“Effective governance is a critical foundation for reducing poverty and building shared prosperity around the world. The WBG supports clients in building capable, efficient, open, inclusive, and accountable institutions that are needed to underpin sustainable growth. Trust funds enable the WBG to provide critical knowledge, technical expertise, and resources to strengthen governance on the ground and globally.”

—Deborah L. Wetzel
Senior Director, Governance Global Practice

Reducing poverty and promoting shared prosperity are predicated on good governance and strong institutions that can create avenues and opportunities for citizen engagement and build trust between the state and citizens. However, in the past few years, trust in government and institutions has fallen around the world. Recent data suggest that more than half of the world’s population distrusts government institutions, with the average gap in trust between the elite and the general population widening to 12 percent, indicating
increased levels of inequality. Strengthened institutions and good governance are even more critical for the world’s most vulnerable countries, where institutional inefficiencies are often deeply rooted and systemic. Countries with strong public institutions prosper by providing an environment that facilitates private sector growth, reduces poverty, delivers valuable services, and earns the confidence of their citizens.

Governance and institutional development are core parts of the work of the WBG as it relates to all sectors. The WBG helps client countries build capable, efficient, open, and accountable institutions for inclusive development by adopting a long-term, integrated, and multi-sectoral approach to public sector reform. This work places a special focus on: (i) improving public financial management; (ii) strengthening public sector performance; and (iii) enhancing accountability in service delivery.

Trust fund resources draw on the WBG’s convening power and technical expertise to complement IBRD/IDA operations and help countries develop practical solutions to address complex governance challenges.

I. Improving public financial management

Increasing the flow of revenue and effective management of these resources is necessary for the provision of basic services in the world’s poorest countries. However, countries most in need of such revenue face serious challenges in collecting taxes and ensuring they are spent effectively. Based on recent estimates, 36 percent of IDA countries report tax revenues below 15 percent of their GDP. This is well below the level needed to finance basic state functions. In addition to increasing the sheer volume of tax revenues, the tax policies and collection and distribution mechanisms need to be fair and efficient to help eradicate poverty and promote equitable growth. The WBG provides funds and advice to countries to design policies and implement procedures to improve revenue collection, administration, and efficient use of resources, while continuously striving to enhance client capacity, increase value of investment, and strengthen financial accountability of institutions, audit and oversight bodies, and regulators.

The Trust Fund for Accelerating Growth and Reforms (TAGR) supports the economic reform program in Pakistan by assisting key federal and provincial institutions to expand and sustain fiscal space and revenue collection, liberalize trade and economic activities,

60 For more information: http://bit.ly/TrustInstitutions

Tax revenues increased in Pakistan from 11 percent of GDP in 2014 to approximately 13 percent of GDP in 2016 through increased taxpayer registration and collections with support from this trust fund.

UNITED KINGDOM

Trust Fund for Accelerating Growth and Reforms

CONTRIBUTOR

UNITED KINGDOM

The Trust Fund for Accelerating Growth and Reforms (TAGR) supports the economic reform program in Pakistan by assisting key federal and provincial institutions to expand and sustain fiscal space and revenue collection, liberalize trade and economic activities,
facilitate private investment, improve the quality of expenditures and debt management, and tackle other binding constraints facing the economy. The TAGR fills knowledge gaps, strengthens the capacity of key institutions to design and implement reforms, facilitates dialogue, and builds consensus. Technical assistance is closely coordinated with policy lending to accelerate the adoption of reforms. Moreover, the removal of distortionary tax exemptions provides a significant initial boost to revenues, while improvements in tax administration help sustain these revenues. New institutional capacity has equipped authorities with modern administrative practices, including risk-based audits and effective management of taxpayer and third-party data through improved ICT systems. These reform initiatives, along with other complementary measures implemented by the government, helped increase taxpayer registration and payments resulting in a rise of tax revenues from 11 percent of GDP in 2014 to approximately 13 percent of GDP in 2016.

