2017 WDR focused on reducing implementation gaps and enabling adaptive approaches.

III - APPENDIX TABLES

Table A.1. Governance Collaboration on Projects in Other Global Practices

Table A.2. Projects Delivered by the Global Governance Practice in Fiscal 2017

Table A.3. Advisory Services and Analytics Delivered by the Governance Global Practice in Fiscal 2017

Table A.4. Total Contribution to Active Trust Funds Managed by the Governance Global Practice

Table A.5. Governance Global Practice's Trust Fund Donors

Table A.1. Governance Collaboration on Projects in Other Global Practices

Project Name by Lead Global Practice	Region	Country / Economy	Commitment Amount
Agriculture			
Third National Fadama Development Project	AFR	Nigeria	500
Maharashtra Agricultural Competitiveness Project	SAR	India	100
Education			
Education Quality Improvement Project	AFR	Congo, Dem. Rep.	100
Better Education Service Delivery for All	AFR	Nigeria	445.7
Piaui: Pillars of Growth and Social Inclusion Project	LAC	Brazil	120
Energy and Extractives			
National Electrification Project	EAP	Myanmar	400
Modernization and Upgrade of Transmission Substations	ECA	Uzbekistan	150
Trans-Anatolian Natural Gas Pipeline Project	ECA	Azerbaijan and Turkey	800
Environment and Natural Resources			
Wildlife and Human-Elephant Conflicts Management in the South of Gabon	AFR	Gabon	9
Nam Theun 2 Social and Environment Project	EAP	Lao PDR	20
Finance and Markets			
Innovative Startups Fund Project	MNA	Jordan	50
Financial Sector Support Project	SAR	Bangladesh	300
Health, Nutrition, and Population			
Health System Modernization Project	ECA	Belarus	125
Nagaland Health Project	SAR	India	48
Health Sector Management Reform Program	SAR	Nepal	107.6
Health Sector Support Project	SAR	Bangladesh	515
Macroeconomics and Fiscal Management			
Economic Management Strengthening	AFR	Ghana	15
Agricultural Support and Fiscal Management Development Policy Operation	AFR	Malawi	58.9
Development Policy Operation Fiscal Consolidation Program	AFR	Chad	22
Productivity and Transparency Support Credit	AFR	Sierra Leone	22
Development Policy Operation Series on Energy and Public Financial Management	AFR	Burkina Faso	100
Poverty Development Policy Operation	AFR	Mali	50
Intergovernmental Fiscal Transfers Program	AFR	Uganda	145.9
Fiscal and Private Sector Participation Reforms Development Policy Operation	AFR	Mauritania	19

Building a Modern Fiscal System Technical Assistance	EAP	China	22
Third Economic Reform Development Policy Operation	EAP	Kiribati	1.5
Chongqing-Dadukou Fiscal Sustainability Development Policy Operation	EAP	China	200
Hunan Fiscal Sustainability Development Policy Operation	EAP	China	200
Second Inclusive Growth Development Policy Operation	EAP	Tonga	5.3
Public Expenditure and Public Utilities Development Policy Loan 1	ECA	Serbia	200
Second Programmatic Inclusive Growth Development Policy Operation	ECA	Georgia	110
Resilience, Inclusion, and Growth Development Policy Financing	ECA	Turkey	400
Enhancing Fiscal Management, Social Protection, and Financial Inclusion	LAC	Paraguay	100
Third Programmatic Resilience Building Development Policy Credit	LAC	Grenada	16.5
First Improved Governance of Public Resources and Nutrition	LAC	Guatemala	250
Second Competitiveness and Fiscal Management Programmatic Development Policy Financing	LAC	Jamaica	145
Business Environment and Entrepreneurship Development Policy Financing	MNA	Tunisia	500
Second Expenditure Rationalization, Energy Efficiency, and State-Owned Enterprise Governance Programmatic Development Policy Financing	MNA	Iraq	1,444
Competitiveness and Growth Development Policy Credit	SAR	Pakistan	352.8
Inclusive Growth Development Policy Grant	SAR	Afghanistan	73

