CHAPTER 1

Trust Fund Achievements
FY13–FY17

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Introduction

This chapter features over 60 results stories and achievements from trust funds that cover all Global Practices, Cross Cutting Solution Areas, Regions, and the IFC to highlight the diversity of the trust fund portfolio and emphasize its importance in supporting operational work across all of the WBG. These results stories and achievements provide a snapshot of what the WBG, its partners, and clients were able to achieve through trust fund-financed activities between FY13–FY17.\(^\text{23}\) Annex 4 provides an index of trust funds presented in this chapter, with hyperlinks to the corresponding results stories.

This year the results stories are organized around the IDA18 special themes: (i) climate change; (ii) FCV; (iii) gender and development; (iv) governance and institutional development; and (v) jobs and economic transformation. This approach was taken to demonstrate how trust funds fit within the broader WBG strategic priorities and complement IDA priorities and investments. In addition, the chapter also features results stories from trust funds that allow the WBG to pilot and scale up innovations using ICT, given that a business-as-usual approach may not be sufficient to deliver on the twin goals by 2030 and effectively implement the Forward Look. The results stories were selected based on submissions from the respective Global Practices, Cross Cutting Solution Areas, Regions, and the IFC. In addition, outreach was done to the 400 members of the World Bank Community of Practice on trust funds to identify appropriate results stories. Out of more than 100 submissions received, over 60 were selected based on a number of criteria.

These are not “stories” in the sense that they reflect the firsthand experience of the WBG staff who have worked on these trust funds, and many of the write-ups were either prepared by the staff themselves or in close consultation with them. In addition, the write-ups were cross checked with various WBG documents, when possible.

Each results story begins with a brief overview of the trust fund to showcase the multifaceted nature of the work being carried out under the trust fund that may span across different sectors, themes, and regions, followed by a summary of the key results achieved under the specific IDA18 special theme being supported. This is further substantiated, where possible, by highlighting specific country examples, beneficiary stories, quotes, results from independent evaluations, graphs, and pictures to demonstrate results on the ground. To the extent possible, the names and flags or logos of all donors that have contributed to each trust fund are also featured to thank the donors for their generous support and ensure greater donor visibility.

It is true that for every trust fund example which is included, many others equally instructive and innovative cases probably exist. Given the scale of the WBG’s trust fund portfolio, it is not possible to report on all trust funds in this report. These are presented in the Directory of Programs Supported by Trust Funds.\(^\text{24}\) The selected trust funds featured in this report under the different IDA18 special themes do not solely work in these areas, however.

\(^{23}\) To the extent possible, the results featured in the report were achieved in the FY13–FY17 time frame. In a few cases, the results are reported cumulatively since inception of the trust fund and may extend beyond this five-year time frame.

\(^{24}\) Please refer to the 2017 edition of the Directory of Programs Supported by Trust Funds to find information on most trust funds comprising the portfolio (http://bit.ly/DirectoryofPrograms). Each trust fund included in the Directory has a brief summary of the objectives, financial highlights, contributing donor(s), contact information of the WBG’s staff managing the trust fund, and the relevant website address, if available.
but cover multiple sectors, themes, and regions. Some of the selected trust funds also leverage IBRD projects, demonstrating complementarity of trust funds with IBRD/IDA. Future annual reports will be organized around other important themes and sectors to illustrate how trust funds contribute to addressing other critical global, regional, and national challenges.

Given this caveat, we hope that the selected trust fund results and achievements featured in this report will give an appreciation of how trust funds are a critical pillar of WBG financing, complement IDA and IBRD, fill gaps where necessary, respond with agility to natural and man-made emergencies and disasters, enable testing and scaling up of innovations, and strengthen partnerships. All of this ultimately translates to helping our client countries and their people, especially the poor, improve their lives and livelihood, and create shared prosperity for all.
Without adequate financing and actions, climate change impacts could push an additional 100 million people into poverty by 2030. Trust funds play a critical role in supporting the WBG in implementing the Climate Change Action Plan by helping countries mitigate the impacts of climate change and build resilience to climate shocks.”

—John Roome
Senior Director, Climate Change Group

Climate change is a major challenge of our time, placing an increasing number of people and assets at risk, affecting their health and quality of life, and making development less sustainable. In 2016, the United Nations announced that global temperatures had risen 1.2 degrees Celsius above the preindustrial level, making it the hottest year on record. The impact of extreme natural disasters is equivalent to a $520 billion loss in annual consumption globally and forces some 26 million people into poverty each year. The WBG’s report Shock Waves: Managing the Impacts of Climate Change on Poverty notes that the impact of climate change-related shocks on poverty reduction alone could result in more than 100 million additional people living in poverty by 2030.25

The WBG is committed to increasing climate financing to 28 percent of its total portfolio by 2020. The WBG Climate Change Action Plan, adopted in April 2016, lays out concrete steps to meet that commitment. It includes

ambitious targets to be met by 2020, including helping client countries add 30 gigawatts of renewable energy, putting in place early warning systems for 100 million people, and developing climate-smart agriculture investment plans for at least 40 countries.

In helping countries address climate change, the WBG strategy focuses on five priority areas: (i) helping countries integrate climate change into development, achieve their NDCs, and set the stage for further ambition; (ii) accelerating the energy transition; (iii) facilitating the expansion of sustainable infrastructure; (iv) boosting the climate resilience of communities, economies, and ecosystems; and (v) unlocking trillions in climate finance.

Trust fund resources deepen the WBG’s engagement in these priority areas, often paving the way for innovative pilot approaches to climate action, facilitating and complementing efforts by IBRD/IDA, and strengthening partnerships.

I. Helping countries integrate climate change into development, achieve their Nationally Determined Contributions, and set the stage for further ambition

The NDCs spell out key actions countries intend to take to address climate change to ensure successful implementation of the national climate pledges in the run-up to and since the Conference of the Parties (COP) 21. The WBG is an implementing partner of the NDC Partnership, a global coalition of 62 developing and developed countries and nine international institutions working together to mobilize technical and financial support for the implementation of NDCs while enhancing sustainable development.

Nationally Determined Contributions Support Facility

The Nationally Determined Contributions Support Facility (NDC-SF) is a BETF promoting technical assistance, capacity building, stakeholder coordination, and targeted investments to enable countries to “move the needle” on the implementation of their climate change commitments. The NDC-SF currently supports 22 climate change mitigation and adaptation projects in 18 countries across six regions, to facilitate coordination across stakeholders under the umbrella of the NDC Partnership, including World Bank teams, implementing partners, multilateral development banks, donors, and countries—at international, regional, national, and local levels. NDC-SF projects mainly support NDC implementation strategy development, upstream climate analytics, investment and business plan preparation, and cross-sectoral coordination enhancements. Initial consultations for some projects have enabled government line ministries to further prioritize actions needed for strengthening the country’s NDC and initiate a mapping and gap analysis of donor support to maximize resource allocation and climate finance coordination. Through
its projects, the NDC-SF has leveraged an additional $10.5 million since FY16 by partnering with other climate-related funds, such as the Public-Private Infrastructure Advisory Facility (PPIAF) to fund or co-fund public-private partnership-related projects on transport, energy, and infrastructure. In addition, NDC-SF is leading dialogue with WBG climate-related trust funds to explore synergies, enhance coordination, and financially leverage support for NDC implementation. In addition to the 22 projects, the NDC-SF is coordinating activities related to the Climate Action Peer Exchange initiative to facilitate south-south exchange and a learning exchange forum for finance ministries interested in integrating climate change into fiscal reforms and budgeting.

Box 1: Building Institutional Capacity for Mitigation in China

The Partnership for Market Readiness (PMR) trust fund provides technical assistance and funds to build institutional capacity of client governments to assess, prepare, and implement carbon pricing instruments in order to scale up greenhouse gas mitigation. Between FY13–FY17, the trust fund supported the Government of China to design and implement key building blocks of the national Emissions Trading System to help achieve its mitigation targets put forward in the country’s Intended NDC. Since many aspects of the Emissions Trading System design are closely linked with the country’s mid- and long-term mitigation goals, the PMR also provides policy analysis support to China. This support contributed to the development of the country’s Intended NDC and provided key indicators, components, and assumptions used for mid- and long-term scenarios. One of the products of this analytical support, a report titled Pursuing an Innovative Development Pathway—Understanding China’s Intended Nationally Determined Contributions, helped articulate how China’s Intended NDC can be a powerful vehicle for innovation and help shift the country toward a new development pathway. PMR also helped organize technical workshops and dialogue to bring together the National Development and Reform Commission, the state-owned Assets Supervision and Administration Commission of the State Council, China’s leading state-owned enterprises, and a range of international companies to discuss best industry practices and engage in Emissions Trading System simulations. The objective of the event was to enhance private sector engagement and readiness on emissions trading in China.

Supported China to design the building blocks of a National Emissions Trading System between FY13–FY17 to help achieve its mitigation targets.
Global Facility for Disaster Reduction and Recovery

CONTRIBUTORS

AUSTRALIA  AUSTRALIA  BELGIUM  BRAZIL  CANADA  DENMARK  EUROPEAN UNION  FRANCE  GERMANY  INDIA  IRELAND  ITALY  JAPAN  LUXEMBOURG  MEXICO  NETHERLANDS  NIGERIA  NORWAY  SAUDI ARABIA  REPUBLIC OF KOREA  SPAIN  SWEDEN  SWITZERLAND  UNITED KINGDOM  UNITED STATES

The **Global Facility for Disaster Reduction and Recovery (GFDRR)** is a global partnership managing a program of $260 million that operates in 80 countries with more than 400 partners worldwide. GFDRR strategically channels financing to activities that either lead to larger development programs or support policy changes that strengthen capacity of institutions to manage risks. Through its resilience to climate change window, GFDRR provides technical assistance, financial support, knowledge, and innovative solutions to help countries vulnerable to climate-related hazards make development strategies, policies, and investments resilient to future climate and disaster risks. In addition, GFDRR provides just-in-time support for integrating climate resilience measures into new and ongoing World Bank operations. In FY17 alone, GFDRR’s just-in-time assistance helped integrate climate resilience measures in more than 20 countries, across more than eight sectors.

GFDRR is providing technical assistance in Bangladesh to build the institutional capacity of the Bangladesh Water Development Board to mitigate the impact of storm surges and saltwater intrusion in coastal polders and develop a comprehensive climate resilient coastal embankment management strategy. This support is informing a $400 million IDA Coastal Embankment Improvement Project that will help upgrade Bangladesh’s coastal embankment system and increase the area protected by polders from tidal flooding and frequent storm surges. The project will also help reduce poverty, as around 8.5 million people will benefit through agriculture development, job creation, and food security.

GFDRR is helping the government in São Tomé and Príncipe improve its capacity for participatory risk planning, monitoring, adaptation planning, and project design activities in vulnerable coastal communities. The support has informed the $4.1 million Adaptation to Climate Change Program financed by FIFs—the Global Environment...
Facility (GEF) and the Least Developed Countries Fund (LDCF)—with implementation by the WBG. The activities piloted in the first phase will be scaled up in 2018 to include seven additional communities, with cofinancing from GEF, LDCF, and IDA ($12 million) implemented through the West Africa Coastal Areas Resilience Investment Program.27

Global Environment Facility

CONTRIBUTORS

The Global Environment Facility (GEF) 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. As a financing mechanism for developing countries to finance activities that support major international environmental conventions and international and transboundary waters, the GEF is a unique partnership of 18 agencies—including United Nations agencies, multilateral development banks, national entities, and international NGOs—working with 183 countries.28 In addition to being an IA, the World Bank will manage a portfolio of $4 billion between 2018–2022 as the trustee for the overall facility. The World Bank’s comparative advantage in the GEF is its ability to support innovative and transformational projects across various sectors, including regulatory reform, leveraging investments from the public and private sectors, and working at a

27 The West Africa Coastal Areas Resilience Investment Program is a convening platform that helps countries access expertise and finance to sustainably manage their coastal areas. It was created in response to countries’ requests for solutions and financial support to help save the social and economic assets of coastal areas.

national and global scale. Since GEF resources are largely in the form of grants, they can be used to finance activities which governments and the private sector initially perceive as too risky by providing technical assistance, de-risking instruments, and buying down the cost of borrowing, especially for innovative and catalytic initiatives.

With a $1.2 billion climate finance window, programs and projects financed by the GEF are designed to support mitigation activities. From FY13–FY17, the GEF trust fund supported 31 World Bank climate change projects in 19 countries worth a total of $245 million, which in turn helped leverage an additional $2.5 billion. Some of the key initiatives supported by the trust fund enabled support for: (i) adaptation planning; (ii) extension of renewable energy such as photovoltaic, mini-grids, geothermal development, and national renewable energy scale-up; (iii) energy efficiency through energy service companies, bus rapid transit, and city programs; and (iv) land use and forestry through forest conservation, satellite monitoring of forests, land use and forest restoration, and watershed management.

The trust fund provided funding to the Amazon Region Protected Areas (ARPA) Program in Brazil to help curtail the threat of deforestation resulting from increasing settlement and expanded agricultural, ranching, logging, and mining operations. ARPA is a key part of Brazil’s mitigation and adaptation actions to achieve the ambitious NDC. ARPA grew out of a pledge made by the Government of Brazil in 1998 to triple the area of the Amazon under legal protection. Since its inception in 2003, ARPA has set world-class standards for innovation and cooperation involving multiple sectors of society and has produced extraordinary conservation results ahead of schedule. By investing in sound management of biologically important state and federal lands, ARPA is playing a key role in ensuring that future development in the vital Amazon region can take place on solid environmental footing. With support from ARPA, the Government of Brazil created about 35 million hectares of new protected areas in the Amazon. ARPA is now the largest tropical forest conservation effort in the world. In addition, the program has helped create a $215 million endowment fund to maintain the protected areas for the next 25 years. The current phase of the program, initiated this year with an investment of $241 million from multiple sources, will include another 73 million hectares of forests in Brazil, Colombia, and Peru to reduce carbon dioxide emissions by 300 million tons before 2030.

II. Accelerating the energy transition

The WBG strives to focus on the greatest potential reductions in greenhouse gas by slowing down the growth of coal-fired power plants in emerging economies. To support the shift to renewable energy, which is increasingly cost competitive, the WBG helps develop enabling policy and business environments, strengthen electricity grids, and de-risk investments. The WBG is also helping to accelerate the phaseout of hydrofluorocarbons and support energy efficiency measures.
The Balkans Renewable Energy Program (BREP) trust fund supported IFC’s renewable energy projects in Serbia, Albania, and other parts of the Western Balkans where IFC advised the governments on ways to improve country regulatory frameworks. In Serbia, this paved the way for the development of a renewable energy market and a pipeline of IFC investments. The Western Balkans region holds great potential for renewable energy generation, but banks, regulators, and local entrepreneurs often lack the experience and capacity to successfully leverage it. Between FY13–FY17, 150 renewable projects worth approximately $123 million were commissioned through BREP. IFC also arranged $65 million in financing for the Belgium-based energy group Ellicio to develop one of Serbia’s first sizable wind farms to be operationalized by 2019. The initiative is expected to reduce greenhouse gas emissions equivalent to taking more than 26,000 cars off the road every year. IFC is also advising the city of Belgrade on their first Waste2Energy project, with 40 percent of the private partner’s revenues generated from the sale of renewable energy produced by the plant. This was made possible through the off-take agreement developed by the Ministry of Energy with the assistance of the WBG under BREP. In the next few years, the overall program in Serbia is expected to facilitate more than $800 million in investments, including over $200 million invested and mobilized by IFC.

Energy Sector Management Assistance Program

The Energy Sector Management Assistance Program (ESMAP) is a global MDTF that provides analytical and advisory services to low- and middle-income countries to achieve
environmentally sustainable energy solutions for poverty reduction and economic growth. ESMAP’s main thematic areas include energy access, renewable energy, and energy efficiency, while the cross-cutting areas address broader energy sector issues of subsidy reforms, governance markets, and planning, and provide knowledge as a global public good through the Sustainable Energy for All Knowledge Hub. The advisory services provided and knowledge generated by the program help leverage lending, shape policy, increase client capacity, and promote innovation.29

“More than 30 years after ESMAP’s establishment . . . ESMAP objectives and programs continue to be highly relevant to global and regional challenges in the energy sector and to the needs and priorities of their client countries.”

[ESMAP is] “…playing an important role in incrementally improving the existing country situation, whether directly through tangible outcomes, or indirectly by opening the door for other interventions to support longer term impacts.”

—External Evaluation, ICF Consulting Limited, ESMAP Business Plan Period, FY14–16

ESMAP’s work on renewable energy aims to increase the WBG’s investment pipeline to achieve the 28 percent climate co-benefits target and support client countries in creating the right climate for commercial investments to achieve the NDCs. The recent emphasis on solar power is generating strong demand from clients in designing and launching a solar auction. In addition, ESMAP has developed the Global Solar Atlas, making available high quality solar maps, poster maps, and geographic information system layers for 146 countries.30 To date, the initiative has helped 13 countries obtain an initial assessment of their wind and solar power resources, resulting in improved data for planning and private sector development. The Global Solar Atlas has set a new standard for conducting and publishing resource assessment studies adopted by donors, and has become a lead data provider for the International Renewable Energy Agency Global Atlas on renewable energy. ESMAP also mobilized $235 million through the Climate Investment Funds (CIF) and the Clean Technology Fund (CTF) to support the development of a pipeline of geothermal exploration investment projects expected to leverage at least $1.5 billion in public and private capital. It helped triple the share of multilateral financing for early geothermal development stages from 6 percent in 2012 to 29 percent of the total geothermal investments in 2017, amounting to a third of the total multilateral investment in the sector. The technical studies on Variable Renewable Energy Integration conducted in the Philippines and Seychelles informed power sector planning strategies and key policy decisions to enable the scale-up of renewables, while the Solar Technologies Technical Assistance Program helped prepare two World Bank lending operations in India, the $100 million IBRD Shared Infrastructure for Solar Parks Project and the $300 million IBRD Transmission for Power Evacuation from Solar Parks.

29 For example, the Energy Storage Market Report prepared by ESMAP in FY17 shows that energy storage technology will become more accessible in emerging markets in the coming decade, enabling a significant scale-up of renewable energy as a clean source of electricity generation.

30 Since its launch in June 2017, around 60,000 visitors have visited the Global Solar Atlas website.
ESMAP is also supporting sustainable and resilient cities implementing 23 urban energy efficiency technical assistance programs for national and local governments in more than 50 cities in 28 countries. Between FY14–FY16, the trust fund built the foundation for urban energy efficiency planning and investments through city-level diagnostics using the Tool for Rapid Assessment of City Energy (TRACE) in 70 cities globally, informing investments in energy efficiency. This contributed to the $100 million IBRD Mexico Municipal Energy Efficiency Project to enhance street lighting, water, and buildings in 32 cities. The project was triggered by a series of city energy diagnostics using ESMAP’s tool to highlight sectors with the most significant potential for energy efficiency enhancements and suggest measures that could be implemented to realize that potential. ESMAP paired the tool with a technical assistance program to help cities through the city energy diagnostics process. ESMAP also helped put in place a $100 million public-private partnership to upgrade streetlights in Belo Horizonte, the sixth largest city in Brazil, through technical assistance combined with the tool’s diagnostics.