Europe and Central Asia Regional Public Finance Management

The Europe and Central Asia Regional Public Finance Management (EPFM) trust fund was established to improve the quality of public financial management, thereby increasing the transparency and efficiency of public resources in support of improved service delivery in more than 13 countries in the Europe and Central Asia region. EPFM supported the upgrade of a public investment management system in Moldova between FY14–FY17. An Inter-Agency Working Group on public investments, involving representatives from five ministries, the State Chancellery, and the Local Governments Association, was formulated to carve out the legal and methodological changes necessary to improve the system in the country. The government’s resolution clearly identified key steps and established a list of eligibility criteria to enable the central and local authorities to improve public investment planning through better prioritization. Moreover, key provisions in the law on public finance and fiscal budgetary responsibility identified basic principles of the public investment system and public investment project financing and created step-by-step guidelines for project preparation and appraisal, which were later adopted by the government. EPFM also supported public finance and fiscal governance reforms in Belarus by developing a public financial management reform strategy, including detailed design and action plans. The Ministry of Finance, with support from the trust fund, produced strategic and concept documents for medium term and program budgeting, treasury, debt management, and accounting. Much of the work on the reform strategy is based on the Public Expenditure and Financial Accountability (PEFA) assessments that were also supported under this trust fund.61

Moldova’s public investment management system improved by providing transparency and efficiency in resource allocation, and improving service delivery between FY14–FY17.

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61 PEFA is a methodology for assessing public financial management performance to measure the extent to which the public financial management systems, processes, and institutions contribute to the achievement of desirable budget outcomes. A PEFA assessment provides a thorough, consistent, and evidence-based analysis of public financial management performance at a specific point in time. The PEFA methodology can be reapplied in successive assessments to track changes over time.
Financial Sector Reform and Strengthening Initiative

CONTRIBUTORS

The Financial Sector Reform and Strengthening Initiative (FIRST), a multi-donor trust fund, aims to support low- and middle-income countries to build stable, efficient, and inclusive financial systems. Since its inception in 2002 in the aftermath of the East Asian financial crisis, FIRST has funded more than 740 projects across 120 countries worth $167 million and catalyzed more than $1 billion of funding to support development and implementation of financial sector strategies and broader financial reforms. FIRST has played a distinct role in financial sector development as a provider of technical assistance in designing targeted and customized reforms and leading interventions on banking, insurance, capital markets, pensions, crisis preparedness, payment systems, and financial inclusion that have strong potential for replication and scaling up. Key focus areas include: (i) financial sector reform strategy and policy advice; (ii) advisory services to strengthen regulatory and supervisory frameworks; (iii) financial sector market and product development; and (iv) institutional capacity building.

FIRST has been a major source of funding for IDA countries that have limited capacity to formulate financial sector strategies, especially in the Africa region. FIRST has helped 24 IDA countries put in place time-bound action-oriented financial sector strategies, leveraging $200 million in funding from other donors and the private sector to implement reforms. FIRST has also strengthened the legal, regulatory, and institutional capacity of the financial sector in line with international principles such as Basel Core Principles for Banking, the Insurance Core Principles, and Financial Markets Infrastructures Principles, etc. Strengthening government bonds markets and the insurance and pensions sectors has effectively mobilized long-term finance and developed innovative financial products for the underserved micro, small, and medium enterprises such as mobile payments, housing finance, movable lending, micro-insurance, and private pensions, etc.

"The FIRST Initiative has been effective in realizing its operational targets. There is ample evidence that individual FIRST projects and programs are having positive outcomes and some catalytic effects. Reviewed FIRST programs are highly relevant to client needs for financial sector development, and build upon previous diagnostic and analytical work. While the majority of FIRST projects and programs are still being implemented, this evaluation reports good to excellent progress with completed projects and programs in terms of their relevance and effectiveness, and they also have a reasonable likelihood of sustained results."

—Independent Evaluation, Universalia Management Group, FIRST, 2017
The government and corporate bond markets in Vietnam are still at a nascent stage of development compared to their regional peers, with limited liquidity and fragmented issuance mechanisms. In response to the request from the Ministry of Finance to strengthen the fixed income and corporate bonds markets, the technical assistance provided by FIRST led to significant changes in the issuance mechanisms and auction processes, competitive and non-competitive bidding methods, and formulation of new policies to balance the rights and obligations of primary dealers and auction members. As a result, the total bond market outstanding increased from 14 percent of the GDP in 2011 to nearly 37 percent in 2016. The positive impact on the primary market also improved functioning of the secondary market with increased liquidity, the volume and value of trades, and a more diversified investor base. The average trading amount nearly quadrupled from $70 million per trading session in 2013 to $280 million per trading session in 2016. Improved benchmark bonds for fixed rate instruments are now larger in size, and frequency of issuance has increased with maturities of five to 30 years, while non-bank investors are also entering the market resulting in greater investments in government bonds. FIRST is now working with other donors to design follow-up programs to implement the 2017–2020 Bond Market Development Roadmap for the country.