Poverty

Statistics Development Program	AFR	Ghana	40
Statistics Program for Results	AFR	Kenya	35.6
Improving Mali's Statistical System	AFR	Mali	20
National Statistics and Data for Development	AFR	Mozambique	62
Statistical Capacity Building Project	LAC	Haiti	5

Social Protection and Labor

Enhancing Shared Prosperity through Equitable Services	AFR	Ethiopia	934.5
National Social Safety Nets Project	AFR	Nigeria	500
Federally Administered Tribal Areas Temporarily Displaced Persons Emergency Recovery Project	SAR	Pakistan	189
Strengthening Systems for Social Protection and Civil Registration Project	SAR	Nepal	150
National Social Protection Program	SAR	Pakistan	74.4

Social, Urban, Rural, and Resilience

Inclusive and Resilient Cities Development Project	AFR	Cameroon	160
Urban Support Program	AFR	Kenya	300
Multisectoral Crisis Recovery Project for North Eastern Nigeria	AFR	Nigeria	200
Project for Improved Land Governance and Databases (VILG)	EAP	Vietnam	150

Regional Infrastructure Development Fund	EAP	Indonesia	103
Scaling Up Urban Upgrading Project	EAP	Vietnam	240
Territorial Development Development Policy Loan	LAC	Colombia	800
Third Municipal Development Project	MNA	West Bank and Gaza	16
Madhya Pradesh Urban Development Project	SAR	India	116.2
Sindh Resilience Project	SAR	Pakistan	100
West Bengal Institutional Strengthening of Gram Panchayats Program II	SAR	India	210
Karachi Neighborhood Improvement Project	SAR	Pakistan	86

Trade and Competitiveness

AFCC2/RI-Great Lakes Trade Facilitation	AFR	Africa	79
Kaduna State Economic Transformation Program-for-Results	AFR	Nigeria	255.4
Competitiveness and Jobs	ECA	Serbia	100
Rio Grande do Sul Sectorwide Approach	LAC	Brazil	480
Strengthening Service Delivery for Growth, Poverty Reduction, and Environmental Sustainability in the State of Ceará Program-for-Results	LAC	Brazil	350

Transport and ICT

Transport Sector Modernization and Corridor Trade Facilitation Project	AFR	Burkina Faso	20
Transport Sector Modernization and Corridor Trade Facilitation Project	AFR	Côte d'Ivoire	30

Water

Coastal Cities Sustainable Environment Project	EAP	Vietnam	236.2
National Hydrology Project	SAR	India	175

Note: AFR = Africa; EAP = East Asia and Pacific; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; MNA = Middle East and North Africa; SAR = South Asia.

Table A.2. Projects Delivered by the Global Governance Practice in Fiscal 2017

World Bank Region and Project Name	Country	Total (US\$, millions)
AFRICA		
Improving Public Sector Performance	Swaziland	25
Additional Financing for Economic Governance Technical Assistance and Capacity Building	Guinea	22
Additional Financing II for Integrated Financial Management Information System Project	Gambia, The	5
Additional Financing for Public Financial Management and Accountability Project	Congo, Dem. Rep.	50
State Consolidation Development Program	Central African Republic	20
Additional Financing for Public Sector Reform and Rejuvenation Project	Congo, Dem. Rep.	45
Public Expenditure and Investment Management Reform Project	Central African Republic	10
Additional Financing for Public Financial Management Improvement and Consolidation	Sierra Leone	10
Integrated Public Sector Reform Project	Congo, Rep.	40
EAST ASIA AND PACIFIC		
Strengthening Fiscal and Financial Stability Project	Mongolia	12
EUROPE AND CENTRAL ASIA		
Justice Services Improvement Project	Romania	67
LATIN AMERICA AND THE CARIBBEAN		
Transparency and Efficiency in Tax Administration	Guatemala	55
Public Services Modernization and Innovation	Argentina	80
MIDDLE EAST AND NORTH AFRICA		
Modernization of Public Financial Management (PFM) Systems	Iraq	42
SOUTH ASIA		
Assam Citizen-Centric Service Delivery	India	39
Himachal PFM Capacity Building Program	India	36
Assam State Public Finance Institutional Reforms Project	India	35
Total		593