ESMAP, in close collaboration with IFC’s Excellence in Design for Greater Efficiency program (EDGE), aims to promote green buildings by focusing on disseminating key knowledge on the certification program through a global knowledge platform and by rolling out the program in South Africa, resulting in the green building certification for about 450,000 square meters, of which 220,000 square meters have been certified at the post construction stage. In Panama, ESMAP supported the development of appliance labeling standards and green building codes so that improved energy efficiency performance codes could be adopted nationally. In addition, ESMAP partnered with the Global Alliance on Buildings and Construction launched at COP22. The alliance mobilizes stakeholders in the sector to scale up climate actions through appropriate policy development, thereby accelerating implementation of the NDCs. ESMAP’s role in this concerted global effort focuses on helping developing countries realize the huge potential for their individual building and construction sectors while reducing global emissions, by sharing experiences and lessons learned on energy efficiency integration with other building-related sustainability aspects.

31 TRACE is a decision support tool designed by ESMAP to help cities quickly identify underperforming sectors, evaluate their improvement and cost-saving potential, and prioritize sectors and actions for energy efficiency interventions. The tool covers municipal sectors such as transport, municipal buildings, water and waste water, public lighting, solid waste, and power and heat.
32 Supported by the State Secretariat for Economic Affairs (SECO) IFC Global Advisory Services Trust Fund.
33 Buildings use about 35 percent of the world’s energy and account for 70 percent of greenhouse gas emissions in urban areas. Energy and resource efficient building solutions are crucial to avoid locking countries into inefficient, greenhouse gas-intensive, and expensive development.
34 COP22 is the 22nd yearly session of the COP to the 1992 United Nations Framework Convention on Climate Change.
III. Facilitating the expansion of sustainable infrastructure

The WBG, as part of its cascade approach to development finance, maximizes financing by leveraging the private sector and optimizing the use of scarce public resources, while continuing to promote good governance and ensuring environmental and social sustainability.35 Because climate change will take a heavy toll on the infrastructure of poorer countries, the WBG builds capacity to integrate climate change considerations into the planning and design of long-term investments.

Carbon Partnership Facility

The Carbon Partnership Facility (CPF), a MDTF, uses scaled up programmatic approaches to enable carbon finance to support initiatives aimed at moving toward low-carbon economies. In Egypt for example, the prospect of carbon finance (up to $700,000) helped the Ministry of Finance develop a first-of-its-kind program with the Ministry of Interior (traffic police), the WBG, commercial banks, and local car companies called the Vehicle Scrapping and Recycling Program. Given that the average taxi in Egypt is 32 years old, Cairo residents are exposed to 20 times the acceptable level of air pollution daily, according to the World Health Organization. The program uses carbon finance, a form of results-based financing, to provide incentives for the replacement and disposal of older taxis. The program monitors greenhouse gas emission reductions that, once verified by an independent third party, result in the issuance of Certified Emission Reductions. These can then be used for compliance by entities with greenhouse gas emission targets under the Kyoto Protocol. Monitoring consists of an annual survey on the distance traveled by the new taxis, multiplied by the amount of petrol or compressed natural gas consumed to obtain the total greenhouse gas emissions. Since FY13, the program has replaced 45,000 taxis, half of Cairo’s fleet. Revenue from Certified Emission Reductions supports the ministry’s subsidy to replace vehicles, contributing to sustainable development by reducing urban air pollution and traffic accidents associated with older vehicles, and supporting local automobile components and vehicle assembly industries. The program has improved livelihoods and avoided loss of employment by lowering the replacement and maintenance costs of new vehicles for taxi drivers. The program will now expand to include other cities and hybrid and electric vehicles.

35 The WBG cascade approach follows these steps: (i) prioritize cost-effective commercial financing; (ii) where commercial financing is not cost-effective or viable due to perceived risks or market failures, focus support on addressing these market failures through reforms to strengthen country and sector policies, regulations, and institutions; (iii) where risks remain high and raise the cost of commercial capital beyond that which can be afforded by project or corporate revenue generation, explore the potential for lowering the financing cost by deploying concessional and public resources in risk-sharing instruments; and (iv) where commercial financing is not cost-effective or viable despite sector reform and risk mitigation, apply public and concessional resources.
Box 2: Impacts of Failure to Include Climate Change in Infrastructure Programs in Africa

The Trust Fund for Environmentally and Socially Sustainable Development (TFESSD) supported the WBG publication *Enhancing the Climate Resilience of Africa’s Infrastructure: The Power and Water Sectors* in FY16. The report reaffirms the need to invest in infrastructure in Africa to sustain growth and eradicate extreme poverty. It evaluates the impacts of climate change on hydropower and irrigation expansion plans in Africa’s seven major river basins (Congo, Niger, Nile, Senegal, Upper Orange, Volta, and Zambezi) and four power pools (Central, Eastern, Southern, and West African) and outlines an approach to reduce climate risks through proper planning and design processes. The report concludes that failure to integrate climate change in the planning and designing of power and water infrastructure could, in scenarios of drying climate conditions, result in losses of hydropower revenues between 5 and 60 percent (depending on the basin), and increase consumer expenditure for energy up to three times the corresponding baseline values. In wet climate scenarios, business-as-usual infrastructure development could lead to foregone revenues in the range of 15 to 130 percent of the baseline, to the extent that the larger volume of precipitation is not used to expand the production of hydropower.


Study published in FY16 warned that failure to reduce climate risks in the design of power and water infrastructure projects could result in a 5 to 60 percent loss of hydropower revenues in dry scenarios, and a 15 to 130 percent loss in wet scenarios.
Pacific Partnership

Through the Pacific Partnership, the governments of Australia and New Zealand supported IFC in creating a market for off-grid solar energy in Papua New Guinea, the largest fragile and conflict-affected state (FCS) in the Pacific. In Papua New Guinea, about 80 percent of the population has no access to electricity. By providing business connections, market intelligence, and consumer education, IFC’s Lighting Papua New Guinea Program is helping global solar manufacturers enter and develop the local Papua New Guinea market. IFC advised seven global and local solar manufacturers and distributors, as well as a telecom company, on how to grow the off-grid solar market in Papua New Guinea in a sustainable way, by promoting quality-assured products and by tapping into the power of the private sector. As a result, more than 1.3 million people, or 16 percent of the country’s population, have gained access to phone charging and energy services since 2014. Over the next two years, Lighting Papua New Guinea Program is expected to provide a further 300,000 people with access to Pay-As-You-Go and other smart solar products. For most of these people, this will be the first time they have had access to Pay-As-You-Go products, banking, or credit services.

Sustainable Logistics Trust Fund

The Sustainable Logistics (SUSLOG) trust fund provides grants for activities that help guide developing country governments, rural producers, the private sector, and donors to put in motion processes for strengthening logistics in three thematic areas. These areas include: (i) green supply chains aimed at developing transport corridors and logistics services that minimize the carbon footprint and greenhouse gases associated with the delivery of goods; (ii) agro-logistics to strengthen food security programs and improve the competitiveness of agricultural exports by sustainably reducing logistics costs and

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36 This includes two trustee level trust funds: (i) New Zealand Ministry of Foreign Affairs and Trade—IFC East Asia and Pacific Partnership; and (ii) Australia Department of Foreign Affairs and Trade—IFC Global Advisory Services Trust Fund.
expanding market access for rural producers; and (iii) urban distribution and port-city
development with a focus on addressing urban congestion resulting from retail distribu-
tion of goods and improving the sustainable design and operation of port cities.

Under the green supply chain thematic area, the trust fund provided a grant to help
revive the green inland water transport system in Africa to inform policy makers to
tackle water transport and intermodal logistics issues in the region. The work aimed to
provide broad guidance to formulate an adequate regulatory framework in both inland
water and road sectors to achieve green transport and logistic services.

The grant from the SUSLOG trust fund helped conduct detailed surveys, including
traffic counts and shippers’ interviews, to understand the current modal split among
selected lake ports around the Tanzanian side of Lake Victoria. While institutional
frameworks related to lake and road transportation were also reviewed, actual emis-
sions from road and lake transport were measured. The three technical reports were
prepared on: (i) shippers’ modal preferences; (ii) institutional framework and policy
recommendations; and (iii) emission calculations of modal shift. It was found that the
current modal split was 80 to 20 for truck and lake transport. This is explained mainly
by price differential and frequency. The lake demand is affected favorably by lower ferry
prices but adversely by less frequency of ferry services. Tighter regulations are recom-
mended to promote more efficient vessels, which would result in lowering prices and
increasing frequency. This will also contribute to emission reduction. Based on actual
ferry and truck operations, lake transportation can be 4 to 53 percent greener than road
transport. The findings were used to inform policy makers and support the design and
preparation of the $81 million IDA Lake Victoria Transport Program approved in FY17,
aimed at facilitating the sustainable movement of goods and people in the Lake Victoria
region (including Tanzania, Rwanda, and Uganda) and strengthening the institutional
framework for transport safety.
Tuvalu, comprised of three reef islands and six coral atolls, is often referred as the “canary in the coal mine” when it comes to climate change. With the average height of the island less than three meters above sea level, Tuvalu could be one of the first countries to experience effects of sea level rise. The fourth smallest country in the world, Tuvalu, has a runway that takes up one-third of the main island and plays a key role in connecting the country to the world.

Funafuti International Airport had its runway resurfaced in 2015 as part of the $11.75 million IDA World Bank Tuvalu Aviation Investment Project. However, within six months after completion, the runway began to exhibit distresses. The pavement began to “blister” and vent cracks formed, which led to pavement “heaving” (lifting and breaking). Given that coral is porous and the up and down movement of tides pushes air and moisture toward the surface with nowhere to go, it eventually forces its way through the surface and creates what feels like a “floating runway.” It became clear that a challenge such as this had to be fully understood so the country could quickly adapt and find new and affordable solutions to keep its aviation and transport infrastructure safe and sound.

With support from the Quality Infrastructure Investment Partnership (QII) trust fund, which provides financial support for project preparation and implementation to improve quality dimensions in infrastructure investment projects, a study on “Implications of Sea Level Rise on Coastal Pavement Infrastructure for the Funafuti Airport Runway (Tuvalu)” was conducted to find out about the impact of groundwater and tides on coastal pavement infrastructure to fully understand reasons behind the “heave” and “float” in the runway. This study also provided options for repairing the runway and identified potential risks of similar issues arising in other projects. The results of the study found that traditional construction designs of roads and pavements are insufficient for climate resiliency in low-lying coastal areas subject to rising sea levels, high tides, and heavy rainfall. Future designs in similar conditions must incorporate ways to alleviate the water pressure on paved surfaces. The findings from the study are being used to inform design solutions and guidelines for future airfield investment projects in similar low-lying Pacific atoll environments, and investment options are being identified for addressing potential climate-influenced failures at Funafuti airport, including the $8.8 million IDA additional financing for the Tuvalu Aviation Investment Project. The plan is to test several different potential solutions and then construct the most cost-effective one.

The Tuvalu example clearly demonstrates that climate change will be placing new and unexpected stresses on transport infrastructure.

To download a copy of the report, please visit: http://bit.ly/SeaLevelRise1
The equivalent of 180,000 tons of carbon dioxide captured, generating additional income for 30,000 smallholder farmers in Kenya between FY13–FY17.

The BioCarbon Fund (BioCF) is a public-private sector trust fund initiative that combines financial returns from the sale of emission reductions (i.e., carbon credits) with increased local incomes and other indirect benefits from sustainable land management practices. Generating multiple revenue streams is crucial to rural communities that otherwise have limited sources of income. Lack of diversification of agricultural practices in the Nyanza and Western provinces of Kenya due to years of unpredictable rainfall, droughts, and soil degradation increased food insecurity. The Kenya Agricultural Carbon Project, with support from the BioCF, promotes sustainable agricultural land management practices on 45,000 hectares of land. The project is the first agricultural land management initiative to issue carbon credits. Between FY13–FY17, the project captured more than 180,000 tons of carbon dioxide equivalent, generating additional income and improving the livelihoods of about 30,000 smallholder farmers. The project improved food security through increased crop yields, helped revitalize the farmers' land through agroforestry practices.
and harvesting in ways that produce natural nitrogen fertilizers in the soil that benefit the longevity of the land, and empowered women farmers (traditionally not allowed to own land) to actively engage in the project and adopt diverse land practices.

The trust fund also supported the implementation of the $9.6 million Soil Conservation Project and the Community Forestry Initiative in Moldova. These initiatives helped increase national forest cover from 3 to 8 percent, improve biodiversity, reduce greenhouse gas emissions by 1.2 million tons, restore more than 28,000 hectares of degraded lands, generate employment, enable reinvestment of carbon revenue in community development, and strengthen sustainable connections between communities and their land. In addition, the sale of emission reductions from afforestation and reforestation activities in the project area helped establish legally binding institutional arrangements and stakeholder relationships between the government agency, Moldsilva, and the local councils representing the rural communities participating in the projects.

Ethiopia’s Productive Safety Net Program

CONTRIBUTORS

CANADA  EUROPEAN UNION  IDA  IRELAND  NETHERLANDS  SWEDEN  UNICEF  UNITED KINGDOM  UNITED STATES  WORLD FOOD PROGRAMME

The Ethiopia’s Productive Safety Net Program (PSNP) is a MDTF that provides financial support to the Ethiopia government’s safety net program, along with other funding sources. The program is aimed at reducing food insecurity, vulnerability, and building community resilience to crises and shocks by providing safety net transfers in exchange for participation in public works directly to those households with no able-bodied adult members.

Public works focus on integrated community-based watershed development activities such as soil and water conservation measures, rangeland management (in pastoral areas), and the development of community assets such as roads, water infrastructure, schools, and health care centers. In FY14, PSNP provided cash and food transfers to eight million chronically food insecure people residing in 300 woredas (districts), in exchange for public works. Through these efforts, the PSNP made significant strides in reducing food insecurity. The food gap among the participating households dropped from three months in 2006 to 1.6 months in 2014. The distress asset sales were also reduced by 50 percent. Despite experiencing two droughts, households living in the highland regions of Ethiopia did not witness a decline in their food security levels due to the safety net transfers (received payments for two or more years), while households receiving safety net transfers for four or five years experienced an increase in their livestock holdings.
The economic benefits of the assets created through the public works are high. To date, over one million people have benefited from the soil and water conservation activities, generating new livelihood activities, increasing crop yield, and increasing income level in the target communities. The public works impact assessment estimates that on average a 9 percent increase in crop yields could be attributed to public works, particularly for soil and water conservation activities. More significantly, the soil samples from the PSNP public works sites identified by Cornell University highlight a 300 percent increase in carbon sequestration rates, indicating a marked improvement in soil fertility.

While this figure was considerably higher in many watersheds, crop yield fell in some cases due to frequent droughts. The PSNP provided cash and food transfers to eight million chronically food insecure people covering 300 districts in Ethiopia.
Lessons learned from PSNP clearly demonstrate opportunities for integrating environment and climate change mitigation and adaptation into formulating and implementing social protection programs. By incorporating environmental and climate change considerations, Ethiopia’s PSNP has increased resilience, improved food security, and reduced deforestation through land restoration and natural resources management, and is now known as one of the largest climate change adaptation programs in Africa.

Box 4: Climate Change and Water Security

The Water Partnership Program (WPP) trust fund provided funding for the development of the report *High and Dry: Climate Change, Water and the Economy*, published in FY16. The report provides a quantifiable account of the effects of climate change on actual and future risks related to water. It suggests that bad water management policies can aggravate the adverse impacts of climate change, while good policies can steadily neutralize them. In fact, water scarcity under a changing climate could cost some regions up to 6 percent of their GDP. This flagship report is informing policy and decision making in the water sector and has received worldwide recognition in more than 146 news outlets globally, including *The Guardian*, *the Financial Times*, and *Reuters*.

V. Unlocking trillions in climate finance

The WBG fosters strong partnerships with private sector partners to expand green finance approaches and help countries adopt global best practices for putting a price on carbon.

Pilot Auction Facility for Methane and Climate Change Mitigation

CONTRIBUTORS

The Pilot Auction Facility for Methane and Climate Change Mitigation (PAF) 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. PAF is an innovative climate finance mechanism developed by the WBG that pioneers the use of auctions to allocate scarce public resources and leverages private sector financing to stimulate investment in projects that reduce greenhouse gas emissions. It does this by piloting the auction of tradeable put options, which guarantee a floor price for qualifying emission credits.

Since 2014, the PAF trust fund has hosted three pilot auctions to address methane and nitrous emission reductions. These auctions attracted a total of 60 bidders from 24 countries. A total of 24 bidders, including multinationals, carbon aggregators, and sponsors of greenhouse gas-reducing projects in WBG client countries, won price guarantees for $20.6 million tons of emission reductions. PAF’s success has been partly due to the strength of the initial concept, which was requested by the G8 Methane Finance Study Group, convened by the WBG, and informed by academics. The trust fund also incentivized collaboration across the WBG operational units and identified the strong demand for a guaranteed price for emission reductions in the current carbon markets context. Environmental Finance awarded PAF its Carbon Deal of the Year (March 2016) and *MTN-I*, a leading bond market publication, awarded the WBG’s Capital Markets team its Editor’s Award for issuing put options as a specialized bond. Building on the pilot phase, the WBG is expanding the PAF into a broader Climate Auctions Program and is exploring how to use auctions to help countries implement their goals under the Paris Climate Agreement.

Three auctions held for methane and nitrous emission reductions since 2014, attracted 60 bidders from 24 countries, of which 24 bidders won price guarantees for $20.6 million tons of emission reductions.
Pacific Disaster Risk Finance and Insurance

CONTRIBUTOR

The Pacific Disaster Risk Finance and Insurance (PDRFI) trust fund assessed the viability of market-based sovereign catastrophe risk transfer instruments for Pacific Island countries to reduce the financial vulnerability to natural disasters, such as earthquakes, tsunamis, and tropical cyclones. A sovereign catastrophe risk model was developed through the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) and accepted by the international reinsurance market. This enabled the creation of a regional risk pool and a pilot catastrophe risk insurance program, creating cost efficiencies for Pacific Island countries with estimated premium reductions of up to 50 percent by approaching the market together. Capacity building in disaster risk finance also ensured that mechanisms beyond insurance were used by country governments to reduce the financial impacts of disasters. Furthermore, regional collaboration was vital to leverage the expertise held within the regional organizations and led to the creation of the Pacific Risk Information System, the largest collection of geospatial risk information for Pacific Island countries.