FIRST provided extensive capacity building and analytical support to the Turkish Treasury Private Pension Department to implement risk-based supervision of private pensions and the expansion of voluntary private pension coverage. FIRST helped develop the Outcome Based Assessment for Private Pensions and the International Cost Benchmarking Analysis, which provided key inputs into the design of the new auto-enrollment pensions scheme. FIRST also supported the treasury to amend the Law on the Amendment of the Private Pension Savings and Investment System Act and other related regulations, which were enacted in August 2016, allowing individuals to automatically enroll in individual pension savings schemes. Since 2016, three million individuals have enrolled in the scheme, raising more than $290 million in savings. The new scheme will ensure that an individual’s welfare levels do not decrease after retirement and will contribute to the national economy through increased levels of long-term savings in the country.

Debt Management Facility

The Debt Management Facility (DMF), a MDTF, supports developing countries to strengthen their debt management capacity and institutions. The DMF empowers debt

$290 million in savings raised through the new automatic enrollment pension scheme in Turkey, benefiting three million people.

Trust Fund Achievements | 65
Managers faced with financing pressures to advocate for a prudent and sustainable approach to taking on new debt. The second round of the DMF, launched in 2014, formalized a partnership between the World Bank and the International Monetary Fund. Experts from both institutions provide capacity building trainings and technical assistance with the aim of improving and professionalizing debt management in developing countries. Since its establishment, 113 Debt Management Performance Assessment (DeMPA) evaluations were conducted in 78 countries, spread across five regions. Countries using DeMPA have displayed improvements in the quality of their legal framework, the development of debt management strategies, recording of debt data, and in the publication of debt reports.

The Kyrgyz Republic is one of the leading examples of DMF’s efforts. The country became a parliamentary democracy in 2010 following political turmoil and ethnic unrest. While the Kyrgyz Republic’s economy has been resilient, the growth momentum over the past few years has been declining due to the difficult global economic environment and regional conflicts’ spillover effects on the country. Through DMF, the World Bank supported the Kyrgyz Republic’s holistic approach to managing debt and helped develop analytical capacity to formulate a debt management strategy based on a robust cost-risk analysis. As a result of this partnership, there has been the development of a more integrated debt management framework, and key components presented in a debt reform plan have been benchmarked with international sound practices.

Following the recommendations of the reform plan report, the Kyrgyz Ministry of Finance has started to: (i) develop an annual medium-term debt management strategy; (ii) organize regular meetings with local commercial banks to discuss the domestic securities market; and (iii) improve communication with the market participants to help increase the share of domestic borrowings and successfully introduce seven-year bonds in 2017. Trainings provided to the Kyrgyz Debt Management Office helped the staff gain the skills for analyzing the cost-and-risk implications of existing debt portfolios and potential borrowing strategies.

II. Strengthened public sector performance

Empirical evidence suggests that an estimated $1.5 trillion is paid in bribes by businesses and individuals each year, comprising 2 percent of the global GDP. Corruption discourages people from accessing basic services, contributes to higher crime rates, erodes the social contract between citizens and the state, and harms economic activity by dis-incentivizing foreign investment. Countries able to control corruption levels can use their human and financial resources more efficiently, enhance institutional performance and financial accountability, and attract greater investment to grow more rapidly. The WBG aims to build capable, transparent, and accountable institutions by improving the performance of civil servants across sectors; strengthening public administration capacity and quality; and enhancing the performance and transparency of state-owned enterprises as critical providers of basic services. The WBG also builds institutions by

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Sixty-four The DeMPA is a methodology for assessing public debt management performance through a comprehensive set of indicators spanning the full range of government debt management functions: governance, coordination with macro and monetary policies, borrowing practices, cash flow forecasting, and operational risk management.
strengthening accountability mechanisms through better checks and balances in the public sector; improving the effectiveness of supreme audit and accountability institutions and the judiciary; and building the capacity of government policy coordination and delivery units.