Table A.3. Advisory Services and Analytics Delivered by the Governance Global Practice in Fiscal 2017

Task Name	Recipient
AFRICA	
Toward Improved Governance Policy Framework	Congo, Rep.
Gap Identification in Construction Contracting Performance	Ethiopia
Public Finance Management Reimbursable Advisory Services (RAS) II	Gabon
Tax System Reform Technical Assistance	Gabon
Public Sector Reform/Wage Bill Management	Ghana
Public Financial Management Bottlenecks to Service Delivery	Ghana
Public Expenditure Review	Mauritania
Tracking Agriculture Sector Program Implementation	Mozambique
Evidence-based Institutional Mapping for the Mozambican Agriculture Sector	Mozambique
Aid Data Management and Rapid Assessment of Donor Assistance	Mozambique
Media and Public Service Improvement	Madagascar and Mozambique
Customs Revenues and Informal Trade in Niger	Niger
Program Performance Based Budgeting Reimbursable Advisory Services	Seychelles
Justice Services for the Poor Preparation Seed	Sierra Leone
Support to Procurement and Concession	Somalia
Financial Governance Policy Support	Somalia
Strengthening Accounting and Auditing Legal Framework	South Sudan
Governance Analysis: What Can Work for Capacity	South Sudan
Technical Assistance for Enhanced Aid Data Management	Tanzania
Public Expenditure Management and Financial Accountability	Togo
EAST ASIA AND PACIFIC	
Procurement Assessment—Risks and Opportunities for Service Delivery	Cambodia
Capacity Training Workshop to Project Implementation Units on World Bank Financial Management, Disbursement and Procurement	China
Statistics Capacity Building in Public Procurement	East Asia and Pacific
Supporting Indonesia's Open Government Initiative and Enhancing Data Quality and Accessibility for Evidence-Based Policy Making	Indonesia
Technical Assistance to Help Subnational Government to Improve Local Service Delivery	Indonesia
Effective and Accountable Village Regulatory Functions	Indonesia
Governance and Public Sector Management Analytical Support	Mongolia
Strengthening Auditing and Accounting	Myanmar
Problem-Driven Public Financial Management	Pacific Island countries
Supporting Reform Coalitions and Inclusive Institutions for Sustainable Change	Philippines
Managing Grievance and Conflict	Solomon Islands
Land and Resource Governance	Timor-Leste

Equity, Land, and Natural Resources Governance	Vanuatu
Public Expenditure Review Follow-Up for Fiscal 2017	Vietnam
Advisory Services on Land Market Institutions for Efficient Land Administration	Vietnam