On January 11, 2014, Tropical Cyclone Ian made landfall on Tonga with devastating force on the island of Ha’apai. The cyclone intensified to Category 5 a day earlier, which led the prime minister of Tonga to declare a state of emergency in advance of its landfall. The cyclone damaged and destroyed more than 1,000 buildings in Ha’apai, and caused significant damage to infrastructure and agriculture across the worst affected islands. More than 2,000 people sought refuge in evacuation centers. Following the event, a request for a calculation report was sent to AIR Worldwide (the company that developed the probabilistic risk models that underpin the insurance program) to run the model and estimate the ground up losses to determine whether a payout was due. The calculation report generated by AIR Worldwide notified the reinsurance counterparties that the modeled loss was large enough to trigger a payout for Tonga under the policy. A payout of $1.3 million was made to Tonga, equivalent to more than half of the reserves of the Tonga National Reserve Fund.

The payout from Tropical Cyclone Ian was the first to successfully demonstrate the use of insurance as a rapid disbursement mechanism for disaster response. The entire process, from the calculation report to receipt of funds in Tonga, was executed in less than 10 days. The rapid insurance payout to Tonga from PCRAFI minimized the liquidity impact on the government’s budget. The immediate infusion of cash allowed the
The trust fund paved the way for increased donor engagement with more than $41 million contributed to the PCRAFI Program MDTF, which established a regional catastrophe insurance platform, the Pacific Catastrophe Risk Insurance Company (PCRIC), and a five-year capacity building program for Pacific Island countries.

Australia's Department of Foreign Affairs and Trade IFC Global Advisory Services Trust Fund

The Australia's Department of Foreign Affairs and Trade (DFAT) IFC Global Advisory Services trust fund supports advisory services focused on private sector development, with an emphasis on access to finance, private sector participation in infrastructure, the ability to address climate change, and support to small and medium enterprises through improvements in investment climate and access to global supply chains.

One of the initiatives under this trust fund is the DFAT-IFC South Asia Sustainable Development Partnership, which aims to create a market for solar power in India. India has set an ambitious goal to generate 100 gigawatts of solar energy by 2022. However, solar power has historically been more expensive than coal-fired energy, making it hard to reach this goal. The project helped the Government of Madhya Pradesh State to structure and tender the 750-megawatt Rewa Ultra Mega Solar Park in FY17, one of the biggest single site solar projects in the world. As transaction advisor, IFC played a strategic role in advising the government how to structure the public-private partnership, balance public and market risks, and create a competitive auction process. IFC also helped develop a unique power scheduling arrangement that enabled the Delhi Metro Rail Corporation to take energy straight from the solar park to power its rail service.

At 4.4 cents per kilowatt-hour, this project delivered the lowest tariffs to date for a solar project in India. For the first time in this market, solar energy will be as cheap as coal-generated power. This is expected to have an enormous ripple effect and help create new markets for large solar projects across India and the region. It is expected to mobilize $550 million in private investment, avoid a million tons of greenhouse gas emissions per year, and help India move closer to its 100 gigawatt solar energy goal by 2022. In addition, the solar park will sell about one-fourth of its energy to Delhi Metro, helping meet about 80 percent of the daytime energy requirements of its trains, and set a new model for distributors of renewable power.
In 2014, the Central American and Caribbean Catastrophe Risk Insurance Program (CARICOM) and the Council of Ministers of Finance of Central America and the Dominican Republic (COSEFIN) started exploring options to share disaster risks across sub-regions and reduce financial vulnerability to geophysical and climate-related events. The World Bank, with support from donors, worked in close coordination with CARICOM and COSEFIN and identified the expansion of the Caribbean Catastrophe Risk Insurance Facility (CCRIF) as the best option.

To support the expansion, the CARICOM MDTF was established with the objective of improving the affordability of high quality sovereign catastrophe risk transfers associated with earthquakes and climate risks for COSEFIN and CARICOM, and enhancing their capacity for developing and implementing disaster risk financing and insurance strategies.

The CCRIF, established in 2007, is the first multi-country risk pool in the world and was the first sovereign catastrophe risk transfer instrument to successfully develop parametric policies backed by both traditional and capital markets. CCRIF was initially designed as a regional catastrophe fund for CARICOM member countries, but it was restructured in 2014 into a Segregated Portfolio Company (SPC) and renamed CCRIF-SPC. The new structure, which allows for segregation of risk, has facilitated the development of new products and the expansion to new geographic areas. In 2015, CCRIF-SPC signed a memorandum of understanding with COSEFIN enabling its member countries to join the CCRIF-SPC. It currently offers sovereign catastrophe risk transfer associated with earthquake, tropical cyclone, and excess rainfall to the CARICOM and COSEFIN. CCRIF-SPC’s parametric insurance mechanism allows it to provide rapid payouts to help members finance their initial disaster response, mitigating the short-term cash flow problems small developing economies suffer after major natural disasters, and maintaining basic government functions after a catastrophic event. CCRIF-SPC provides coverage to 15 CARICOM member countries and one COSEFIN member country, and has since its inception in 2007, made 22 payouts for hurricanes, earthquakes, and excess rainfall (all within 14 days from the occurrence of the event) to 10 member governments worth $69 million. Of that total, nine payouts worth $31 million were paid to six member countries in FY17.

Nine insurance payouts totaling $31 million made in FY17 to six member countries for natural disasters, all within 14 days from the occurrence of the event.
“As we take on an ambitious agenda to help both low- and middle-income countries tackle the challenges of fragility, conflict, and violence, trust funds provide fast, flexible resources to meet diverse needs, enabling us to act early and manage risks to build a more stable and resilient world.”

—Franck Bousquet
Senior Director, Fragility, Conflict, and Violence Group

FCV are some of the most pressing challenges to the SDGs and threaten efforts to end extreme poverty and promote shared prosperity worldwide. More than two billion people now live in countries where development outcomes are affected by FCV, and by 2030, almost 50 percent of the global poor will live in fragile contexts. The incidence of conflict has spiked dramatically since 2010; both low- and middle-income countries are impacted by fragility risks. Conflict drives 80 percent of all humanitarian needs, and on average, reduces the

38 For further information, please visit http://bit.ly/FCVOverview1
GDP by 2 percent each year. Climate change, rising inequality, changing demograph-
ics, new technologies, illicit financial flows, terrorism, and other global events further
contribute to a more complex fragility landscape.

The WBG is taking a broad approach to FCV by addressing the sources of instability
and building resilience, with a focus on five priority areas: (i) forced displacement and
development; (ii) knowledge, analytics, and data; (iii) strategy and financial solutions;
(iv) operations and crisis response; and (v) partnerships for peace.

This approach emphasizes prevention and early action, addresses gender disparities, and
fosters humanitarian-development-peace partnerships. IDA provides the financing needed
to rebuild states recovering from conflict; makes states resilient to threats from conflict,
disease, and humanitarian emergencies; and develops infrastructure to enable people
to resume peaceful and constructive lives. The record $75 billion commitment under the
IDA18 replenishment marks a strategic shift, making reducing the risk of fragility and
conflict a top development priority. This will enable the World Bank to double resources
for countries affected by FCV to more than $14 billion. New financing mechanisms include
$2 billion to support refugees and host communities and $2.5 billion to spur private
enterprise, as well as support for countries to mitigate the risk of falling into fragility. Trust
funds are a vital means of complementary support to this work, to fill gaps when required,
test innovations, and strengthen partnerships. They also enable the World Bank to provide
assistance in FCV situations, when its own ability to lend is limited.

I. Forced displacement and development

Forced displacement is concentrated in a few developing countries, and the same 10
conflicts account for many of the forcibly displaced since 1991. There are an estimated
65 million refugees and internally displaced persons worldwide, with 95 percent living
in developing countries and more than half displaced for more than four years. The
WBG is scaling up its response to the forced displacement crisis through increased
financing for operational activities, data and analytics, and greater collaborations with
humanitarian, development, and peacebuilding partners.

State and Peacebuilding Fund

The State and Peacebuilding Fund (SPF), a MDTF, finances innovative approaches to
state and peacebuilding in regions affected by FCV. Established in 2008, the trust fund
offers tremendous flexibility in terms of where it can operate, including territories and non-member states such as the West Bank and Gaza. It can also mobilize financing quickly to support a full spectrum of country services, including cutting-edge data and analytics, technical assistance, advisory services, and pilot innovations to lay the groundwork for larger investments.

The SPF is scaling up the sustainable livelihoods project targeting displaced and vulnerable communities in Eastern Sudan to support the 3.2 million internally displaced persons and 300,000 refugees currently hosted in the country. Such displacement conditions have led to staggering poverty rates, unemployment, and a lack of basic services. The first phase of the project, initiated in 2013, provided livelihoods support in the form of livestock and agriculture extension services to 900 vulnerable households in six officially recognized internally displaced persons and host communities, increasing their monthly income by 60 percent, on average. The second phase will work in close collaboration with local stakeholders, including state authorities and local NGOs, displaced persons, and vulnerable host communities to strengthen their capacities to plan and implement improved livelihood and natural resource management practices. Based on lessons learned from the previous phase, the new phase is targeting an additional 10 internally displaced persons and host communities, specifically those communities with substantive socioeconomic and environmental needs. The initiative allows the community to lead their development processes and provides them with necessary skills and tools to design sustainable and climate-resilient livelihood opportunities.

The drastic upsurge in population numbers in Jordan resulting from the hundreds of thousands of Syrian refugees arriving in the country since the Syrian crisis began in 2011 has put enormous pressure on the country’s scarce resources and underfunded public services, demanding a longer term approach to the crisis. Fewer than 100,000 of the 630,000 Syrians who have entered Jordan as registered refugees live in camps; the rest live amid local communities in Jordanian towns and cities. With financial support from the SPF, the WBG launched its Emergency Services and Social Resilience Program in FY14 to provide basic services to municipalities and host communities, benefiting over two million beneficiaries, of whom at least 45 percent are women and 250,000 are Syrian refugees—almost half of the registered Syrian refugee population in Jordan. During the first two years of the project, municipalities mainly invested in upgrading basic infrastructure, such as roads, sidewalks, water drainage systems, and box culverts. This was a top priority given that the volume of garbage and solid waste had doubled, a hazard to both health and the environment. Over time, municipalities have directed more of their investments toward projects chosen by their communities to build public confidence in local government, reduce community tensions, and strengthen resilience.

"The SPF has been critical in advancing the FCV agenda in the WBG. With the scaling up of the WBG’s support to fragile states, the SPF will be even more important as an incubator of new and innovative approaches to address fragility and conflict."

—Donor Representative

Over two million people in Jordan, 45 percent of whom are women and 250,000 are Syrian refugees, have benefited from basic infrastructure and community development since FY14.
Poverty and Social Impact Analysis

CONTRIBUTORS

The Poverty and Social Impact Analysis (PSIA) MDTF aims to mainstream the use of PSIA in WBG operations and strengthen client countries’ capacity to effectively use PSIA to inform national stakeholders, consider alternative policies, and identify appropriate reforms and other mitigating measures, thus promoting evidence-based and inclusive policies. This was well demonstrated in the detailed distributional impact assessment carried out in Turkey to help the government ascertain the socioeconomic impact of Syrian refugees on host communities, paying special attention to the poor and vulnerable. Turkey is currently hosting around 2.2 million Syrian refugees, placing an enormous burden on the host populations and on the delivery of basic services. The PSIA methodology combines both quantitative and qualitative research tools to capture information relating to welfare, labor, education, and municipal services of the displaced population. The findings from the impact analysis fill major information gaps on internally displaced persons and will inform the respective government's policies and strategies to effectively deal with the refugee surge.

In Malawi, PSIA's work on the education policy options and support to disadvantaged children in FY14 led to the refinement of secondary school bursaries and a cash transfer program for disadvantaged students. This was achieved through continuous collaboration between the Ministry of Education and the World Bank team to identify the program design and modalities. Moreover, through consultations, the government authorities gained better knowledge of NGOs and initiatives that support disadvantaged students. The PSIA activities also impacted the broader dialogue on national strategies in the education sector and helped inform the government-owned national level cash transfer program. It also helped design the World Bank’s $256 million IDA project to Improve Education Quality in Malawi aimed at increasing access and equity and enhancing the quality of teaching and the learning environment.

Analytical work conducted in FY14 helped refine secondary school bursaries, informed a cash transfer program for disadvantaged students, and helped design a $256 million IDA project to Improve Education Quality in Malawi.

39 While the current World Bank “Harmonized List of Fragile Situations” does not include Malawi as a fragile country, PSIA funded the Malawi grant in FY14 when it still was on this list. For further information, please visit http://bit.ly/FragilityConflict
Multi-Donor Trust Fund for Transitional Demobilization and Reintegration Program

CONTRIBUTORS

The MDTF for Transitional Demobilization and Reintegration Program (TDRP) aims to support the return of ex-combatants to civilian life and promote peace and security in the Africa region. Over six million people are displaced in the region, either within their national borders or as refugees in neighboring countries. Chronic poverty and livelihood erosion has left many vulnerable to disease, human rights violations, and high-risk occupations. Between FY13–FY17, the TDRP helped improve the lives of more than 200,000 people in conflict-affected situations. The program specializes in post-conflict reconciliation and socioeconomic reintegration efforts through disarmament, demobilization, and reintegration programs that it helps design, customize, and adapt to post-conflict situations, including in the Democratic Republic of Congo and the Central African Republic. It focuses on complementing the reintegration of ex-combatants with community rehabilitation and community-driven development projects to ensure the stabilization of post-conflict countries and regions as well as sustainable outcomes aimed at creating livelihood opportunities for vulnerable groups, particularly the disabled, women, youth, and children. The TDRP also facilitates dialogue and disseminates knowledge on post-conflict and stabilization issues through empirical research, workshops and conferences, studies, and pilot projects, and it has a particular focus on capacity building of the African Union, in close collaboration with the United Nations. The trust fund follows in the footsteps of the larger regional disarmament, demobilization, and reintegration effort in the Great Lakes region, the Multi-Country Demobilization and Reintegration Program, also supported through a MDTF. Operating from 2002–2009, the program was the largest program of its kind in the world, supporting the demobilization of 280,000 ex-combatants and the reintegration of 230,000 ex-combatants. The program made a significant contribution to the improved security situation in the Great Lakes region overall.

200,000 conflict-affected people in the Democratic Republic of Congo and the Central African Republic were helped to improve their lives, livelihoods, and security situation between FY13–FY17.
II. Knowledge, analytics, and data

The WBG has made a concerted effort to gain a deeper understanding of FCV risks to adopt effective engagement strategies and build a solid evidence base to inform policies and programming.

Global Program on Forced Displacement

The Global Program on Forced Displacement (GPFD) trust fund aims to provide intellectual leadership to help define development approaches to forced displacement, build partnerships with key stakeholders to help mainstream such approaches, and best incorporate the forced displacement agenda within the WBG to inform strategy and operational decision making. The GPFD worked in close partnership with the United Nations High Commissioner for Refugees (UNHCR), to develop the report Forcibly Displaced: Toward a Development Approach Supporting Refugees, the Internally Displaced, and Their Hosts to better understand the challenges of forced displacement and encourage new thinking from a development perspective. The report depicts the reality of forced displacement as a developing world crisis with implications for sustainable growth and suggests ways refugees can rebuild their lives with dignity. It also examines how to help host communities manage the sudden arrival of large numbers of displaced populations, and the pressure to expand services, create jobs, and address long-standing development issues. The report also underscores the importance of humanitarian and development communities working together in a complementary manner to support countries throughout the crisis—from strengthening resilience and preparedness at the onset to creating lasting, long-term solutions.

The GPFD provided inputs to the establishment of the $2 billion IDA18 sub-window for refugees and host communities in FY17 with inputs from this trust fund.

40 To download a copy of the report, please visit http://bit.ly/ForciblyDisplaced
country for the sub-window and developed Forced Displacement Strategy Notes, which consisted of a comprehensive diagnosis on each country’s forced displacement situation, its development objective, recommended WBG engagements, key areas of policy dialogue, and risks.

The GPFD also produced the policy research working paper *How Many Years Have Refugees Been in Exile?*[^41] Using data from UNHCR, the paper proposes a new approach to estimate the mean and median durations of exile, and their variations over time. The analysis found that people who were refugees at the end of 2015 have been in exile for an average duration of 10.3 years and a median duration of four years, with the average duration varying between 10 and 15 years since the late 1990s. The number of people who are in protracted situations (lasting longer than five years) has been steady at five to seven million since the mid-1990s, and is currently at 6.6 million. For those people, the average duration of exile is 21.2 years. This understanding is critical to informing FCV work going forward.

**State and Peacebuilding Fund**

[CONTRIBUTORS]

With support from the *State and Peacebuilding Fund (SPF)*, the WBG, in close collaboration with the European Union and the United Nations, developed the *Recovery and Peace Building Assessment* framework to coordinate reengagement in countries or regions emerging from conflict or political crisis[^42]. The framework aligns international and local interventions for recovery by helping countries assess, plan, and prioritize long-term requirements under a common process, which is essential for sustainable peace. The Recovery and Peace Building Assessment emerged from the 2008 Joint Declaration on Post-Crisis Assessments and Recovery Planning, through which the WBG, European Union, and the United Nations committed to jointly support the assessment, planning, and mobilization of support for recovery, peacebuilding, reconstruction, and development in countries affected by crises. Between 2003–2016, 17 joint assessments were conducted.

[^41]: To download a copy of the paper, please visit [http://bit.ly/RefugeesInExile](http://bit.ly/RefugeesInExile)

[^42]: For further information on the State and Peacebuilding Fund, please refer to page 28.
The Central African Republic, one of the poorest and most fragile countries in the world, recently emerged from the most pressing civil crisis in its history. The Central African Republic now has a democratically elected president and parliament, and the country’s public finances are no longer in crisis. Still, there are around 900,000 internally displaced persons and refugees currently residing in the country. About 2.3 million people, constituting half of the country’s population, are in dire need of humanitarian assistance. Given the country’s extensive recovery needs, a Recovery and Peace Building Assessment was prepared jointly in 2016 by the Government of the Central African Republic, the World Bank, the United Nations, and the European Union. It identified urgent needs at $120 per capita, more than twice the actual aid provided in 2012 and included measures aimed at strengthening security, supporting political reconciliation and inclusion, and boosting economic recovery. The government adapted the Recovery and Peace Building Assessment as their national plan for recovery and peacebuilding, which was presented at the international donor conference for financing in Brussels in November 2016. “With our help and strong coordination with other partners, the Central African Republic can become a post-conflict reconstruction success story.”—Paul Noumba Um, the World Bank Country Director for the Central African Republic, Mali, Niger, Chad, and Guinea.