Kenya Accountable Devolution Program

CONTRIBUTORS

The Kenya Accountable Devolution Program (KADP), a MDTF, supports Kenya’s devolution process by strengthening core governance systems at both the national and county level.65 Devolution, which holds strong potential to lift millions out of poverty by increasing equity in distribution of opportunities, as well as improving service delivery at local levels, is one of three pillars in the WBG’s Kenya Country Partnership Strategy 2014–18, and is being supported by two complementary initiatives: the $200 million IDA Kenya Devolution Support Project approved in FY16; and the $23 million KADP trust fund. The trust fund provides technical and analytical assistance to build the capacity of national and county governments on issues that are key to a successful devolution process, with the aim to contribute to more transparent and accountable county governments that listen to citizens and provide better services. The KADP has generated new knowledge resources, provided technical assistance, and built capacity in core areas that are helping the national and county governments to improve their performance in fiscal and public financial management, including county monitoring and evaluation and information sharing systems, and integrating citizen priorities in county development plans and budgets. In addition, the KADP has provided technical assistance to World Bank projects in devolved sectors, addressing bottlenecks and defining intergovernmental relations, and strengthening county peer learning and knowledge sharing mechanisms.

KADP also worked with the teams from the National Treasury to develop BOOST, an excel-based analytical tool to improve the quality of public expenditure decisions. BOOST provides a consistent methodology for collecting, combining, analyzing, and sharing public expenditure data by curating budget, expenditure, and revenue data from the Integrated Financial Management Information System (IFMIS). The finalized BOOST online portal contains all IFMIS

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65 Kenya’s decentralization is among the most rapid and ambitious devolution processes going on in the world, with new governance challenges and opportunities as the country builds a new set of county governments.
curated revenue and expenditure data from the national and county governments for the periods 2013–2017, providing user-friendly access to data using different visualization tools. The potential of BOOST in enhancing transparency and accountability is very promising. Once all the data is uploaded and BOOST is made public, users will be able to access fiscal data and assess the status of their counties. The National Treasury Principal Secretary has approved the use of BOOST data in the ongoing comprehensive public expenditure review at the national and county levels for the devolved sectors.

“BOOST makes it easy to analyze allocation and use of public expenditure by making comparisons. Because it is based on Excel, it is easier to use compared to other software in tracking expenditure. BOOST is useful because it enhances the right to access information regarding public expenditure in line with the Constitution, and it will therefore improve public participation.”

— Dorine Mbaye, Economist, National Treasury of Kenya

Capacity building initiatives in participatory budgeting for county officials have led to: (i) greater inclusion of marginalized communities with increased opportunities for women and remote communities to take part in expenditure prioritization; (ii) increased amounts of county government budgets subjected to decision making by citizens; and (iii) greater credibility of budget hearing processes systematically identifying, selecting, prioritizing, and validating projects to be included in the budget. Participatory budgeting has also facilitated compliance with the legal requirements for public participation and faster approval of the budget by the County Assembly members. Overall, these initial outcomes have resulted in additional counties seeking to join the participatory budgeting initiative following an experience sharing platform from the initial five counties that have been implementing it. In 2015, participatory budgeting processes were initiated in two counties (Makueni and West Pokot), the following year three additional counties (Baringo, Elgeyo Marakwet and Kwale) were trained. In FY18, seven new counties will receive training to be able to integrate participatory budgeting processes in their budget cycles.
Box 11: Scaling Up Inclusion of Women in Participatory Budgeting in West Pokot, Kenya

In West Pokot County, only 20 participatory budgeting sessions were conducted in 2015 at the ward level, characterized by low turnout, especially by women, given they found it difficult to access sites far from their homesteads. However, the new approach of holding meetings at the hyperlocal level enabled 164 sessions to be held in 2016 and more than 200 sessions in 2017, with over 10,000 women participating over the two years. The new approach demonstrated the county’s commitment to giving women an opportunity to voice their development priorities.

Milka Losia resides in Sekerr Ward. For years, many in her community did not have access to clean drinking water, and suffered from waterborne illnesses, with some, like her brother, not surviving. In the past, a borehole was built but had since broken down and become dysfunctional as no one in the community could fix it. Milka attended a participatory budgeting session in 2016 and voiced access to clean water as a priority, receiving support from others in the community.

“I walk two hours every day to collect water and it’s not even good water,” she explained. While access to an improved drinking water source has increased in Kenya over the years, 43 percent of rural Kenyans, like the residents of West Pokot, still do not have access. At the end of the participatory budgeting session, the community prioritized the repair of an old unused borehole to provide clean water year-round: a win-win for the community and the county government as it was quick to execute an affordable solution. “Participatory budgeting made the difference here,” said Chebbet Mungo, the Head of Budget in West Pokot. “This project had been a priority for the community for a long time but it was ignored [by the county]. Now, whatever the community decides we have to implement.”