EUROPE AND CENTRAL ASIA

Country Fiduciary and Project Implementation Review	Albania
Implementing Anti-Corruption Strategy	Armenia
Tax Reform Support	Azerbaijan
Promoting Transparency and Efficiency of State-Owned Enterprises	Azerbaijan
Improving Public Administration in the Turkish Cypriot Community	Cyprus
Fee-Based Services (FBS)—Support to Auditors and Audit Oversight	Czech Republic
FBS—Institutional Capacity Building: Czech National Bank	Czech Republic
FBS—Tax and Accounting	Czech Republic
Rapid e-Procurement Toolkit	Europe and Central Asia
Enhancing Public Spending Transparency and Performance	Europe and Central Asia
e-Procurement Online Learning	Europe and Central Asia
13th Procurement, Integrity, Management, and Openness	Europe and Central Asia
Reducing Corruption Risks in the Public Sector	Italy
Improving Performance Orientation of Budget Management through Streamlined and Interlinked Strategic Planning and Budgeting	Kazakhstan
Advisory Support in Developing the Draft Code on Taxes and Other Obligatory Payments into the Budget and Customs Regulation	Kazakhstan
Strengthening Public Sector Audit	Kazakhstan
Building Capacity of Local Experts for Scaling Up Peer-to-Peer	Kyrgyz Republic
Open Contracting	Moldova
Improving the System of Public Procurement	Montenegro
FBS—Public Oversight (SECO)	Poland
FBS—Quality Assurance (SECO)	Poland
FBS—Tax and Accounting (SECO)	Poland
FBS—Financial Reporting Capacity (SECO)	Poland
FBS—Regulatory Framework (SECO)	Poland
FBS—English Training (SECO)	Poland
FBS—ISA Implementation (SECO)	Poland
FBS—Continuing Education (SECO)	Poland
RAS*—International Public Sector Accounting Standards: Public Sector Accounting and Financial Reporting	Poland
Anti-Corruption	Romania
Support for Outsourcing of Municipal Social Service	Russian Federation

*Reimbursable Advisory Services

Wage Bill Management	Serbia
Vertical Functional Review of the Ministry of Finance	Serbia
Horizontal Functional Review	Serbia
Strengthening Public Investment Management	Serbia
Srbijagas Just-in-Time Technical Assistance Due Diligence	Serbia
Improving Tax Administration	Ukraine
Increasing Fiscal Transparency and Accountability	Ukraine
Preventing Corruption: Financial Disclosures and Preventive Anti-Corruption Agency	Ukraine
Rapid Actions to Strengthen Court Management and Functioning	Ukraine

LATIN AMERICA AND THE CARIBBEAN

Strengthening Governance in Infrastructure	Brazil
Subnational Governance Monitoring Framework	Brazil
Participatory Governance for Better Citizen Security	Brazil
Phase 2 Behavioral-Informed Public Policy	Central American countries
Financial Management Country Systems and Fiduciary Training	Central American countries
RAS* for the Conceptual Design and Implementation of a Results-Based Public Investment Management Model	Colombia
Impact Evaluation for the Public School Meal Program Framework	Colombia
2015 Public Expenditure and Financial Accountability	Colombia
Support for Implementation Guidance on New Accounting Regulations	Colombia
Public Expenditures Management Technical Assistance	Dominican Republic
Supporting Governance and Oversight of Public Financial Management	Haiti
Public Expenditure Review	Jamaica
CRcER (Accounting and Accountability for Economic Growth) 2017 Trust for Sustainable Growth	Latin America
RAS* Designing Standards for Oral Commercial Lawsuits	Mexico
RAS* Veracruz Public Sector Management	Mexico
Good Practices for Courts	Organisation of Eastern Caribbean States countries
Programmatic Governance Engagement	Paraguay
Governance of State-Owned Enterprises	Uruguay

MIDDLE EAST AND NORTH AFRICA

Public Finance Management Modernization	Egypt, Arab Rep.
Public Management, Transparency, and Regulatory Reform	Iraq
Technical Assistance—Kurdistan Regional Government (KRG) Public Procurement Modernization	Iraq
KRG Comprehensive Legal Review and Case Management Applications	Iraq
Lebanon Parliament Financial Oversight	Lebanon

*Reimbursable Advisory Services

Supporting Economic Governance Transition in Tunisia and Morocco	Middle East and North Africa
Governance, Informal Trade, and Informality in the Maghreb	Middle East and North Africa
Survey of Land Tenure of Syrian Refugees	Middle East and North Africa
Modernizing Budget Systems	Oman
National Development Strategy Implementation Progress Framework	Qatar
Theme 2 Fiscal Management, Service Delivery, and Institutional Development	Qatar
Scoping PFM and Tax Activities Under the Technical Cooperation Program	Saudi Arabia
Strengthening Accountability and Oversight Institutions in Tunisia	Tunisia
Open Budget Portal	Tunisia
PFM Legislation Review	United Arab Emirates
World Government Summit	United Arab Emirates
Modernizing Public Procurement	West Bank and Gaza
Strategic Secondment to Enhance United Nations and World Bank Collaboration	Yemen, Rep.