Box 6: Supporting the National Plan for Recovery and Peacebuilding in the Central African Republic

The Central African Republic adopted the Recovery and Peace Building Assessment prepared in 2016 as its national plan for recovery and peacebuilding, which is expected to help 2.3 million poor people, including 900,000 internally displaced persons.

III. Strategy and financial solutions

The WBG is developing innovative financing mechanisms that are tailored to different FCV contexts, including a more strategic use of trust funds to finance seed interventions in non-IDA eligible countries and those in arrears and leverage additional resources. Financial inclusion is a key pillar of the WBG’s FCV work to provide those affected by crises the foundational opportunity to build assets; mitigate shocks related to emergencies, illness, or injury; and make productive investments.
The World Bank Multi-Partner Fund (MPF) in Somalia, established in FY15, operates as a window to support the development goals of the Somali Compact with a strong focus on promoting effective and accountable government, economic growth, and economic infrastructure. The Government of Somalia is in non-accrual status with the WBG and is currently not eligible for IDA financing. However, in May 2017, the World Bank Board of Directors, recognizing the pressing humanitarian needs and lessons learned from the 2011 famine in Somalia, approved a $50 million emergency grant from the IDA Crisis Response Window, which provides financing to respond to and recover from severe crises. The grant is part of a broader regional drought response in Africa and Yemen.

However, the WBG’s longer term, development-focused engagement in the country is mainly channeled through the MPF. The trust fund works closely with many donors and provides an innovative platform for coordinated financing for sustainable reconstruction and development in the country. These activities are providing much-needed development assistance in Somalia.

With a portfolio focus on recipient-executed grants, the MPF is a vehicle for building core country systems to support Somali authorities to be the leaders of their own reconstruction and development, ensuring ownership and capacity strengthening for sustainability. MPF investments are identified and developed through a process of ongoing consultation and engagement with the government and donors and involve detailed planning and capacity building of individual institutions. Upstream, the MPF is supporting steps toward normalization of Somalia’s engagement with international financial institutions to access sustainable development financing. The program also supports sector and policy dialogue in areas such as oil and gas, ICT, financial sector reform, remittances, intergovernmental fiscal federalism, urban resilience, and financial governance, and has engaged the domestic private sector in the sustainable development and recovery process.

43 This Somali Compact is a partnership framework based on mutual accountability and risk management between the federal government, Parliament, regions, people of Somalia, and the international community. The framework was developed by the G7+ group in 2011 to support fragile countries transitioning toward stability. It ensures a clear focus on Somalia’s most vital political, social, and economic priorities including: building inclusive politics, security, justice, the country’s economic foundations, revenue collection, and the provision of services.
The Zimbabwe Reconstruction Fund

CONTRIBUTORS

DENMARK  EUROPEAN UNION  NORWAY  STATE AND PEACEBUILDING FUND  SWEDEN  SWITZERLAND  UNITED KINGDOM

The Zimbabwe Reconstruction Fund (ZIMREF), a country-specific MDTF established in FY15 with total contributions of $40 million, aims to strengthen Zimbabwe’s core country systems for reconstruction and development with a focus on stabilization and reform, development, and poverty alleviation. The World Bank’s lending program in Zimbabwe is inactive due to arrears, making ZIMREF the main instrument to implement the World Bank’s Third Interim Strategy Note for Zimbabwe and for supporting the implementation of the Zimbabwe Agenda for Sustainable Socio-Economic Transformation.

ZIMREF has four operating windows: (i) private sector productivity and competitiveness; (ii) governance, efficiency, and effectiveness of public expenditure; (iii) reduced vulnerability and enhanced livelihoods; and (iv) analytical, policy, and advisory work.

“ZIMREF has been able to achieve impressive collaboration between government departments in the state-owned enterprise component of the Capital Budgets program. In interviews conducted for the Annual Review, the government stated that the project has brought together government agencies that have never worked together before in such a manner, and that the World Bank deserved credit for this. This collaborative work between three ministries and the World Bank has also produced some impressive results, particularly on data collection.”

—Annual Donor Review, ZIMREF, 2017

Some of the key deliverables achieved thus far include assisting the government with the preparation of bills and acts to update key laws and regulations in the aforementioned areas, building the government’s financial and public administration capacity, improving governance and oversight mechanisms, and bridging key knowledge and information gaps. Specific achievements include: (i) supporting the government to update the 1951 Companies Act and the Bill on Credit Registry, along with 12 other laws related to business regulations; (ii) technical assistance for the enactment of the new Public Procurement and Disposal of Public Assets Bill and approval of a Public Sector Corporate Governance Bill; (iii) costing of the National Health Strategy 2016–2020 and preparation of the 2014 and 2015 National Health Accounts; (iv) completion of the 2016 Enterprise Survey on micro, small, and medium enterprises; (v) finalization of line ministry program-based budgets into the Integrated Financial Management System for six line ministries; (vi) technical assistance for the development of a database on financial and operational performance and corporate governance of state-owned enterprises; (vii) support in the completion of audit reports for 20 district authorities under the Office of the Auditor General’s expanded mandate; and (viii) capacity building for public servants in a broad range of investment climate and public expenditure management issues.
In the town of Guruve, 150 kilometers north of Harare, lies a residential area called Tsatse. Around 300 households live in this area without access to clean drinking water. To address this challenge, ZIMREF contributed $10 million to the Zimbabwe National Water Project to improve access to clean drinking water and strengthen planning and regulation in the water and sanitation sector, focusing on the poorest households residing in newly erected communities, as well as schools, clinics, and other public institutions in urgent need of clean drinking water. The project aims to restore and rehabilitate existing water infrastructure, including a water treatment plant, and construct a new water reservoir, improving the monitoring of water quality, and extending the water connection network to over 2,500 households (31,000 people) by 2019, in communities like Tsatse. Similar work is also taking place in other towns such as Zimunya and Lupane. Apart from making improvements to water and sanitation, the Zimbabwe National Water Authority will receive technical assistance from the World Bank for the development of the National Water Resources Master Plan, the establishment of a Water Services Regulator, and to strengthen institutional capacities of local authorities through training.

31,000 people from 2,500 households in Zimbabwe will benefit from new piped household water connections in 2019.

ZIMREF will restore water infrastructure benefiting 31,000 people.
IV. Operations and crisis response

Delivering sustainable development solutions to countries affected by FCV is both a corporate priority and a global responsibility for the WBG. Moreover, making smart, efficient, and effective investments in FCV situations is a prerequisite for achieving the SDGs. To ensure more effective FCV engagement, the WBG is committed to promoting FCV-sensitive approaches to its work and ensuring operational and financial rapid response to protracted and recurring crises.

Ebola Recovery and Reconstruction Trust Fund

The Ebola Recovery and Reconstruction Trust Fund (ERRTF) was launched in 2014 to support the economic and social recovery in the most affected countries in West Africa by the Ebola virus disease, including Guinea, Liberia, and Sierra Leone. The overall impact of the Ebola virus disease crisis continues to impede the economic development of the three countries. ERRTF is made up of three strategic pillars: the social recovery pillar, the economic pillar, and the health systems pillar. Under the first, ERRTF finances back-to-school programs, psychosocial support for children, social protection, and jobs programs. The second pillar supports emergency agriculture projects, the construction of rural roads in hard to reach areas where the Ebola virus disease was rampant, small and medium enterprises, and mobile payment systems to emergency health workers. The third pillar supports government efforts in the three countries to rebuild and improve the health delivery systems that were less than adequate to effectively deal with an epidemic such as Ebola.

To date, activities supported by the trust fund have directly benefited 400,000 people, especially in Ebola-affected areas and poor households. The ERRTF provided washing stations, thermometers, deworming, and other materials to encourage more than 4 million children to go back to school. The ERRTF also helped improve garbage collection for over 15,000 households who previously burned their garbage on the streets. In addition, the trust fund helped construct 16 new bridges and rehabilitated more than 200 kilometers of road. In the private sector, about 250 small and medium enterprises have been established and 120 women entrepreneurs trained. More than 240,000 farmers, 46 percent of whom are women, received seeds and fertilizers to help avoid a food crisis in the aftermath of the heavy rain season in the spring of 2015. These achievements do not include the rebuilding and improvements in health delivery systems in all three countries that are still under implementation.

One of the projects supported by the ERRTF is the $3 million Liberia Rural Road Emergency Maintenance Project to improve access to Ebola response infrastructure by improving targeted roads linked to Ebola treatment units, community care centers, and
forward logistics bases in Lofa County to prevent and prepare against re-emergence of the virus. Improved roads enable the connection and integration of more rural areas to the capital and promote access to health facilities; reduce the risks of further fragility that tend to affect more remote and disconnected areas; and bring a broader socio-economic impact.

Thus far, more than 500 meters of poor road links were upgraded to make them functional again. Six steel bridges, with a total length of 147 kilometers, were also installed to improve access to nearby towns and villages.

The ERRTF built six steel bridges to improve access for local villagers in Liberia.

The ERRTF helped implement the Community-Based Psychosocial Support to the Ebola virus disease outbreak project in Liberia. The project builds long-term psychosocial health and resilience of individuals affected by the crisis, including operationalization of the Comfort for Kids approach to encourage healing and resilience among children and youth in the aftermath of the crisis through therapeutic learning interventions and associated capacity building and training.44 The Comfort for Kids workbook activities were rolled out to more than 10,000 targeted children. These interventions helped enhance the psychosocial well-being of children (training provided to approximately 600 parents and caregivers, 800 teachers, 300 health and social workers, and 216 community leaders), improve adult behavior and attitudes toward Ebola virus disease-affected children, decrease depression and posttraumatic stress disorder, and increase community willingness to support Ebola virus disease-affected children. Eight hundred children diagnosed with posttraumatic stress disorder were referred to hospitals.

The Comfort for Kids therapeutic learning intervention uses core resource books, facilitator guides, children’s workbooks, and simple pamphlets that promote messages built around a set of common themes to encourage healing and resilience.

44 The ERRTF produced Comfort for Kids workbooks to provide psychosocial support following the outbreak of Ebola in Liberia.
Palestinian Partnership for Infrastructure Development Multi-Donor Trust Fund

The Palestinian Partnership for Infrastructure Development Multi-Donor Trust Fund (PID MDTF) aims to improve the coverage, quality, and sustainability of infrastructure in the West Bank and Gaza through financial and technical assistance to the Palestinian Authority for infrastructure development, capacity building, and institutional development in the water, urban development, and energy sectors. The PID MDTF operates in a high-risk environment. As a fragile and conflict-affected area, the West Bank and Gaza is subject to frequent outbreaks of violence and political instability, and the situation can deteriorate quickly.

The PID MDTF supported the construction and restoration of water supply facilities in Gaza.

The PID MDTF supports the core principles of sustainability, partnership, client-driven ownership, harmonization, and knowledge building. It helps improve aid efficiency by reducing administration costs through consolidation under a single fund using the WBG’s standardized set of financial and project management tools and procedures. In the aftermath of the conflict in Gaza, July–August 2014, the PID MDTF demonstrated it was an important instrument capable of providing rapid emergency funding to
ensure basic infrastructure and services provision through cofinancing Gaza emergency operations in the water, energy, and urban sectors. Total Gaza emergency reconstruction funds channeled through the PID MDTF amounted to $32 million. As a result, nearly two million people to date received access to improved water sources and one million people benefited from restored water supply and wastewater services through the repair and restoration of damaged infrastructure, including water reservoirs, piped networks, and sewage pumping stations between FY15–FY17. Additionally, restored municipal services, including the rehabilitation of roads, solid waste management, and water/wastewater facilities, and the repair of public facilities including municipal buildings, libraries, community centers, and public parks were provided to more than one million people.

“The PID MDTF is a major achievement in terms of improved aid coordination and harmonization, through donor fund pooling and streamlining of bilateral aid administration through a common framework of fiduciary management, reporting, and evaluation. Most importantly, PID MDTF projects have benefited the Palestinian people in the West Bank and Gaza who have already experienced positive welfare outcomes from improved service delivery.”

—Independent Mid-Term Evaluation Report, Arab World for Research and Development, PID MDTF, 2017

One of the municipal service projects supported by the PID MDTF is the Southern West Bank Solid Waste Management Project. The project improved solid waste disposal services for the communities and businesses in the Bethlehem and Hebron governorates, providing 750,000 residents access to more efficient, and environmentally and socially sound waste management systems. In addition to improving services through the provision of a sanitary landfill facility and related infrastructure and the closure of 19 wild dumpsites, the project supported the municipalities and joint services providers of the governorates to progress toward financial sustainability, allowing them to fully finance their operational costs.

The PID MDTF contributed $57.7 million cofinancing to the $120 million Second Municipal Development Project, whose development objective is to improve municipal management practices for better municipal transparency and service delivery. The project directly benefited 3.3 million citizens across the West Bank and Gaza. The project supports municipalities to improve the financial sustainability and accountability of municipal services, establish service quality standards, promote learning and innovation for municipal development (e.g., e-municipality, renewable energy pilots, and local economic development activities), and provide capacity development for municipalities. Direct outputs include approximately 2.5 million citizens benefiting from roads established and rehabilitated, 94 percent of municipalities applying social accountability measures, and 22 municipalities piloting one of the supported innovative ideas (renewable energy, e-municipality, and local economic development).
V. Partnerships for peace

With the increased recognition that humanitarian, development, and peacebuilding efforts are complementary and need to reinforce each other to respond to FCV challenges, the WBG strives to strengthen its partnership with the United Nations, the European Union, and multilateral development banks, while expanding its partnership base to local and international NGOs and non-state actors, especially in areas with limited government capacity and insecure environments.

United Nations—World Bank Fragility and Conflict Partnership

CONTRIBUTORS

Seven countries received help for humanitarian, development, and peacebuilding efforts in FY17.

The United Nations—World Bank Fragility and Conflict Partnership (FCP) trust fund aims to foster a closer relationship between the United Nations and the World Bank to promote a more effective and sustainable international response in fragile and conflict-affected situations. The trust fund helps fulfill a commitment by the United Nations secretary-general and World Bank president to break down institutional barriers and strengthen the links between political, security, development, and humanitarian efforts in FCV contexts by strengthening the strategic and operational collaboration between the two institutions to support joint initiatives or approaches, strengthen internal capacity, and promote knowledge sharing. It also provides flexible financing to advance United Nations—World Bank partnership in absence of other sources of financing, helps boost stakeholder ownership around important analytical or thematic work, targets support to offset the short-term transaction costs associated with partnership activities, and promotes effective and strategic application of comparative advantages.

In 2017, the FCP supported the implementation of the Humanitarian-Development-Peace initiative. The Humanitarian-Development-Peace initiative is one of the efforts to operationalize and catalyze collaboration across different actors, and signifies a broad-based partnership between the United Nations and the World Bank. The initiative builds on the growing recognition that humanitarian, development, and peacebuilding efforts are complementary and should reinforce each other, and that development institutions and longer term socioeconomic approaches are necessary to prevent conflict and reduce humanitarian needs. The initiative builds on a commitment by the United Nations and the World Bank at the World Humanitarian Summit, which is to roll out pilot projects operationalizing the humanitarian, development, peace nexus in at least five country situations. This initiative was endorsed at the United Nations—World Bank senior level meeting on September 9, 2016, and seven country pilots have been supported from the initiative (Cameroun, Central African Republic, Guinea-Bissau, Pakistan, Somalia, Sudan, and Yemen).
Following the eruption of armed conflict in eastern Ukraine in 2014, the FCP supported the design and implementation of the Recovery and Peace Building Assessment for Eastern Ukraine, including provision of technical assistance to the government, support for a national strategy process based on the Recovery and Peace Building Assessment, and development of a United Nations—World Bank Multi-Partner Trust Fund on Peacebuilding and Recovery. FCP also provided just-in-time analytic training and strategy development support that helped with the early establishment of the Ministry for Temporarily Occupied Territories and internally displaced persons mandated to lead and coordinate peacebuilding and recovery efforts. As a result, the government recently passed the Ministry for Temporarily Occupied Territories’ State Target Program for Peacebuilding and Recovery in Eastern Ukraine. The World Bank mobilized $3.2 million in financing from the State and Peacebuilding Fund to support the Ministry for Temporarily Occupied Territories capacity building and pilot projects, and the trust fund was launched with an initial $2 million in donor financing.

In Uganda, the FCP helped operationalize the findings of a UNHCR—World Bank report titled *Forced Displacement and Mixed Migration in the Horn of Africa*. This innovative framework complements Uganda’s Settlement Transformative Agenda by building the self-reliance and resilience of both refugee and host communities. Collaboration between UNHCR and the World Bank was pivotal to improve the understanding of the socioeconomic dimension of the refugee crises and avoid costly duplications. Moreover, the work is fully aligned with strategic objectives of the two organizations and benefits from strong local government engagement. The scale and scope of collaboration between the two organizations is gradually increasing, with the UNHCR leading the way on refugee and local population empowerment, and the World Bank taking the helm on new development approaches to refugee issues. Going forward, the piloting of joint projects, notably on education, will involve a significant amount of learning about ways to strengthen and deepen collaboration between the two organizations.

“*The trust fund is a strong enabler of the United Nations—World Bank partnership in fragile and conflict-affected situations. Its grants provide financing to advance the partnership in contexts where other sources of financing either can’t or won’t. This financing tends to be flexible and timely, and promotes the strategic application of comparative advantages to help meet demand in specific FCV contexts. It can also “grease the wheels” where collaboration is difficult or costly.*”

—Oscar Fernandez-Taranco, Assistant Secretary General, United Nations Peacebuilding Support Office, and Saroj Jha, Former Senior Director, World Bank Fragility, Conflict, and Violence Group

The Afghanistan Reconstruction Trust Fund (ARTF), is the largest single-country MDTF administered by the World Bank with total contributions of $10 billion, bringing together 34 different donors to support the Government of Afghanistan’s National Priority Programs. The ARTF finances nearly 40 percent of the civilian budget and half of all development expenditures in Afghanistan.