Over 10,000 women participated in local budgeting sessions in West Pokot County in 2016 and 2017, empowered through the devolution process in Kenya.

Governance Partnership Facility Korea Trust Fund for Governance and Public Financial Management

The Governance Partnership Facility Korea Trust Fund for Governance and Public Financial Management aims to generate knowledge and learning that can help improve governance and public financial management in developing countries in Asia. The trust fund is providing knowledge and advisory services to help enhance the governance and performance of state-owned enterprises in the South Asia region and other para-statal organizations in the Republic of Korea. State-owned enterprises play a key role in the economy and service delivery, operating in strategic sectors such as energy, water,
Analytical work and financing for state-owned enterprise reform is supporting preparation of a $70 million IDA project for Sri Lanka and a $10 million IDA project for Maldives. Financial services, and transport. However, systematic data on countries’ state-owned enterprise portfolio and corporate governance arrangements are scarce, despite a strong interest from clients to learn more about current practices from peers in the South Asia region.

In the Maldives, the trust fund supported the government’s state-owned enterprise reform efforts through the joint preparation of a state-owned enterprise Country Diagnostic (including a pilot fiscal risk analysis of the state-owned electricity company, STELCO) and a sequenced Reform Action Plan. The centralized ownership entity has made significant progress in conducting financial performance monitoring and working with the supreme audit institution to reduce gaps and delays of state-owned enterprise audits. The trust fund activities also translated into additional financing with a state-owned enterprise component for the $10 million IDA Maldives Public Financial Management Systems Strengthening Project, to be approved in FY18, allowing to further implement reforms over the medium term. Similarly, in Sri Lanka, the trust fund supported activities that advised the government on reforming the legal framework and ownership function of the state-owned enterprises. Sri Lanka is now moving forward in reforming its legal framework and corporate governance structure for state-owned enterprises through the $70 million IDA Public Sector Efficiency Strengthening Program, to be approved in FY19.

Europe and Central Asia Region Capacity Development

CONTRIBUTOR

The Europe and Central Asia Region Capacity Development (ECAPDEV) trust fund supports improvements in the quality and speed of project preparation, and capacity building for project implementation in the region. In the period FY13–FY17, 32 grants for the total amount of about $15 million were awarded to support project preparation in a variety of sectors, such as agriculture, education, energy, health, roads and railroads, social protection, urban and rural development, and trade and competitiveness. Between FY13–FY17, 23 grants amounting to $10 million, resulted in approval of 23 World Bank operations for a total amount of about $1.8 billion.

The ECAPDEV has also provided important operational training to over 1,000 civil servants and staff of Project Implementing Units involved in the implementation of projects on technical areas like financial management, procurement, safeguards, contract management, strategic communication, and monitoring and evaluation. The trust fund has also helped establish institutionalized training programs in monitoring and evaluation in the national academies in the region.
In the Kyrgyz Republic, the ECAPDEV financed a $450,000 grant to support the critical institutional assessments of the government’s Community Development and Investment Agency and 136 local governments. The grant also helped carry out a beneficiary expectations survey resulting in a needs assessment and ensuring an increased level of awareness of critical institutional development issues in meeting those needs. The results and methodology of the local government capacity assessment have now been adopted by the national-level local government coordinating agency and a national think tank. This has resulted in strengthening the capability and readiness of the communities and institutions to implement effective needs-based investments in target communities. The results of the institutional assessment have informed the preparation and implementation of the $12 million IDA *Third Village Investment Project*.

In Tajikistan, the ECAPDEV supported the preparation of the $22 million IDA *Agriculture Commercialization Project* through a $535,000 grant. The grant supported the preparation of key strategy documents and studies such as the National Strategy for Extension Service Development, providing recommendations for further development of the private input supply sector and promising value chains. The findings of the upstream analytics helped define the preparation and implementation of the project and are highly relevant in the broader context of the ongoing agrarian reforms in Tajikistan.

**South-South Experience Exchange Facility**

The *South-South Experience Exchange Facility* (South-South facility), a MDTF, enables sharing of development experiences and knowledge among WBG client countries by supporting knowledge exchange activities. The South-South Facility funds these exchanges based on demand expressed by the knowledge recipient countries and focuses on achieving results measured as follow-up actions at the institutional and even systemic levels. Participants of successful knowledge exchanges change the environment in which they operate, affect policies and norms, and strengthen the institutions where they work.