SOUTH ASIA

Public Expenditure and Financial Accountability Review	Bangladesh
Government Performance Management Reform	Bangladesh
Support to Public Financial Management Strategy	Bangladesh
Public Financial Management Report (PEFA-II)	Bhutan
Nonlending Technical Assistance (NLTA) Support to the Aid Accounts and Audit Division, Department of Economic Affairs, Ministry of Finance for System Improvement and Staff Capacity Building	India
NLTA Support to Himachal Pradesh for Capacity Building of Key Institutions on PFM	India
Capacity Building on Contracts Management during Project Implementation	India
Audit Workshop for the Rashtriya Madhyamik Shiksha Abhiyan Program	India
Audit Workshop: Sarv Shiksha Abhiyan Program	India

WORLD

East Asia and Pacific–South Asia Public Finance Management Retrospective Study	Multiregional
Korean Digital Government Experience: Reflections and Implications for Developing Countries	Global
Piloting of Implementation of United Nations Convention Against Corruption	Global
Understanding the Costs and Benefits of Unharmonized and Unaligned Financial Management Arrangements	Global
Open Government Reforms: Analysis and Setting of Research Agenda	Global
Brainstorming Session on PFM Conceptual Framework	Global

Table A.4. Donors' Total Contribution to Active Trust Funds Managed by the Governance Global Practice

DONOR	Public Financial Management	Public Administration	Tax	Human Rights	Fragility, Conflict, and Violence, and Post Conflict	Justice and Rule of Law	Transparency and Social Accountability	Financial oversight and Reporting	Decentralization and Subnational Government	Contribution (US\$, millions)
European Commission	●	●				●		●	●	273
COUNTRY										
United Kingdom	●	●	●		●	●			●	171
Switzerland	●		●					●		70
Canada	●	●								58
Sweden	●	●		●		●			●	46
Denmark	●	●		●		●			●	28
Australia	●					●				26
Russian Federation	●									26
United States	●	●					●		●	20
Norway	●			●		●				18
Finland	●	●		●			●		●	17
Austria	●	●						●		17
Netherlands	●					●				11
Germany	●			●						10
Korea, Republic	●									8
Belgium		●								7
Luxembourg			●					●		2
France	●									1
Ireland	●									1
FOUNDATION										
Ford Foundation	●						●			4
Bill and Melinda Gates Foundation	●									3

Note: These donors account for 99.5 percent of the total contributions in active trust funds managed by the Governance Global Practice. Another 14 donors made smaller contributions.

● 80-100 percent | ● 50-80 percent | ● 20-50 percent | ● 1-20 percent | Blank: Not applicable

Table A.5. Governance Global Practice's Trust Fund Donors

DONOR	Contribution (US\$, millions)
European Commission	272.54
COUNTRY	
United Kingdom	170.62
Switzerland	70.39
Canada	58.35
Sweden	45.61
Denmark	28.24
Australia	26.47
Russian Federation	26.40
United States	20.49
Norway	18.13
Finland	16.88
Austria	16.59
Netherlands	10.80
Germany	10.17
Korea, Rep.	7.60
Belgium	7.02
Luxembourg	1.75
France	1.35
Ireland	1.34
Spain	0.52
Mali	0.51
Benin	0.51
Chad	0.30
Iceland	0.30
Guinea-Bissau	0.25
Slovenia	0.11
Mexico	0.10
Philippines	0.10
Uganda	0.08
Timor-Leste	0.06
Dominican Republic	0.03
FOUNDATION	
Ford Foundation	4.00
Bill and Melinda Gates Foundation	2.90
Aga Khan Foundation U.S.A.	0.50
Bertelsmann Stiftung	0.03
Total	821

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