The trust fund is the main vehicle of choice for pooled funding and provides the largest source of on-budget financing for Afghanistan’s development to deliver important results in education, health, urban and rural development, infrastructure, agriculture, and governance. All ARTF funds are channeled through government systems with ministries and government agencies responsible for implementing all projects. The trust fund modality offers funding predictability for the Government of Afghanistan within a robust fiduciary and monitoring framework and provides a platform for coordination and policy dialogue with the government on key reforms. As of December 2016, the ARTF benefited approximately 9.3 million people, including three million women, by providing access to schools and health clinics in thousands of villages across the country.46

Under the $408 million Second Education Quality improvement program supported by ARTF starting in FY09, 1,600 schools were constructed and 100,000 teachers trained, enabling an estimated nine million students, 40 percent of whom were girls, to enroll in schools. Social mobilization conducted in over 15,000 communities resulted

46 The results featured are cumulative since trust fund inception in FY02.
in the formation of school management committees (Shuras) and the preparation of 13,000 school improvement plans nationwide. An additional 11,000 female students received scholarships and graduated from teacher training colleges.47

The $654 million System Enhancement for Health Action in Transition program, starting in FY14, supported the provision of basic health services and essential hospital services in 34 provinces and the Kabul urban area. The ARTF provided $517 million for this program, which is jointly supported by the Government of Afghanistan with $30 million, an IDA Grant of $100 million, and the Health Results Innovation Trust Fund of $7 million. Data from the health management information system indicates an increase in the utilization of key maternal and child health services. The number of deliveries attended by skilled health personnel doubled from 429,000 in FY14 to 861,000 in FY17. The health utilization rate increased from 1.6 to 1.9 consultations per person per year in the same time period.

A $312 million grant financed by the ARTF is funding the Afghanistan Rural Access Project, which is also cofinanced with an additional IDA grant of $125 million. Between FY13–FY17, the project helped construct nearly 2,000 kilometers of rural roads and more than 3,000 meters of bridges, helping people gain access to schools, clinics, jobs, and other livelihood sources across the 34 provinces. The project has also helped carry out routine maintenance of 3,300 kilometers of tertiary roads and periodic maintenance of 500 kilometers of tertiary roads, while routine maintenance of 1,000 kilometers of secondary roads and periodic maintenance of 600 kilometers of secondary roads was also undertaken.

The trust fund is also providing financial assistance to thousands of farmers in 31 provinces to adopt improved production practices and increase productivity of livestock and horticultural products to improve their livelihoods.

Between FY05–FY17, approximately 28.7 million people, nearly 50 percent of whom were women, benefited from the National Solidarity Program, the largest community-driven development project in the world to develop local democratically elected institutions, which helped identify, plan, and manage reconstruction efforts at the local level. From FY13–FY17, the program reached 15.9 million people (nearly 50 percent were women).

47 The results featured are cumulative since FY09.
The System Enhancement for Health Action in Transition Project supported by the ARTF is providing improved access to health services across the country, including the conflict-stricken province of Kandahar. Increased access to basic health services, including vaccinations, provided through the 46 health centers and 1,100 health posts in the province has resulted in the near eradication of polio—cases have dropped from 36 in 2011 to just one in 2016. Doctors are hopeful that continued vaccination and health service provisions will eventually lead to the complete eradication of polio from the province.

The health facilities have also helped solve additional family-related health problems as they offer a wide array of maternal and child health care services, as well as provide health education on nutrition, childcare, first aid, and prevention of diseases. According to one health care recipient, Bibi Khadija, “the clinic has solved many of my family’s health problems. As it is near our house, we come here whenever someone is sick in my family.”

The Shams Kakar district clinic on average receives 50 gynecology and obstetrics visitors on a daily basis. According to midwife Noori who works in the clinic, “We solve over 80 percent of women’s gynecological and obstetric issues in the clinic. This has allowed patients to develop trust in the clinic and its staff.”

Near eradication of polio achieved in the Kandhar Province in 2016 with only one reported polio case that year.

The ARTF helps improve access to basic health services in 21 provinces across Afghanistan and the Kabul urban area.
“Inequalities between men and women are multidimensional, and addressing them requires financial, policy, and technical solutions based on robust evidence and an understanding of each context. Trust funds enable the WBG to be on the cutting edge of what works in closing gender gaps. Robust evidence and innovation can help empower countries to achieve gender equality and women’s empowerment on a large scale.”

—Caren Grown
Senior Director, Gender Global Group

No country can develop sustainably or meet the challenges of the 21st century without the full and equal participation of men and women. Despite concerted efforts to close gender gaps, women still lag behind men in economic opportunity, human development outcomes, and voice and agency. Closing these gender gaps can help countries increase economic productivity and improve prospects for the next generation. Increasing women’s and men’s participation in income-earning opportunities is also central to the achievement of the WBG’s twin goals of eliminating extreme poverty and boosting shared prosperity by 2030.

The WBG is committed to advancing gender equality across sectors, as reflected in the IDA18 special theme on gender and development and in the WBG’s Gender Strategy (FY16–FY23) which focuses on the following priority areas: (i) improving human endowments through health, education, and social protection services; (ii) removing constraints to
more and better jobs; (iii) removing barriers to women’s ownership and control over assets; and (iv) enhancing women’s voice and ability to shape their own futures, as well as engaging men and boys. Trust fund resources complement IBRD/IDA operations by helping to ensure that WBG staff, policy makers, and partners have the data, knowledge, and evidence needed to design effective gender programs and policies. They not only support the priorities of the WBG’s Gender Strategy (FY16–FY23) overall, but are important catalysts for innovation, for scaling up approaches proven to work, and for expanding the frontiers of the gender equality agenda.

I. Improving human endowments through health, education, and social protection services

Enormous progress has been made in reducing gaps between girls and boys in enrollment, completion of primary school, and transition to secondary school. However, significant gaps remain between and within countries for different income groups and in secondary and tertiary schooling. This priority area focuses on addressing, among other challenges, gender gaps in education, maternal mortality, women’s access to health care, and early childhood development, and developing innovations to promote women’s economic empowerment in social safety net interventions.

Global Partnership for Education

The Global Partnership for Education (GPE) 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. GPE aims to improve the lives of children and youth through quality education for all.

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Under the GPE trust fund, efforts have been made to strengthen education systems and improve educational outcomes around the world. Since its establishment in FY12, the trust fund has disbursed over $2.3 billion, reaching more than 40 developing countries, especially those in FCS. In FY16 alone, the GPE trust fund-financed projects delivered more than 23 million textbooks, trained over 205,000 teachers, and built 3,000 classrooms.

Furthermore, significant progress in promoting gender equality in educational access and outcomes has been achieved. For example, proportions of children completing primary education grew from 72.5 percent in 2013 to 73.2 percent in 2014, and from 48 percent to 50 percent in lower secondary schools in GPE-supported countries. In absolute terms, this means that 745,000 more children completed primary education in 2014 than in 2013, of which 48 percent were girls, and 816,000 more children completed lower secondary education than in the previous years, of which 44 percent were girls.

In addition, the percentage of member countries on target to meet the gender parity index thresholds for primary education grew from 62 to 64 percent between 2013–2014 among all developing country partners, and from 49 to 54 percent in lower secondary education. Approximately, 66 percent of all children (mostly girls) under five years of age were developmentally on track in terms of health, learning, and psychosocial well-being between FY11–FY14 in GPE member countries where data is available.

The GPE trust fund supported the $4.4 million Third Education for All Fast Track Initiative Project in Moldova to help the government expand early childhood education coverage and address equity issues. Under the project, efforts were made to enhance the quality of early childhood education services, address unequal access, and establish a system-wide professional development system for preschool teachers. The project contributed to Moldova’s achievement of its MDGs 2015 target for the preschool gross enrollment two years early; all preschool teachers (covering 950 institutions) received key teaching materials. The project also promoted revised legislation and norms advocating inclusive education.

The GPE trust fund supported Ethiopia with four grants implemented by the World Bank, totaling $337 million to support its General Education Quality Improvement Program. These grants supported a nationwide reform to improve teaching and learning, and boost the education system’s capacity. More than 100,000 primary teachers and 17,000 secondary teachers are upgrading their teacher qualifications through training. Major gains have been made in the achievement of learning outcomes, as national assessments indicate that the share of students achieving proficient and advanced levels in Grade Four mathematics increased from 13 percent in 2011 to 19 percent in 2015.

49 The GPE was established following the reform of the Education for All Fast Track Initiative.
50 Please note that results included in this paragraph have been achieved across all GPE developing country partners. GPE Education Sector Plan Implementation grants, which cumulatively account for 98 percent of GPE funding to developing country partners, are managed by IAs. As of end-FY16, the World Bank managed the largest share of such GPE grants, with the responsibility for 35 active or pending grants, equivalent to 76 percent of the total value of the implementation grant portfolio.
Global Financing Facility

CONTRIBUTORS

The Global Financing Facility (GFF) trust fund is an innovative multi-stakeholder partnership that supports country-led efforts to improve reproductive, maternal, newborn, child, and adolescent health and nutrition. It draws on the diverse expertise and resources of a broad set of stakeholders, including the WBG; United Nations agencies; the Partnership for Maternal, Newborn, and Child Health; Global Alliance for Vaccines and Immunization (GAVI); the Global Fund to Fight AIDS, Tuberculosis, and Malaria (GFATM); foundations; bilateral donors; private sector partners including Merck Sharp & Dohme for Mothers; and a wide range of civil society organizations. In FY17, a $292 million GFF trust fund was approved for 10 countries, leveraging $1.3 billion in IBRD/IDA financing. As of November 2017, the GFF partnership is working in 26 countries.

In Tanzania, the government, with the support of the GFF, is scaling up investments in basic emergency obstetric and neonatal care, family planning, antenatal care, skilled deliveries, and infant and young child feeding. Health sector investments by the government are increasingly performance based with the release of funds directly linked to the number and quality of essential services provided to women and children. Thus, with support from donors, the government can channel resources directly to health facilities, starting with the poorest regions. The focus on measuring results has motivated health facilities and local government authorities to improve the quality of care, starting in the Shinyanga and Mwanza regions. Countrywide scorecards are being used to boost the delivery of set targets in reproductive, newborn, and child health services. In FY17, improved results were seen in the prevention of malaria among expectant mothers, the availability of medicines, better motivated staff, and better functioning boards at health facilities, but much more can be done.

$1.3 billion leveraged in IBRD/IDA financing for 10 countries to improve reproductive, maternal, newborn child, and adolescent health and nutrition in FY17.

The GFF is helping scale up emergency health services for women and children in Tanzania.

In Tanzania, the government, with the support of the GFF, is scaling up investments in basic emergency obstetric and neonatal care, family planning, antenatal care, skilled deliveries, and infant and young child feeding. Health sector investments by the government are increasingly performance based with the release of funds directly linked to the number and quality of essential services provided to women and children. Thus, with support from donors, the government can channel resources directly to health facilities, starting with the poorest regions. The focus on measuring results has motivated health facilities and local government authorities to improve the quality of care, starting in the Shinyanga and Mwanza regions. Countrywide scorecards are being used to boost the delivery of set targets in reproductive, newborn, and child health services. In FY17, improved results were seen in the prevention of malaria among expectant mothers, the availability of medicines, better motivated staff, and better functioning boards at health facilities, but much more can be done.

Global health care company Merck created Merck for Mothers, known as Merck Sharp & Dohme for Mothers outside the United States and Canada. It is a 10-year, $500 million initiative focused on improving the health and well-being of mothers during pregnancy and childbirth.
The Local Solutions to Poverty (LSP) trust fund supports the Government of Indonesia’s efforts to improve the quality of life for poor and vulnerable populations using local solutions to reduce poverty and inequality. LSP provides policy and technical advice to the government on reforms and instruments that empower and incentivize local actors to reduce poverty and inequality.

One of the initiatives supported by LSP builds early childhood education teacher capacity to meet the needs of the community’s children. Dini Ruhiyatun, is the only teacher at the Seroja Indah Early Childhood Education Center in the Barabali Village of Central Lombok. The center, which has more than 20 students, had no permanent location until recently. In 2016, members of the community lobbied the village government to build a multifunction hall using 60 million rupiah ($4,450) from village funds. The village government had acknowledged Dini’s significant contribution to improving the quality of early childhood education in the village and provided her with support to improve her skills. Recognizing that Dini had no formal background as a teacher, the village government supported her participation in teacher training as part of the trust fund-financed Early Childhood Education Development Project. With the help of the project, the training was provided to Dini and 7,800 other community-based teachers in 2,600 villages throughout the 25 participating districts in FY16.

Dini explains, “In one of the training modules, we were taught how to develop a teaching workplan. This was extremely valuable, providing me with a practical guide for how to better present lessons in my classes. After participating in the training, I was able to develop teaching material in a more structured way. The training also strengthened my confidence and invigorated my passion to continue teaching.”

The LSP built capacity of 7,800 local teachers in early childhood development across 2,600 villages in Indonesia.
II. Removing constraints to more and better jobs

Girls are stalled between school and productive work. More than a third (34 percent) of young women in developing countries are jobless—out of the labor force and not in school. Although the gender gap in school enrollment has been closing, the gender gap in labor force participation is on the rise. This priority area focuses on the determinants for women to access more and better jobs, including developing policy frameworks for care services, reducing deficits in infrastructure that prevent women’s participation in paid employment, promoting the conditions for women’s entrepreneurship, and reducing skill gaps and occupational sex segregation.

Umbrella Facility for Gender Equality

Over 55 gender-related impact evaluations are informing the design of two IBRD/IDA projects worth a total of $73 million since FY15.

The Umbrella Facility for Gender Equality (UFGE), a WBG MDTF, is a catalyst for accelerated progress toward greater gender equality through investments in data, knowledge, and evidence that push the frontiers of gender equality and promote smart project design. The trust fund also aims to enhance awareness and strengthen capacity for gender-informed decision making.

The UFGE funds regional Gender Innovation Labs that employ rigorous evaluations to determine what works, to move from advocacy to action, and to invest in uptake of the evidence. Gender Innovation Labs are operating in Africa, East Asia and Pacific, Latin America and Caribbean, and South Asia with over 55 impact evaluations in areas such as skills, land rights, access to infrastructure, labor force participation, entrepreneurship, youth employment, voice and agency, and gender-based violence. As a result, the design of IBRD/IDA-financed projects, such as the $63 million IDA Tejaswini Socio Economic Empowerment of Adolescent Girls and Young Women Project (India), and the $10 million IBRD Republic of Congo Skills Development for Employability Project, effective since FY15, build on powerful evidence and lessons on how to help adolescent girls and young women complete their education and transition into employment by, for instance, offering community safe spaces to build skills, providing choices based on interest and qualifications of girls, and emphasizing soft skills.

The UFGE’s private sector window, managed by IFC, focuses on the business and development benefits that can accrue from closing gaps between women and men as entrepreneurs, employees, leaders, suppliers, consumers, and community stakeholders.
It also contributes to the understanding of barriers and opportunities for women’s access to good quality jobs and to key assets. Current private sector window projects support the UFGE outcomes by financing activities that: (i) increase the availability of gender-relevant data and evidence; (ii) enhance global knowledge by developing and testing new tools; and (iii) raise awareness and demand for gender equality interventions.

To promote more economic opportunities for rural women, a Gender Capacity Program on Transport in the East Asia and Pacific region, funded by the UFGE, brought together transport authorities and project stakeholders from client countries in the East Asia and Pacific region and the South Asia region, as well as partners from the Asian Development Bank, the International Labor Organization, and the WBG for south-south exchanges in the Yunnan Province in China and the Lao Cai Province in Vietnam. This enabled the clients to learn how to institutionalize women’s participation in rural road maintenance, helped strengthen the design of rural transport and social projects, and led to more resources being allocated to creating jobs for women in the rural transport sector in Laos, Solomon Islands, and Vietnam.

Global Agriculture and Food Security Program

Consortium Members

The Global Agriculture and Food Security Program (GAFSP) 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 GAFSP aims to improve income and food and nutrition security in low-income countries by boosting agricultural productivity.

Approximately 75 percent of the poor live in rural areas and most depend on agriculture for their livelihoods. Women account for at least 43 percent of the agricultural labor force in developing countries. In Africa, 60–80 percent of women work in agriculture, making the sector the largest employer of women. Almost 90 percent of GAFSP projects include gender analysis during preparation, gender actions, and gender-disaggregated monitoring and evaluation.

In Ethiopia, the GAFSP Agriculture Growth Project, implemented by the World Bank, aimed to increase agricultural productivity and market access for key crop and livestock products in selected regions of Ethiopia, with a focus on the participation of women and youth. The project promoted agricultural development by strengthening farmer

363,000 farmers, including 75,000 women, adopted agricultural productivity enhancing techniques in Ethiopia between FY13–FY17.
organizations, scaling up best practices in agricultural production, developing markets and agribusiness, and developing and managing small-scale infrastructure. In particular, the project has focused on strengthening institutional capacity building to promote gender equality by developing common interest groups that ensure the substantive presence of women farmers. With program support, these informal groups are then transitioned to primary cooperatives to undertake wider and stronger collective action on a range of services, including input and output marketing and financial services. The project also regularly conducted women- and youth-focused consultations and engaged women at all levels of the cooperative governance structure. Between FY13–FY17, in addition to the construction of new irrigation and drainage services, roads, and rural market centers, a total of 363,000 farmers, including 75,000 women, had adopted technologies being promoted by the project.

Adolescent Girls Initiative

The Adolescent Girls Initiative (AGI), a MDTF, provided a unique opportunity to experiment in diverse settings, take risks, and find effective, female-friendly approaches to vocational training and youth employment programs. Pilots were carried out in eight countries, five of which incorporated rigorous evaluations. As a result, the AGI generated some of the strongest evidence to date about the impact of employment programs on adolescent girls and young women, along with operational lessons and innovative strategies to improve project design, implementation, and monitoring and evaluation.

To encourage the uptake of evidence and learning from the AGI, technical assistance was provided for the $65 million IDA Zambia Girls’ Education and Women’s Empowerment and Livelihood Project approved in FY15 and the $170 million IDA Sahel Women’s Empowerment and Demographic Dividend Project approved in FY15. The AGI team conducted vulnerability assessments, led technical workshops, and applied tools and resources developed by the AGI pilots on topics such as incorporating life skills into training curricula and alleviating girls’ specific constraints including transportation, literacy, and childcare in FY15.

III. Removing barriers to women’s ownership and control of assets

This priority area focuses on key productive assets such as land (individual ownership and female access to community-owned lands), housing, and technology, critical to the ability of women and their families to achieve economic growth. To do so, the WBG
helps clients access and analyze data to identify gender gaps that help inform policy making, improve business practices, promote universal identification, and prioritize financial inclusion in ways that close gender gaps.

**Women Entrepreneurship Development**

**CONTRIBUTOR**

The **Women Entrepreneurship Development (WEDP)** trust fund aims to increase the earnings and employment of micro and small enterprises owned or partly owned by female entrepreneurs in targeted cities of Ethiopia by providing access to microfinance and technical assistance. The **WEDP Project**, cofinanced through this trust fund and a $50 million IDA loan, led to impressive results, transforming the financial services landscape for women entrepreneurs in the country. Launched in FY13, WEDP aims to increase the earnings and employment of women entrepreneurs through access to loans and business training. Loans are disbursed through Ethiopian microfinance institutions and training delivered by a mix of public and private providers. Between FY13–FY17, 12,000 women entrepreneurs participated in the program. However, the true impact is in knowledge, not numbers. The project transformed the landscape of financial services for women entrepreneurs in Ethiopia by equipping the country’s leading microfinance institutions with the techniques and knowledge to reach a previously underserved market segment. When WEDP began, only 1 percent of the participating microfinance institutions’ portfolios consisted of individual loans to women entrepreneurs, and the average loan for women entrepreneurs was $1,350. Today, individual loans to women entrepreneurs make up 18 percent of their portfolios, and the average WEDP loan size is nearly 10 times larger ($11,760). Through a dedicated impact evaluation component, the project is testing and measuring innovative pilots to support women entrepreneurs, such as the use of psychometric testing, which enables women entrepreneurs who do not have collateral to take an interactive digital test which predicts their likelihood to repay a loan.