In 2016, the South-South facility shifted focus from ad hoc knowledge exchanges to programmatically align to the IDA18 themes. Ad hoc knowledge exchanges generally involved one-time or fragmented support, while the programmatically aligned approach focused on extended strategic interactions that were aimed at building lasting knowledge channels between knowledge givers and knowledge recipients, and creating synergies around key development challenges. Between FY13–FY17, the facility awarded 23 World Bank projects worth $1.8 billion prepared for countries in the Europe and Central Asia region between FY13–FY17 benefited from enhanced capacity for project preparation and implementation.
137 ($6.7 million) grants, of which 133 ($5.6 million) were ad hoc, and 4 ($1.1 million) were programmatic.

In 2014, the Government of Indonesia, as part of its five-year plan, aimed to improve the effectiveness of government spending. Performance audits are the standard tool for assessing government spending efficiency, effectiveness, and economic impact. However, Indonesia’s Supreme Audit Institution did not have adequate capacity to carry out high quality performance audits or properly train staff in performance audits. South Africa is also an emerging leader among middle-income countries and is facing similar development challenges as Indonesia. These similarities provided a unique opportunity for sharing knowledge and experiences. The South-South facility supported knowledge exchange between Indonesia’s Supreme Audit Institution and its counterpart in South Africa, the Auditor General of South Africa, and the African Association of Supreme Auditing Institutions. The knowledge exchange was facilitated by study tours, follow-up workshops, trainings, and preparation of guidelines and learning materials.

During the knowledge exchange, Indonesia’s Supreme Audit Institution representatives learned about performance audit techniques during all stages of project preparation, execution, reporting, and monitoring of follow-up actions. Following completion of the knowledge exchange activities, the Department of Research and Development prepared a Performance Audit Framework and submitted it to the Board of Indonesia’s Supreme Audit Institution, resulting in the establishment of a dedicated performance audit department, which was introduced into the structure of Indonesia’s Supreme Audit Institution, in line with that at the Auditor General of South Africa. Indonesia’s Supreme Audit Institution also realized the importance of research and development to ensure quality performance audits, and committed to focus on conducting adequate research before commencing a performance audit. Indonesia’s Supreme Audit Institution’s Board Chairman also announced that it will conduct more performance audit assignments in the future, while its staff highlighted that practice and compliance areas require additional budget support and agreed to raise this issue with senior management.

Effective scrutiny and monitoring of government spending by Indonesia’s Supreme Audit Institution’s performance audit department support aggregate control, prioritization, accountability, and efficiency in the management of public resources and delivery of services which are critical to the achievement of public policy objectives. In addition, sound public financial management systems are fundamental to the appropriate use and effectiveness of donor assistance, which requires well functioning systems for budget development, execution, and control.

### III. Increase accountability in service delivery

Citizens play a pivotal role in making public institutions more transparent, accountable, and effective. The WBG helps countries address bottlenecks in service delivery chains by establishing citizen feedback mechanisms on service delivery performance, enhancing financial accountability and value-for-money in key sectors, and supporting transparent and effective systems. This also includes helping countries ensure more open and inclusive government, improve citizen engagement, and control corruption.
so that they can use their human and financial resources more efficiently, attract more foreign and domestic investment, and on average, grow more rapidly and address public financial accountability to enhance institutional performance.

Global Partnership for Social Accountability

CONTRIBUTORS

The Global Partnership for Social Accountability (GPSA) trust fund uses innovative social accountability tools and processes to enhance citizens’ voice and builds the capacity of governments to effectively respond to their voice. The GPSA facilitates engagement between governments and civil society and provides strategic and sustained support to civil society organizations and governments to create an enabling environment in which citizens’ feedback is used to solve fundamental problems in service delivery and strengthen the performance of public institutions.

The GPSA strengthened capacity and oversight functions of user associations for proper management and maintenance of water supply services in Benin.

23 percent increase in water user fee collection rates in target municipalities in Benin, after adoption of social accountability mechanisms such as public audits and oversight by user associations in FY16–FY17.
Water service delivery is decentralized down to the municipal level in Benin, where private service providers oversee operations and management of water equipment, and the delegated service providers, who pay the municipality a fee to cover the cost of routine repairs and maintenance, and collect water user fees. Although these fees should provide sufficient funds to enable the municipalities to cover the cost of repairs and maintenance, the current fee collections were estimated to be 60 percent below the average projections. To overcome this challenge, GPSA supported local municipalities between FY16–FY17 to better manage fee collection by adopting social accountability mechanisms such as public audits, strengthening capacity and oversight functions of user associations, and introducing transparent management practices. Preliminary results indicate a 23 percent rise in collection rates across the target areas. The public audits being convened in these locations are allowing the community easy access to key financial information on collected funds and planned repairs and helping to raise community awareness on roles and responsibilities in effective management of the water and sanitation facilities.

In Indonesia, GPSA worked with a local civil society organization, Wahana Visi, to develop a social accountability process for improved delivery of maternal, newborn, child health, and nutrition services. The civil society organization adopted the “Citizen Voice and Action” approach to enable villagers and local health center staff to assess nearly 280 health services against both official standards and village determined standards. Following these assessments, local action plans were developed to remedy inadequacies in maternal, newborn, child health, and nutrition service delivery. Based on the results of the recent mid-term evaluations conducted in the same locations, there has been an increase in: (i) the number of women giving birth at local health facilities rather than at home; (ii) tetanus vaccinations for pregnant women; and (iii) supplementary feeding programs that teach parents how to cook healthy foods for their families. In some districts, village heads have become more active, opening monthly clinics for children and pregnant women (Posyandu) earlier as well as joining activities to increase villagers’ awareness. Evaluation results also indicate that mothers value maternal, newborn, child health, and nutrition services the most and have noticed most significant changes in availability and quality of these services. The results demonstrate that empowering local communities is a prerequisite for ensuring long-term and sustainable improvement in maternal, newborn, child health, and nutrition services.

"Previously, there were some mothers who gave birth at home. Currently, after we raised the awareness of pregnant mothers, they come to give birth at the health facility.”
—Health Worker, Sikka District, Indonesia

“In terms of Posyandu, the village government has responded to the community proposal by allocating the village budget in 2015 to build three units of new Posyandu and to increase supplementary feeding.”
—Village Head, Sikka District, Indonesia

66 Citizen Voice and Action is an approach that allows communities the opportunity to rate the government’s performance against criteria that they themselves generate.
The Middle East and North Africa Transition Fund is a FIF, in which the World Bank serves as an IA. The results stories featured below are from activities implemented by the World Bank through IBRD/IDA trust funds. The Middle East and North Africa Transition Fund is designed to support the transformation currently under way in several countries in the region as they overhaul their economic systems to promote more accountable governance, broad-based, sustainable growth, and greater employment opportunities for youth and women. The fund has provided resources for technical cooperation to strengthen governance and public institutions and foster sustainable and inclusive economic growth by advancing country-led reforms, with the end goal of improving the lives of citizens in transition countries since FY13.

Despite good progress made in Morocco to bring about constitutional reforms following the 2011 demonstrations, its score on budget transparency remains 38 out of 100, which is moderately lower than the global average score of 45. The Middle East and North Africa Transition Fund trust fund supported the $4 million New Governance Framework Implementation Support Project to help the Government of Morocco strengthen government transparency, accountability, and public participation through budgetary reforms. The project aims to increase fiscal transparency by improving access to fiscal information, enhancing performance orientation in budget management, and linking policy priorities with budget allocations.67

67 The Middle East and North Africa Transition Fund forged partnerships with 10 international financial institutions and the Organisation for Economic Co-operation and Development to improve the lives of citizens and support the transformation currently under way in Egypt, Jordan, Libya, Morocco, Tunisia, and Yemen following the Arab Spring. The transition fund provides grants to strengthen governance and public institutions, and foster sustainable and inclusive economic growth by advancing country-led reforms.
It is teatime in a poor neighborhood on the outskirts of Casablanca, Morocco. Women gather around while tea is being poured into cups on a silver tray, the only luxury in this sparsely decorated house. Khadijah Hassini, a housewife, tells the other women about her ongoing struggle to get medication for her heart condition at a local clinic. People with better connections and more money are routinely given preference, leaving her without medication for months.

“The King sometimes travels around the country and when you get an audience with him, he will fix problems like this right away,” suggests one of Hassini’s neighbors. “But it shouldn’t be that way,” replies another. “Things should not just work when the King himself orders it—they should always work for everybody.”

The ongoing budgetary reforms supported through the Middle East and North Africa Transition Fund in Morocco mean that health centers, like the one where Hassini is seeking treatment, will no longer receive a fixed budget for pharmaceuticals. Instead, the health centers will need to demonstrate the number of people that received medication to receive appropriate budget allocations. Officials and employees who do not deliver will risk losing their jobs. Oversight will also come from the public, as Hassini will have the chance to petition and launch complaints through an Internet-based platform. Any discrepancy between the results given by officials and results experienced by the public will be exposed quickly.