Given the success of the program, the project team is helping other WBG teams design programs to finance women entrepreneurs based on the WEDP model in other countries in the region (Madagascar, Nigeria, and Tanzania) and beyond (Indonesia).
Women in Ethiopia—and typically in other developing countries—face far bigger challenges than men in starting or growing a business. Women are less likely to own assets, such as land or property that can be used as collateral to obtain a loan. They often have less education than men and face discriminatory customs and laws. Despite research that indicates investing in women-owned businesses offers one of the “highest return opportunities available in emerging markets,” according to World Bank economists Francesco Strobbe and Salman Alibhai, an estimated 70 percent of small and medium businesses owned by women in developing countries cannot get the financing they need to grow.

The WEDP in Ethiopia is changing that. Since FY13, IDA, with funding from trust funds, has provided financing to the project, which helps unlock capital to close the financing gap for women entrepreneurs. Implemented through the Development Bank of Ethiopia and selected microfinance institutions, it provides a $50 million line of credit to financial institutions financing women-owned micro and small businesses. Between FY13–FY17, more than 6,000 women have been able to tap financing to start or expand a small business, and more than 10,000 women have received entrepreneurship training. And while 76 percent of borrowers never had a loan before, the repayment rate is 99 percent. “The demand for this financing has been staggering,” says Strobbe, who leads the project at the World Bank.

Take Zinabua Hailu, for example, ten years ago she convinced her husband that she needed to work to help pay for their children’s education. They put their house up for collateral so she could get a $100 loan to open a hotel. Two years later, she got a larger loan and opened a restaurant. Five years later, through the project, she qualified for a larger loan of nearly $40,000—about 2.6 times larger than her previous one—and today she operates what is now a 10-room hotel and restaurant with nearly 20 staff in Addis Ababa.

For further information, read In Ethiopia, Female Entrepreneurs Get a Chance to Pursue Their Dreams http://bit.ly/EthiopiaEntrepreneurs
Resources from The Umbrella Facility for Gender Equality (UFGE) pilots trust fund also helped spark innovative programs to increase female property ownership in the Western Balkans. Increased land security allows women to access credit to buy key agricultural inputs, or make other investments to increase food production. Access to land can also lift a woman’s status and enhance her bargaining power in families and communities, boosting well-being at the household level. The initiative offered technical assistance to mine existing databases in 2013 to measure women’s land ownership and revealed a much lower rate of female property ownership than expected. Together with the United Nations Food and Agriculture Organization, the WBG worked with national partners to devise plans for their countries to boost female land ownership, alongside senior officials, land agency staff, and notaries. For example, in Kosovo the national level of female ownership was found to be around 15 percent. Follow-up efforts targeted notary associations to inform clients of the importance of co-registering wives or female heirs on land and property titles as well as looking at registration fees.

The UFGE continues to support work in Kosovo, where the WBG is working in a village populated largely by war widows of whom less than 8 percent have title to property. To reduce time, cost, and the complexity of surveying and registering land, small, unmanned aerial drones are used to survey land, and the whole community is involved in the mapping process to help the government produce a national land registration system which is gender sensitive.

IV. Enhancing women’s voice and agency and engaging men and boys

Women and girls face numerous constraints worldwide, from epidemic levels of gender-based violence to biased laws and norms that prevent them from working or making decisions about their own lives. With this priority, the WBG is focusing on promoting and enhancing women’s participation and decision making in service delivery and supporting the reduction of gender-based violence and mitigating its impact in conflict situations.

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52 For further information on UFGE, please refer to page 52.
53 For further information, please visit http://bit.ly/DronesInnovation
The **Australia—World Bank Partnership for South Asia (PFSA)** and **Umbrella Facility for Gender Equality (UFGE)** are supporting rigorous research and impact evaluations in the South Asia region. The core of the South Asia Gender Innovation Lab's work is in impact evaluations that provide solid empirical evidence on what is and is not effective in reducing gender-based disadvantages under its three thematic pillars: (i) access to and use of infrastructure services; (ii) labor force participation and other aspects of economic empowerment; and (iii) voice and agency, with a focus on gender-based violence.\(^{54}\) Following the Gender Innovation Lab's December 2016 open call for proposals, the number of operations either under rigorous evaluation or being prepared for such evaluation increased from nine (across three countries: Bangladesh, India, and Nepal) to 15 (adding Afghanistan, Sri Lanka, and Pakistan—three-quarters of the countries in the South Asia region). The Gender Innovation Lab's impact evaluation work is supported by a wider array of knowledge products, including diagnostic studies, research papers, and technical support to project teams. Among these, four studies have been completed under the voice and agency pillar.

**Umbrella Facility for Gender Equality**

The **Umbrella Facility for Gender Equality (UFGE)** pilots approaches that can be implemented at scale in support of the IDA18 policy commitment to increase the number of projects that address and respond to gender-based violence. One example is the adaptation of the successful Start, Awareness, Support, Action (SASA!) model from Uganda to prevent intimate partner violence in Honduras, now part of the World Bank’s $15 million **IDA Honduras Safer Municipalities Project**, effective since FY13.\(^{55, 56}\)

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\(^{54}\) For further information on the UFGE, please refer to page 52.

\(^{55}\) SASA! is a community mobilization approach developed by the organization Raising Voices for Preventing Violence Against Women and HIV. SASA! is a Kiswahili word that means “now” and when used as an acronym identifies the four phases of the intervention: Start, Awareness, Support, Action.

\(^{56}\) Effectiveness refers to the date when the loan becomes effective.
In Nepal, the UFGE supported development of a pilot helpline and case management system to improve the response to gender-based violence. Before the platform, there were substantial gaps in information and services being provided to gender-based violence survivors at the local level. Different service providers, such as civil society organizations, the police, and medical centers, ran their own helplines, which forced survivors to place multiple calls to reach medical attention, rescue vans, shelters, and other services. The platform is now being scaled up through the Integrated Platform for Gender-Based Violence Prevention and Response in the Nepal project financed by the SPF. The project will improve the quality and reach of services for gender-based violence responses in four districts of Kathmandu through a comprehensive response system with a 24-hour helpline and referral service for better coordination among existing service providers.

Energy Sector Management Assistance Program

The Energy Sector Management Assistance Program (ESMAP) trust fund has played an important role in ensuring that gender issues in energy go beyond advocacy to produce concrete results in investment project design and implementation. ESMAP has helped curate a strong set of best practices, developed online training and tools, and is producing a series of reports and guides on gender issues across energy topics such as electricity infrastructure, geothermal, mini-grids, energy efficiency and behavior change, and clean cooking. Through its gender and energy regional programs in Africa and East Asia and Pacific, ESMAP is currently engaged in over 30 countries. Some examples of project-level

$15 million IDA project is addressing gender-based violence in Honduras since FY13, incorporating lessons from Uganda.
activities in Africa include: (i) capacity building and economic empowerment, such as Senegal’s energy access and forest management project where setting sex-disaggregated targets and indicators during project design led to more inclusive participation, with about 3,200 women becoming charcoal producers while the share of community income going to women has risen from 12 percent in 2013 to 19 percent in 2016; (ii) data collection and evidence building, such as Tanzania’s rural electrification expansion project which in order to ensure that poor, female-headed households obtain access to electricity during implementation, a needs-based methodology for administering the connection subsidy is being developed, consultative meetings to explain electrification procedures and safety practices are being designed, and sex-disaggregated data will be collected; and (iii) behavior change and consumer outreach such as in the case of the Comoros and São Tomé and Príncipe where work is taking place with the utilities and energy agencies on a gender sensitive communications campaign to help reduce electricity theft and nontechnical losses. In FY17, ESMAP began supporting the establishment of similar gender and energy programs in Europe and Central Asia, Latin America and Caribbean, and Middle East and North Africa with additional focus areas surfacing such as gender-based violence, youth and inclusion, and climate mitigation.

For further information, please visit http://bit.ly/Gender-Equality
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.

Trust Fund for Accelerating Growth and Reforms

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
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.\textsuperscript{61}

\textsuperscript{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.

Moldova’s public investment management system improved by providing transparency and efficiency in resource allocation, and improving service delivery between FY14–FY17.
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 2016.62 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.63 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

CONTRIBUTORS

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

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62 Total bond market outstanding refers to the total volume of bonds in circulation.
63 To download a copy of the Outcome Based Assessment for Private Pensions report, please visit http://bit.ly/PensionsAssessment
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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64 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. 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

Emma Nzioka © World Bank

The KADP is supporting participatory budgeting in Kenya for greater inclusion of women and other marginalized communities.

$200 million IDA project approved in FY16 complimented by the trust fund supports Kenya’s devolution program to build systems and capacity at national and county levels with the potential to lift millions out of poverty.

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
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 budget-
ing 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 coun-
ties 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 coun-
ties 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.
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. 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

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**

**CONTRIBUTORS**

- China
- Colombia
- Denmark
- India
- Indonesia
- Mexico
- Netherlands
- Russian Federation
- Spain
- United Kingdom

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

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 villager 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

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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–FY17.68 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 UFGE 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 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)
“The job creation challenge is immense, with an estimated 600 million new entrants into the labor market over the next decade. Trust funds are critical as they enable the WBG to crowd in private sector investments to help create sustainable, higher earning jobs in poor countries.”

—Michal Rutkowski  
Senior Director, Social Protection and Jobs Global Practice

Jobs and economic transformation are essential for eradicating extreme poverty and boosting shared prosperity. For the poor and vulnerable, who may not own land and have limited capital, jobs provide the surest pathway out of poverty. Research shows that rising wages account for 40 percent of the drop in poverty rates over the past decade. Better jobs not only raise productivity and earnings, they empower women, strengthen social cohesion, and moderate migration from fragile and conflict-affected situations. However, with more than two billion people of working age not participating in the labor force, the developing world is facing a serious jobs crisis. Among those who do participate in the labor market, around 200 million people are unemployed, including 75 million under the age of 25.69 Recent estimates suggest that around 40 million jobs per year

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69 For further information, please visit http://bit.ly/WBJobsDev
need to be created for the next 15 years to increase employment rates and absorb the youth entering the labor force, particularly in Africa and South Asia.

The WBG adopts a comprehensive approach to its work on jobs and economic transformation. By leveraging resources across sectors and mobilizing global knowledge, the WBG develops and implements programs that help create jobs in the formal sector of the economy, improve the quality of informal jobs, and facilitate access to jobs for vulnerable and marginalized groups with the aim to improve earnings, labor productivity, and employment rates. To achieve this, the WBG focuses on three key intervention areas: (i) macro and regulatory policies; (ii) labor regulations and active labor market programs; and (iii) targeted programs to create jobs.

Trust funds complement WBG operations by leveraging technical expertise and resources to develop innovative solutions to effectively address these challenges.

I. Macro and regulatory policies

Macro and regulatory policies create an enabling environment for investing in current and new business enterprises and allowing them to grow and create jobs. These include improving macroeconomic management and governance to dampen risks and uncertainty, upgrading business regulations and taxes on labor, removing barriers to entry, and reforming different parts of the financial sector to expand access to capital and insurance. The WBG works with countries to design and implement labor regulations, income protection, and active labor market programs that can be extended to most of the labor force.

Facility for Investment Climate Advisory Services
The Facility for Investment Climate Advisory Services (FIAS) trust fund works with developing countries to design and implement reforms to foster robust and responsible private sector growth that encourages open, productive, and competitive markets and unlocks sustainable private investments in sectors that contribute to poverty reduction, job creation, food security, climate change mitigation, and environmentally sustainable growth. FIAS-supported advisory services and technical assistance help governments develop the analytics and data needed to make informed economic policy decisions. FIAS then supports the implementation of these policies to promote inclusive growth, spur foreign and domestic investment, and foster business competition domestically and within the economic sector in international markets.

FIAS supported the implementation of IFC’s Haiti Investment Generation Program to engage with the government, the private sector, and international investors to attract, consolidate, and expand investments in the garment sector. The program utilized an innovative approach that seamlessly integrated investment promotion and special economic zones (SEZs), completed its activities in December 2013, and achieved significant results during the reporting period (2013–2017). As part of this program, FIAS launched a suite of SEZ reports that evidenced market demand for industrial space, identified potential SEZ sites in the country, and provided regulatory recommendations. It also helped draft and enact the free trade zone implementing regulations. Support from FIAS and IFC also helped investment promotion intermediaries CTMO-Hope and the Center for Facilitation of Investments to promote Haiti abroad and expand the apparel industry with investments from Korea, Brazil, and the Dominican Republic.

The project efforts increased public and private sector interest in special economic zones, and were partially responsible for the creation of Haiti’s first special economic zone—the Lafito Integrated Economic Zone—and for the significant increase in the number of approved free trade zones, going from just one in 2012 to 10 in 2017 that are either in operation or under development. In addition, the program created more than 15,000 jobs, 70 percent of which went to women, and generated $203 million in actual investments.

FIAS also helped achieve key investment climate reforms in Nepal through the Nepal Business Environment Reform initiative to facilitate local businesses to easily open, operate, and engage with the government. FIAS worked with the government to reduce the time and cost of starting a business and obtaining construction permits, making government-to-business services faster and seamless. FIAS also supported the Office of Company Registration in building an Internet cloud to store critical information on local businesses. The automation drive promises to deliver game changing advances ensuring smooth and timely reconstruction and the restoration of business activities in the event of a disaster. The initiative has achieved a 45 percent reduction in the amount of time it takes to register a company in Nepal, resulting in private sector savings estimated at more than $5 million. The reform has also helped stimulate a 25 percent increase in the number of new companies being registered.

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70 A free trade zone is an area within which goods may be landed, handled, manufactured, reconfigured, and reexported without the intervention of the customs authorities.
SECO Financial Support for Advisory Services in Europe and Central Asia

CONTRIBUTOR

The Swiss State Secretariat for Economic Affairs (SECO) Financial Support for Advisory Services in Europe and Central Asia trust fund is an IFC-administered trust fund that channels contributions to the Europe and Central Asia region. As part of the Ukraine Investment Climate Reform Project, the trust fund supported working with the government of Ukraine to abolish burdensome regulations for agribusinesses and improve food safety standards between FY13–FY15. Mandatory certification requirements for quality or storage compliance for grain products are often accompanied by artificially created delays and a range of transportation and logistical roadblocks, resulting in poor conditions for grain storage and processing, increased costs for agribusinesses, and weakened competitiveness in international markets. The trust fund supported the implementation of key regulatory reforms to remove some of these bureaucratic bottlenecks, resulting in an annual savings of approximately $38 million from grain silo certification and approximately $26 million in grain quality certification.

The trust fund also supported the government in adopting an innovative food safety law. The new law introduced a farm-to-fork approach ensuring that food production, processing, distribution, and consumption are integrated to enhance the environmental, economic, social, and nutritional health conditions and make it mandatory for businesses to use the Hazard Analysis Critical Control Point food safety management system.71 These advances have generated $159 million in direct compliance cost savings for agribusinesses, opened the European Union export markets for Ukrainian poultry producers, and helped export dairy products to the European Union and China. Moreover, Ukraine and China have now signed a new trade agreement to allow Ukraine to export frozen beef to China. The bold reforms supported through the trust fund came at a critical time, ensuring survival of the country’s agribusinesses.

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71 The Hazard Analysis Critical Control Point is a management system that addresses food safety through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement, and handling through to manufacturing, distribution, and consumption of the finished product.
The Trade Facilitation Support Program (TFSP), a WBG trust fund, provides support for countries seeking assistance in aligning their trade practices with the World Trade Organization Trade Facilitation Agreement. The TFSP assists client countries in identifying existing constraints and bottlenecks, designing and planning for implementation of reforms, and increasing predictability, transparency, and harmonization of systems and procedures in line with international standards covering import, export, and transit activities. The longer term vision of the TFSP is to ensure that the participating countries can benefit from increased trade and foreign investments, resulting in increased private sector trade competitiveness.

The TFSP works closely with global organizations and donors, as well as regional and national partners in its activities. For example, in Zambia, the TFSP worked with the United Nations Conference on Trade and Development and played a lead coordinator role among donors on the ground in supporting Zambia in improving its border processes. The TFSP assisted in rolling out an automated system for customs data to Zambia revenue sites across the country in FY14. As a result of successfully increasing the functionality of the system, enabling the electronic submission of declarations, supporting documents, and enabling the online payment of customs fees, Zambia has significantly reduced the time to meet documentary and border compliance.

Poor access to information and limited understanding of the required regulatory procedures can be major barriers to trade. In order to address this, and as part of its technical support, the TFSP has supported the creation of Trade Information Portals in several countries. The Vietnam Trade Information Portal, a web-based database system, was launched in July 2017 with support of the TFSP. The Vietnam Trade Information Portal enables access to all cross-border trade regulation information in one place, including over 760 laws/decrees/circulars, 301 measures, 365 procedures, and 337 forms. Making all of Vietnam’s regulatory requirements for import and export available to the private sector in an easily accessible, transparent, and searchable format is a key step forward toward a simpler, faster, and lower cost investment climate.
Europe 2020 Programmatic Trust Fund

CONTRIBUTOR

The Europe 2020 (EU2020) programmatic trust fund was established in 2012 to allow the European Union to avail itself of the World Bank’s technical assistance and analytical and policy work for the purpose of pursuing the goals of EU2020, the European Union’s growth strategy until 2020. The key components of the EU2020 strategy revolve around promoting smart, sustainable, and equitable growth by developing economies based on knowledge and innovation; promoting more resource efficient, greener, and competitive economies; and fostering high employment economies that deliver social and territorial cohesion. The trust fund supported the development of the Portraits of Labor Market Exclusion report, which presents new ways to profile unemployed and inactive populations in seven European Union Member States and derive targeted policy recommendations. Each portrait provides detailed profiles (that were generated through survey information) of individuals with no or limited participation in the labor market, such as the unemployed, the retired, or the inactive. The portraits attach stories to statistics. They examine detailed labor market, demographic, and social circumstances to identify distinct groups of individuals who are the potential beneficiaries of income and employment support policies. The analysis combines labor market analysis and poverty profiling to offer a practical way to view individuals through the lenses of both poverty and welfare status and labor market indicators.