For Moroccans, this is a milestone. In a region where the desire for change has expressed itself through the Arab Spring, and calls for change in the governance and public policy, the budget reforms promise an unknown level of transparency. Now the teatime group in Casablanca will be given a voice. And that is precisely what Morocco’s reforms, supported by its new constitution, had in mind. Just as the King’s audience has moved online—with ever more people listening—the voice of the public has also taken on new pathways and power.

For further information, please visit http://bit.ly/BudgetReform
The Statistics for Results Facility Catalytic Fund (SRF-CF) trust fund supports better policy formulation and decision making through improvements in the production, availability, and use of official statistics. More specifically, the SRF-CF facilitates the implementation of national statistical plans, promotes a system-wide approach in statistics at the country level, builds stronger coordination and partnership between users and producers of statistics, and delivers more efficient and effective aid and technical assistance for strengthening statistical systems and results measurement.

Collection of timely welfare data in Sub-Saharan Africa is expensive and logistically challenging due to the remote and diverse nature of the population. In recent years, the proliferation of mobile phone networks and inexpensive handsets has provided new possibilities to collect data in a faster, cheaper, and more reliable manner for evidence-based policy making. The Listening to Africa (L2A) program, with support from the SRF-CF, used mobile phone technology to facilitate welfare monitoring and program evaluations in six countries across Africa, including Madagascar, Malawi, Mali, Senegal, Tanzania, and Togo between FY13–FY17. The program combined baseline data from traditional household surveys with subsequent interviews of selected respondents using mobile phones. In collaboration with the national statistical offices and nongovernment organizations in the region, the L2A program piloted the use of mobile phones to collect information on living conditions. The program not only complements existing surveys developed by the national statistical offices, it is built on sound statistical sampling. The value of such high frequency phone surveys is their ability to analyze and make the data available quickly for policy considerations, with the end aim to develop a high frequency phone survey system which could be integrated into national statistical systems, just like censuses, surveys, and other administrative data. From health care to food insecurity, the program is providing access to data on a wide array of issues to help governments facilitate welfare monitoring and receive regular citizen feedback on the effectiveness of their programs. In Madagascar, surveys on taxation are helping to improve the tax department’s communication strategy and design an enterprise tax perception survey with the objective of improving its services to the private sector. In Senegal, mobile technology is being used to receive feedback on the service delivery mechanisms to inform ongoing public administration reforms. In Mali, the program is used to measure household welfare and socioeconomic status and collect welfare data from the displaced population and refugee camps to inform the recovery assessments. The L2A program has also supported poverty and conflict monitoring in volatile and high-risk environments in Nigeria.

68 The L2A program is also supported by the UFGF trust fund and the World Bank Netherlands Partnership Program.
One key objective of the L2A program was to promote open data, where partner national statistical offices had to explicitly commit to the principles of open data at the beginning to make survey materials (including anonymized data) available online free of charge. All national statistical offices have now created designated webpages for the mobile phone surveys, which are linked to the L2A website. Most of these national statistical offices had never released data to the public before the program. L2A is also changing the way governments, the World Bank, and other stakeholders think about data. Mobile phone surveys are now considered one of the main tools to collect reliable and cost-effective data.

Box 13: Mobile Phone Panel Surveys in Developing Countries

A “how to” handbook on Mobile Phone Panel Surveys published in FY16 based on first-hand experience with mobile phone surveys in Africa.

A handbook entitled *Mobile Phone Panel Surveys in Developing Countries: A Practical Guide for Micro-data Collection* was also developed by the program. The purpose of the handbook, published in FY16, was to contribute to the development of the new field of mobile phone data collection in developing countries. The handbook documents how this innovative approach to data collection works, its advantages and challenges. It draws primarily from the authors’ first-hand experience with mobile phone surveys in Africa and the benefits drawn from experiences elsewhere. It is intended to serve a diverse audience, including those involved in collecting (representative) data using mobile phones, and those using data collected through this approach. The different chapters guide the reader through every stage of the implementation process. For potential users of the data collected via mobile phone technology, the handbook presents a new approach to data collection which they can use for monitoring programs and facilitates almost real-time decision making. The handbook also contributes to the debate regarding the advantages of the method as well as the associated challenges.

To download a copy of the report, please visit [http://bit.ly/PhoneSurveys](http://bit.ly/PhoneSurveys)