In addition, the EU2020 also helped carry out spatial distribution of poverty in central and eastern Europe between FY13–FY17, opening the possibility of aligning significant European Union funds with key poverty data.

72 The trust fund is managed under the European Union-WBG Framework Agreement, which is the instrument governing the cooperation between the two partners.

73 For further information, please visit http://bit.ly/LaborMarketExclusion

Seven poverty maps produced with spatial distribution of poverty in central and eastern Europe between FY13–FY17, opening the possibility of aligning significant European Union funds with key poverty data.
The EU2020 produced spatial distribution poverty maps in central and eastern Europe to help inform policies at the local, national, and European levels. Hotspot map showing the poor areas indicated by the relative poverty rate.

The trust fund supported methodological discussion for poverty maps among 26 European Union member states, making this the largest temporally and methodologically comparable effort to produce poverty maps. In total, nine poverty maps were produced with direct support from the trust fund, of which seven were produced during the FY13–FY17 time frame. At the national level, this work led to the creation of the Croatian Municipal Index of Multiple Deprivation, which is being used by the Ministry of Regional Development and European Union Funds to identify deprived regions and monitor the effectiveness of European Union funds to target these locations. At the regional level, it has opened the avenue to assess the potential alignment of significant European Union funds with key poverty and equity trends. At the global level, the methods and tools created and enhanced to develop the poverty maps are already being...

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74 These include new member states, namely, Bulgaria, Croatia, Estonia, Hungary, Latvia, Poland, Romania, Slovakia, and Slovenia. Poverty maps for Bulgaria and Latvia will be produced in FY18.
used by several IBRD/IDA countries such as Albania, Armenia, Bangladesh, Botswana, Ghana, Morocco, Senegal, South Africa, Tajikistan, Tunisia, and Zambia.

The EU2020 trust fund also helped produce the subnational *Doing Business* reports for seven European Union Member States: Bulgaria, Croatia, the Czech Republic, Hungary, Portugal, Romania, and Slovakia. Unlike the national level *Doing Business* reports, these subnational reports capture differences in business regulations and their enforcement across locations in a single country. They also provide data on the ease of doing business in each location, and rank the results. The key objective of the reports is to advance regulatory reforms at the regional level to promote peer-to-peer learning and convergence toward best regulatory practices, and to foster private sector development.

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Box 14: Addressing Infrastructure Challenges in South Asia

The Australia—World Bank Partnership for South Asia (PFSA) trust fund contributes to poverty reduction and sustainable development that benefits both the men and women of South Asia. The PFSA’s Infrastructure for Growth (IFG) window aims to counter the infrastructure gaps in South Asia by creating an enabling environment and by addressing the major challenges of insufficient connectivity and integration. This is expected to contribute to unlocking the potential of South Asia with a view toward the long-term goals of sustainable development, prosperity, and enhanced stability. IFG prioritizes core infrastructure sectors (energy and transport) through two focus pillars: regional economic integration and climate change. IFG’s third pillar focuses on crosscutting themes which include sector governance and reforms; private sector participation and public-private partnerships; conflict and fragility; social inclusion and gender; social accountability, voice and participation; and safeguards.

The regional economic integration pillar addresses multidimensional connectivity by focusing on institutions such as regulations affecting land, labor, and commerce. An example of an IFG-supported project is an assessment of India’s flagship rural roads program that has incorporated best practices into the design and sustainability of rural roads. Notably, the Ministry of Rural Development has signed a Memorandum of Understanding with the National Institute of Rural Development and the Indian Academy for Highway Engineers to implement the national training framework developed under this activity. The Government of Bihar, India, took a policy decision to adopt environmentally optimized road designs, through which 20 percent of rural roads in the state incorporated best practices ensuring environmental sustainability between FY13–FY17, which is now being scaled up in other states. In addition, two Indian states prepared asset management plans to move from a construction focus to manage road assets on a long-term basis, minimizing losses in asset value and greenhouse gas emissions.

In Bangladesh, IFG helped develop a Chittagong city development strategy, currently under discussion with Chittagong policy makers. The strategy includes resilience to climate change, helps determine investment priorities for urban services and infrastructure, and will potentially feed into other relevant policies. The strategy is informing the design of the World Bank’s proposed IDA Municipal Governance and Service project which aims at improving governance and urban service delivery in 26 urban local bodies along the Dhaka-Chittagong growth corridor.

20 percent of rural roads in Bihar, India, incorporated best practices that ensure environmental sustainability between FY13–FY17, which are now being scaled up in other states.

76 For further information on PFSA, please refer to page 58.
The Public-Private Infrastructure Advisory Facility (PPIAF), a MDTF, is a global facility dedicated to strengthening the policy, regulatory, and institutional underpinnings of private sector investment in infrastructure in emerging markets and developing countries. Although governments in developing countries are increasingly willing to engage in public-private partnerships to optimize delivery of public infrastructure assets and services, the lack of a sound operating environment does not allow both parties to optimally benefit from these arrangements. PPIAF provides technical assistance grants within the range of $15–$20 million each year (each grant size on average is about $385,000) in priority sectors such as energy, transport, and water and sanitation to help build institutions, reduce policy, regulatory and institutional risks, and strengthen capacity of counterparties to generate a pipeline of bankable projects that convert hundreds of thousands in grant financing into hundreds of millions in infrastructure investment. PPIAF also manages a subnational technical assistance program helping subnational entities to improve their creditworthiness and facilitate their eventual access to commercial financing—without the need for sovereign guarantees for their infrastructure projects.

PPIAF supported the Government of Timor-Leste to attract private-sector investment for construction of the new Tibar Bay port outside the capital city, Dili. Petroleum is the primary export in Timor-Leste. It accounts for 57 percent of total exports, making oil and gas revenues critical to the country’s economy and depends heavily on air and sea logistics and transport gateways. The government identified Tibar Bay as a possible site for constructing a new greenfield port in 2011, as the existing Dili port (the country’s only seaport for dry cargo) had reached full capacity following growth of cargo volumes by 19 percent each year from 2006–2011. The central location of the port in the capital city had made it difficult for extending the berths and storage areas, while port-related vehicular traffic was causing significant congestion issues. The government requested PPIAF to review options, determine investment requirements, and assess whether a public-private partnership could be designed to help achieve this.

The assistance provided by PPIAF since 2011 helped the country realize the first and largest investment with a private partner. After successful completion of the

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77 In 2002, the widespread civil unrest had led to the destruction of 90 percent of the country’s infrastructure. The government was keen on public-private partnerships to develop key infrastructure in the country.
competitive bidding process, the Government of Timor-Leste signed a 30-year $490 million concession contract in 2016 with Bolloré Logistics, an international transport and logistics company.

The new Tibar Bay port with 350,000 twenty-foot equivalent unit capacity is on schedule to be operational by 2019 and is expected to take over all of Dili port’s cargo operations. Based on PPIAF recommendations, the government has created a project management unit to oversee the Tibar Bay Port concession.

II. Labor regulations and active labor market programs

Labor regulations and active labor market programs improve working conditions, expand access to social insurance, and facilitate labor market transitions—from inactivity and unemployment into jobs and from lower to higher quality jobs. The WBG works with countries to design and implement labor regulations and income protection and active labor market programs that can be extended to most of the labor force.

Japan Social Development Fund

The Japan Social Development Fund (JSDF) helps pioneer new and innovative approaches in community-driven development and poverty reduction programs and is achieving significant results in finding creative ways to support poor and vulnerable women, men, and children. Innovative approaches piloted under the JSDF span priority themes including improved nutrition and early childhood development; inclusive education; community-level disaster risk management; basic health and sanitation services; legal services and local governance; and livelihood support. These approaches are then often scaled up and/or replicated in World Bank operations. For example, JSDF grants valued at $37 million leveraged IBRD/IDA operations amounting to $615 million between FY13–FY16.

The JSDF activities under the livelihood support theme help youth in fragile and conflict countries, ethnic communities, poor farming and mining communities, vulnerable women, and persons with disabilities access gainful employment. Results in FY16 estimated that over one million poor and vulnerable people, 60 percent of whom were women, directly benefited from the livelihood support programs. In addition, about 225,000 poor women, men, and youth secured gainful employment through capacity building interventions. Another 17,000 beneficiaries received training in business management and vocational skills in FY16.
A JSDF grant supported the Self-Employed Women’s Association (SEWA) an organization in India of poor, self-employed women workers who earn a living through their own labor or small businesses. The grant provided ICT-enabled microenterprise support services to poor and vulnerable women in rural India to help improve their livelihoods and transform poor illiterate and semi-illiterate women into grassroots Chief Executive Officers (CEOs) and increase their incomes. One of the grant beneficiaries was the Ganeshpura farm, a SEWA RUDI co-operatives organization that sells produce procured through local farmers, which is then processed and marketed by rural women called the Rudibens. Rapid growth in operations made it difficult to manage orders at its processing centers in Gujrat. The Rudibens were spending a significant amount of time and expense collecting RUDI products from the processing centers. To overcome these challenges, SEWA partnered with Vodafone, MasterCard, Google, and others to develop a mobile-based management information system, which enabled the Rudibens to order products using their mobile phones, and receive real-time updates from SEWA on new products, price changes, and marketing campaigns. The information tool also digitized SEWA’s system for tracking orders, inventory, and sales, making their day-to-day operations more efficient. Initial results indicate that the digitization of grassroots transactions through mobile applications increased the Rudibens’ sales by up to 50 percent. In addition to ICT-based tools, several innovative initiatives were implemented, including capacity building interventions that resulted in nearly a quarter of a million beneficiaries finding gainful employment.

These innovative initiatives include:

- Mobile application for SEWA’s rural RUDI saleswomen increased sales by up to 50 percent in some cases
- Virtual reality-based learning modules in driving and welding, as well as digital modules in animal husbandry in partnership with Tata Consultancy Services provided members vocational skills
- The rural livelihood portal connecting trainees with local organizations increased the number of trainees find gainful employment
- The SEWA Geographic Information System mapped local natural resources, and helped identify water conservation solutions and the creation of appropriate cropping strategies
- Linkages with private enterprises such as oil and salt companies, along with technology interventions in production and marketing, cut out the middlemen and resulted in up to a 30 percent increase in income for salt and castor farmers, releasing them from traders’ debt trap mechanisms
Competitive Industries and Innovation Program

CONTRIBUTORS

The Competitive Industries and Innovation Program (CIIP), a MDTF, which aims to build the capacity of countries to design and implement pro-growth investments and develop public policies and investments that promote competitiveness and innovation within and across industries, ultimately resulting in economic growth and job creation. The analytical and policy work implemented through CIIP has influenced policy makers and practitioners in promoting regulatory reforms, leveraging private sector investments, and informing WBG lending operations. In FY17, CIIP helped create approximately 6,700 jobs and leveraged $518 million in private sector investments. Moreover, the support provided to industrial zones generated $18 million in additional sales.

“CIIP has succeeded in effectively initiating and implementing interventions designed to increase competitiveness and innovation in the beneficiary countries. CIIP’s organizational agility and flexibility allows it to respond to these countries’ needs and priorities in a timely manner. The projects are well aligned with CIIP objectives and are highly relevant for government teams that are implementing or preparing lending operations projects to be financed by the World Bank.”


In Mauritania, CIIP supported the creation of a privately operated eco-seafood competitive cluster in Nouadhibou Bay to attract private investments and create jobs by supporting the micro, small, and medium enterprises that service it, with the goal of transforming the fish industry. The fisheries sector plays an important socioeconomic role in Mauritania, accounting for 16 percent of the GDP, 25 percent of government revenue, 40 percent of the revenue in foreign currencies, and by providing jobs to approximately 40,000 people. The sector is particularly important in Nouadhibou where almost the entire population relies on this activity.

Furthermore, women’s entrepreneurship has become an important axis of focus for the private sector and the Government of Mauritania. Women operating in the fisheries sector continue to face significant challenges when engaging in activities and suffer from gender-specific constraints. Women are only active in the low price margin and low quality segment of the local markets and play virtually no role in the export sector, where the highest profits are made. Physical security is also a concern, because women often travel at night to meet the boats as they arrive on shore. CIIP has contributed to the stronger engagement of women with the Nouadhibou Free Zone by bringing their issues to the forefront of policy dialogue and by developing tailored initiatives to promote their economic activities. These initiatives include improving women’s organizations and supporting their acquisition of market-relevant skills based on successful entrepreneurship training in Togo led by the World Bank’s Trade and Competitiveness practice, the Gender Innovation Lab, and the Development Economics Group.

6,700 jobs created and $518 million leveraged in private sector investments in FY17.
As of June 2017, the trust fund helped establish 156 new firms in the Nouadhibou Free Zone, created approximately 900 stable jobs predominately in the processing side of the industry, and generated $37 million in private investments. CIIP helped conduct 300 days of training and technical assistance workshops benefiting over 400 people, and facilitated development of several strategic documents to guide Nouadhibou Free Zone Authority decisions, particularly on the inclusion agenda.

Ethiopia Sustainable Land Management

CONTRIBUTOR

Norway

The Ethiopia Sustainable Land Management trust fund, with support from GEF, aims to reduce land degradation and improve land productivity in selected watersheds in targeted regions in Ethiopia. Land rights, management, value, and use form key development issues for millions of rural Ethiopians facing climate, water, food, and livelihood insecurity. This is especially true for youth facing severe challenges of landlessness and joblessness. An innovative approach provided legal landholding certificates and extension support to landless youth in exchange for restoring degraded communal lands. This resulted in youth employment, increased livelihood opportunities, empowered youth who have few other options but to migrate, and strengthened the basis for more citizen engagement and better participation in the governance of natural resources. It also helped diversify and balance competing land uses in rural landscapes and boost climate resilience in productive landscapes. Since 2013, over 740 youth groups with more than 15,000 members, 40 percent female, have received group landholding certificates or other legal documentation. About 100,000 landless youth could be reached with sufficient financing that would complement the $100 million of IDA financing planned for approval in July 2018.

740 landless youth groups with more than 15,000 members, 40 percent of whom are females, received group landholding titles in Ethiopia that will help restore degraded communal land since 2013.

Box 16: Hope and Success for Landless Youth in Ethiopia

“Before we got this land, we wanted to move away from here. But hope is now here, in our home,” says Fistum Gebremichael, age 23. Fistum is a member of Mahber Lemlem, a youth group which received 8.2 hectares of land and a landholding certificate with support from the Ethiopia Sustainable Land Management trust fund. Fistum and his peers have developed their land with various biophysical soil and water conservation structures and started agroforestry for fruit and fodder production, including 70 mango, 81 papaya, 53 orange, and 120 gesho (similar to hops) trees. Gullies are stabilized and now host crops, vegetation cover is restored and water retained, and erosion-proof grass is growing and used for the group’s ox and sheep fattening. Clearly defined bylaws set how the land is used, how benefits are shared, and how conflict is resolved.
III. Targeted programs to create jobs

Targeted job creation programs need to address sectoral and regional failures and ensure entrepreneurs and the development of small and medium enterprises in specific sectors or regions are supported. There needs to be programs to connect small informal producers—including farmers or own account workers—to formal value chains, and, more broadly speaking, investments in infrastructure, ICT, and basic services to support the development of secondary towns that can attract entrepreneurs, firms, and workers. The WBG helps design and deliver comprehensive, integrated, and high-impact jobs strategies that involve all relevant sectors in client countries. This includes ensuring individuals have access to quality education and training opportunities so that employers can find the skills they need to operate, and that appropriate social safety programs exist to help the poor and vulnerable cope with crises and shocks, find jobs, invest in the health and education of their children, and protect the aging population.

Jobs Umbrella

The Jobs Umbrella (JOBS), a WBG MDTF, aims to expand the frontiers of global knowledge through innovation and development of the best evidence-based solutions for job creation. The trust fund finances activities and pilots in priority areas: informality, private sector development, youth employment, conflict and fragility, gender and jobs, urbanization and jobs, and migration. The trust fund also supports the development of strategies to create policies and programs addressing the three main challenges: (i) creating jobs in the formal private sector; (ii) improving the quality of informal jobs; and (iii) expanding access to (better) jobs for certain population groups, such as women, youth, and the poor.

Part of the trust fund agenda encompasses the key analytics and jobs measurement agenda whereby tools are tested for standardization and eventual usage across the WBG, international financial institutions, and other multilateral development banks. In the case of Lebanon, the Jobs MDTF financed a “value chains for jobs” analysis in North Lebanon. The diagnostic of the selected value chains complemented a regional labor market survey, allowing for a much more granular understanding of the dynamics shaping labor market demand and outcomes in specific high-opportunity sectors. Based on an analysis of potential growth scenarios in the value chains, the report offered options for how to increase the creation of higher quality jobs, taking into account current labor market performance and skills endowment in the FCV-affected region.

$400 million IBRD project to be approved in FY18 for Lebanon and two IBRD projects for Tunisia (one approved in FY17 and one to be approved in FY18) totaling $160 million are being informed by analytics, knowledge sharing, and pilots.
The Jobs MDTF is also helping translate analytical results into changes on the ground by informing the upcoming $400 million IBRD Lebanon National Jobs Program to be approved in FY18, with a grant for approximately $1 million from the trust fund. This Jobs MDTF grant is supporting the robust design of a comprehensive operation targeting both demand and supply sides of the labor market. It will support an innovative design and undertake robust impact evaluations that will ensure the program generates and shares knowledge on new approaches to job creation in FCV contexts.

Another example of a Jobs MDTF grant is the Let’s Work program in Tunisia. The goal of the grant is to identify some of the most binding constraints affecting the creation and productivity of jobs within targeted value chains in a lagging region in Tunisia, and inform future projects to help tackle these constraints. The work would be guided by a specially designed instrument that maps value chains and assesses constraints to growth and employment creation, as well as a capacity building program geared to local administrations (active in the lagging region) on value chain analysis and micro, small, and medium enterprise business development services. The activity has received active interest from government counterparts as well as other donors. It has also informed and helped leverage IBRD operations in Tunisia, including a $100 million IBRD Integrated Landscape Management in Lagging Regions Project approved in FY17 and a $60 million IBRD Youth Economic Inclusion Project to be approved in FY18. Results from the instruments tested and lessons learned from the grant financed program will be shared globally.

Middle East and North Africa Transition Fund

Yemen received matching grants of up to $10,000 for capacity building, 63 percent of which reported capacity improvements; and 400 youth provided with 50 percent stipend for internships resulting in 73 percent increase in their income, since FY13.

CONTRIBUTORS

The **Middle East and North Africa Transition Fund** is a FIF, in which the World Bank serves as an IA.78 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 trust fund implemented the Yemen Enterprise Revitalization and Employment Pilot to improve the business capabilities of key enterprises to enhance the individual employability of college and university graduates in the country. The pilot worked on dual tracks to improve the business development plans of firms and help recent graduates

78 For further information on the Middle East and North Africa Transition Fund, please refer to page 75.
find internships—an unknown phenomenon in Yemen. The pilot provided a matching grant of up to $10,000 to firms, as a 50 percent subsidy toward the cost of procurement of business development services, training, and goods to improve the business development plans. Since FY13, a total of 204 firms were provided with matching grants to help improve the way they operate, of which 164 firms (including 23 women-owned firms) completed their business development plans—63 percent of the firms reported improved capabilities after completion of services. The Yemen Enterprise Revitalization and Employment Pilot also worked to place 400 young Yemenis—mainly from the two major cities of Sana’a and Aden—into paid internships. While the project covered a 50 percent stipend for the interns for up to six months, firms participating in the matching grant scheme provided the other half. Project results indicate that the internship program almost doubled the work experience of the participants, resulting in a 73 percent increase in their income during the same time period. Almost two-thirds of the youth received full-time employment following completion of the internship program. A short-term follow-up survey, conducted just as civil conflict was breaking out, shows that internship recipients had better employment outcomes than their peers in the first five months after the program ended. The encouraging results will not only serve future projects in Yemen but will also be instrumental for further replication, learning, and development across the Middle East and North Africa region and in other developing countries.

Rapid Social Response

CONTRIBUTORS

AUSTRALIA  NORWAY  RUSSIAN FEDERATION  SWEDEN  UNITED KINGDOM

The Rapid Social Response (RSR)-MDTF trust fund aims to help the world’s poorest countries build effective social protection systems. It is one of the key instruments for implementing the most recent World Bank 2012–2022 Social Protection and Labor Strategy for Resilience, Equity, and Opportunity mainly in IDA-eligible countries. It does so by providing relatively small amounts of funding in support of social protection agendas worldwide, through either piloting programs in countries, facilitating new dialogue and partnerships, or supporting global knowledge exchanges. The catalytic nature of the RSR helps draw in other resources with over $7 billion in IDA resources leveraged thus far covering over 131 million people worldwide.

In recent years, RSR’s work on social protection has broadened to focus on strengthening the social protection and jobs delivery systems to cater to the needs of women, children, and youth, and populations on the move. RSR also supports countries to link various elements of the social protection and jobs delivery systems and other social

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80 RSR is expanding its support base to IBRD-eligible countries through creation of the RSR-Nutrition program and greater collaboration with the GFDRR to mainstream disaster risk management in social protection.
delivery systems and policies together innovatively to ensure that people become more productive and active economically.

In Nigeria, the RSR grant supported the development of a national registry of poor and vulnerable households in 10 states. RSR helped develop the guidance tools for administrative tasks, such as eligibility criteria, communications, and payments and prepared a framework and associated tools for the monitoring and evaluation system. Since Nigeria is one of the largest economies in Africa, implementation of planned support can serve as a springboard for increased cross-learning and validation of developed tools. RSR’s efforts in developing the registry set up a strong foundation for the associated $300 million IDA Nigeria Youth Employment and Social Support Operation approved in FY13, which focuses on increasing access of youth from poor and vulnerable backgrounds to employment opportunities and social services and strengthening the safety net system. To date, eight participating states have completed the second round of data collection for the single registry, and three of the states are already conducting a third round. There are about 75,000 households and 260,000 individuals in the single registry.

**Box 17: Linking Youth to Skills Development and Digital Jobs in Africa**

infoDev supported a digital start-up, Afroes, that promotes skills development among youth in Africa.

**“JobHunt,” a mobile game developed in FY17, aims to help young people learn about digital jobs and will be the first game to be launched in Kenya, Nigeria, and South Africa.**

For example, infoDev’s Digital Entrepreneurship Program supported Afroes, short for “African heroes,” a mobile-first enterprise that promotes African youth through innovations in skills acquisition, engagement, and connecting them to opportunities. In FY17, Afroes worked with Digital Jobs Africa to develop a new game called “JobHunt,” which aims to help young people learn about digital jobs. It takes the player into the exciting and competitive world of online work. Role playing as an online worker, the player is immersed into a virtual world where he/she must compete for jobs, execute them in a timely manner, and earn income while at the same time managing skills and resources. This will be Afroes’ first game launched in Kenya, Nigeria, and South Africa.

For further information, please visit [http://afroes.com](http://afroes.com)
“Advances in technology have accelerated history, shrunk the world, and connected people in ways never seen before. The WBG uses and builds on these breakthroughs to help millions around the world lift themselves out of poverty and move into a productive and fulfilling life. Funds entrusted with the WBG constitute a formidable financing lever to achieve our goals of ending poverty and boosting shared prosperity.”

—Ferid Belhaj
Chief of Staff, Office of the President, World Bank Group

While much progress has been made to date, the global development challenges are becoming more urgent in the face of slowing economic growth, increasing fragility and conflict, decreasing trust in government institutions, and impacts of climate change. There is growing consensus in the international development community that if we are to end global poverty by 2030 and create shared prosperity for all, a ‘business-as-usual’ approach is no longer sufficient. The WBG needs to collectively think outside the box, do things differently, push the envelope, and innovate. New ideas, new funding mechanisms, new partnerships, and especially new technologies can
help create high impact, provide low cost, and agile development solutions that can save lives, reduce poverty, and increase prosperity for all.

While many of these innovations are being pioneered by the private sector, technology specialists, academics, government staff, NGOs, and ordinary people, the WBG is fortunate to draw on and build upon the groundbreaking work of these individuals and institutions. The WBG is constantly seeking to help accelerate innovations in development by testing and scaling up innovations in different contexts given our unique local to global presence, demonstrating and documenting successes and failures, incorporating these lessons into our operations and knowledge work, facilitating their widespread awareness, and supporting their use for transformational impact. Trust funds are critical flexible financial instruments that help the WBG do all of the above to support innovations in development.

Emerging technologies are one of the key driving forces behind innovations in development. New ICT tools and systems are increasingly being introduced and adopted in the WBG portfolio to improve the lives of the poor and are reshaping many aspects of development work as we have traditionally known in the past.

Though trust funds support a wide range of innovations through ICT, the results featured in this chapter primarily focus on technological innovations that are: (i) assisting fragile and conflict-affected countries; (ii) building effective identification systems so that the poor can access basic services; (iii) increasing financial inclusion for those who get left behind; (iv) strengthening public financial management for improved resource mobilization; and (v) improving water resource management. These five areas are merely illustrative of the potential use of trust funds in supporting innovations through ICT across all the WBG’s work.

I. Assisting fragile and conflict-affected situations

Technological innovations in knowledge, analytics, and data are helping the WBG gain an evidence-based and deeper understanding of different FCV contexts to effectively respond to protracted and recurring crises.

High Frequency South Sudan Survey

The **High Frequency South Sudan Survey** trust fund, established in FY15, aims to fill the void of reliable data with household survey data and market price data, and complement the quantitative findings of the surveys with the voices of the poor who often live in dire
conditions in South Sudan. This survey system is made possible through innovative use of ICT. The trust fund builds capacity of the South Sudan National Bureau of Statistics to effectively administer surveys that generate high quality data and analytical reports based on traditional data, as well as a deeper understanding of the poverty and conflict context directly based on feedback from South Sudanese people.

The trust fund developed an innovative survey design that allows enumerators to conduct household surveys and record short, personalized testimonials of the respondents using smartphones and tablets to make videos. With an estimated 66 percent of the population of South Sudan now living below the poverty line, the surveys provide a firsthand account of the situation on the ground and humanize abstract poverty numbers to reveal what it is like to live in poverty from the perspective of the poor. The opportunity to voice their situation is a first step to empowerment, allowing the poor to tell policy makers directly about the multiple dimensions of poverty they are facing, including powerlessness, exclusion, and violence, how they are coping with their situation, and their own solutions to help inform programs and policies for addressing their dire needs.

Capitalizing on technological and methodological innovations in survey data collection, the High Frequency South Sudan Survey uses smartphones and tablet computers to conduct computer assisted personal interviews. The rapidly expanding cellular network in South Sudan enables data to be instantly transmitted to data analysts in the capital, resulting in development of a real-time monitoring system including a dashboard for tracking cumulative number of interviews, the responses to the survey questions, and the missing variables from the traditional survey based on direct testimonials of the poor. This feedback and analysis enables the data analysts to verify and supplement core indicators and track situations on the ground, while field work is still ongoing, providing a unique opportunity to address real-life problems in real time.

Since 2015, the household surveys are updated annually to generate the latest poverty estimates for the government. The survey data and the video testimonials using ICT provide updated statistics to decision makers to design appropriate programs and policies based on a deeper understanding of poverty. A number of government ministries including the Ministry of Finance, the Ministry of Health, the Ministry of Humanitarian Affairs, the Ministry of Education, and others are regularly using this data for planning of policies and programs. The rich data are also enabling the production of a diverse range of analytical products. These include notes reporting on a deeper understanding of the well-being of the South Sudanese people during a tumultuous period of nation building, where internal conflicts escalated and macroeconomic conditions continued to deteriorate, generating evidence-based advocacy for focusing on South Sudan. Donors have also used the data to inform their programs and policies.

Many of the technological and methodological innovations of the survey are now being applied to other surveys within South Sudan, as well as in other countries including Ethiopia, Kenya, Nigeria, Somalia, and Sudan. For example, the National Bureau of Statistics in collaboration with the World Bank is undertaking a crisis recovery survey in internally displaced person camps across South Sudan, where many of the lessons learned during the survey are being applied and a similar methodology is being used. Similarly, in other countries, the World Bank and United Nations partners survey
displaced populations using the same techniques developed in South Sudan as part of the High Frequency South Sudan Survey trust fund.

South Sudan has faced multiple shocks since its independence in 2011. An oil dependent country, the drop in oil prices adversely impacted the country’s economy. Recognizing the need for data in South Sudan to assess the impact of such shocks and to inform policies and programs, a real-time dashboard was also developed to track daily exchange rate and weekly market prices. Data on market prices and exchange rates are collected in 15 locations in South Sudan using handheld tablet computers and uploaded directly to a cloud-based server via the 3G network. The data on market prices were recorded on a weekly basis for 20 consumer items such as sorghum, lentils, dried fish, charcoal, and petrol, while the exchange rate data tracked the buying and selling prices for $100 from multiple traders in every location on a daily basis. The data are automatically processed in the server and made available in an online Tableau dashboard to help the government and donors stay informed of market fluctuations and take timely corrective actions.

The real-time dashboard provides much needed assistance to the Government of South Sudan. Given the severity of the depreciation of the parallel market exchange rate captured by the dashboard, the government responded by moving from a peg of approximately three South Sudanese Pounds/United States Dollar (USD) to a managed float on December 15th, 2015. The dashboard continues to track the response of the market indicating an almost continuous free fall reaching 81 South Sudanese Pounds/USD in early September 2016. It has also proven to be very useful for reporting on the inflationary spiral South Sudan is going through, and has allowed analysts to zoom into microeconomic conditions through the availability of panel data. The market price data provided valuable information to analyze agricultural markets integration and inform poverty reduction policies, all of this at a time when famine was threatening to spread to the entire country.

This innovative system helps overcome challenges in data collection in a fragile context and is a stepping-stone to achieving greater development impact. Although it is currently limited to real-time information of exchange rates and market prices in South Sudan, the innovation opens doors for broader use and can be implemented in multiple contexts. The system has also served the government and donors in designing policies and programs in the country to respond to the exchange rate crisis.81

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81 The comprehensive micro-survey data from multiple waves of the surveys and the real-time market price tracking dashboard are available online in the World Bank micro-data-library along with the video testimonials. The multi-media presence called the ‘The Pulse of South Sudan’ can be accessed at www.thepulseofsouthsudan.com. The microdata library contains all micro-datasets as well as the complete cleaning and analysis codes. This helps to transfer knowledge for analysis and encourages researchers and policy analysts to reproduce results and conduct their own analyses.
CONTRIBUTORS

Somalia is emerging from 25 years of political instability and economic difficulty; however, hard data are lacking for evidence-based planning. Civil war and conflict fragmented the country, undermining political institutions, and creating widespread vulnerability. The conflict also eroded the statistical infrastructure and capacity in the country, leaving policy makers to operate in a statistical vacuum due to the lack of reliable data. The absence of representative household surveys was impeding the design and implementation of effective policies and programs needed to support economic resilience and development.

The World Bank Multi-Partner Fund (MPF) in Somalia, established in FY15, financed data collection as well as poverty and distributional analysis to fill critical data and knowledge gaps for informed development planning and investment that is aligned with the National Development Plan.82 The Somalia High Frequency Survey financed through the trust fund conducted household surveys through face-to-face interviews producing the first poverty estimates for the Somali population for decades. The second wave of the survey also included nomads, who represent one-third of the Somali population. A new tracking device was developed that was sewn into tent covers to transmit location signals for up to two years to fully understand the migration patterns and develop accurate household data of the nomadic population. This will provide an analytical cornerstone to improve service delivery, especially in times of localized conflicts and natural disasters.

All of the World Bank’s activities are conducted in close cooperation with the Directorate of National Statistics to enable Somali partners to utilize similar methods and technologies to fill data gaps using ICT to support the development of institutional capacity in Somalia.

Household surveys supported through the Somali High Frequency Survey helped produce the first poverty estimates for the Somali population in decades.

82 For further information on MPF, please refer to page 35.
State and Peacebuilding Fund

CONTRIBUTORS

AUSTRALIA  DENMARK  FRANCE  GERMANY  IBRD  NETHERLANDS  NORWAY

SWEDEN  SWITZERLAND  UNITED KINGDOM

The State and Peacebuilding Fund (SPF) is financing innovative approaches to state and peacebuilding in countries affected by FCV.83

In Iraq, the SPF supported the conflict damage and needs assessments to evaluate the impact of crisis on the country, targeting five cities and nine sectors, and supported the preparation of the $400 million IBRD additional financing for the *Iraq Emergency Operation for Development Project*, approved in FY15. Given the difficult operating environment in the country, innovative analyses and technology were adopted to conduct the needs assessment remotely, using a three-pronged approach. The assessment used publicly available information provided by the government, United Nations agencies, and relevant NGOs along with satellite imagery analysis for initial data mining. The information was further validated through social media analytics, which was then triangulated through ground sources. The data gathered through remote satellite imagery was further extrapolated using conflict intensity and asset base comparisons. Information from different organizations on demographic, sectoral, and economic outcomes supplemented the findings, whereby the results of the physical damage and loss of lives were used to employ an integrative model to match observed economic outcomes including GDP pattern and demographic mobility. The assessment provided the World Bank with the first opportunity to undertake a rapid remote needs assessment to inform the development of the national framework for reconstruction and development and potential investment operations in Iraq. The needs assessment also enabled the government to incrementally support recovery and resilience activities and be better prepared for future crisis situations.

SPF has also contributed to the establishment of a data desk in the World Bank to support teams working on crises analytics, with a focus on developing micro-data of crises situations. The initiative aims to help inform World Bank operations in crisis mitigation and post-crisis recovery and develop a rapid response survey methodology that can be applied to different types of crises where rapid data is needed. The data desk defines the core micro-data needs to understand households, markets, and firms during an active crisis. A pilot rapid emergency shock response phone survey was implemented in Nigeria, Somalia, South Sudan, and Yemen to identify critical developmental constraints to inform a developmental response to the current drought and famine at the humanitarian-developmental nexus.

83 For further information on SPF, please refer to page 28.
II. Building effective identification systems

Advances in biometric and digital technologies is enabling the WBG to provide low-cost solutions for large-scale unique enrollment, identification, and authentication of citizens residing in remote and rural areas to enable them to access basic services and government programs.

Identification for Development

The Identification for Development (ID4D), a MDTF, was set up to accelerate the work of the ID4D Program in helping countries develop robust and inclusive identification systems using 21st century modern technology solutions. ID4D Global Dataset estimates 1.1 billion people (1 in every 7 individuals) around the world are unable to prove their identity, making it difficult for them to access basic services and government subsidies. The majority live in Africa and Asia, and more than a third are under the age of 18. Having a formally recognized form of identity strengthens the efficiency and effectiveness of the government in providing basic services to the poor, providing them with recognition and a ladder to climb out of poverty. With robust and efficient identification becoming a key priority for governments around the world, ID4D plays a critical role in helping countries achieve the SDG target “to provide legal identity for all, including birth registration.”

“We are at an exciting point of technology, collaboration, and commitment converging to make unprecedented improvements in the lives of the 1.1 billion people living without identification, especially in vulnerable and forcibly displaced populations.”

—Kristalina I. Georgieva, Chief Executive Officer IBRD/IDA, World Bank

Recent innovations in biometric and digital identification technologies have created transformational opportunities to leapfrog traditional paper-based approaches and build strong and efficient identification systems at a scale not previously achievable. There is evidence of this in a number of developing countries, which have found ways to effectively leverage technology and create points of reference for the World Bank and its client countries to build upon and learn from.

The ID4D program was established originally in 2014 to allow the World Bank to respond to ever increasing client demand for assistance in a variety of identification

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84 This is part of SDG Target 16.9. The SDG 16 calls for “promoting peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels.”
The national biometric identification program, ‘Aadhar,’ in India covering 89 percent of the total population, is the largest biometric identification system in the world. The program has created an authentication mechanism for citizens to help open bank accounts, leverage credit and insurance services, and avail employment, subsidy, benefit and pension schemes, etc., where they can enable subscriber identification module (SIM) card registration to access government benefits and subsidies. To date, the program has facilitated 73 million bank accounts to be opened and 472 million bank accounts are now linked to the ‘Aadhar’ identification numbers. In Peru, the identification system has achieved 98 percent coverage, providing access to public sector services such as pensions, health services, social protection programs, financial inclusion, and education, particularly for the marginalized populations living in remote areas. In South Africa, the near universal coverage of the identification system has created an incentive for timely registration and update of personal data, and helped service providers to plan and deliver more efficiently. The linkage of the national identification system with civil registration has also enabled the production of accurate and timely statistics, such as improved health patient data, including patient history information for effective HIV disease management. In each of these countries, the biometric identification programs are being regularly refined based on implementation experience and feedback.

22 organizations endorsed key principles of identification for sustainable development in FY17, leading to the establishment of the ID4D high level Advisory Council co-chaired by Kristalina Georgieva and Amina Mohammed.

Since its inception in 2014, the ID4D program has made significant progress across the three pillars. The impact was magnified with the creation of ID4D MDTF in November 2016. Under pillar one, the trust fund supported extensive analytical work to advance the understanding of identification issues, including developing the first ever estimate of population globally without an officially recognized proof of identity across 198 economies. The ID4D Global Dataset’s estimate of 1.1 billion people without proof of identity quickly became the most cited data point on identification across public, private, and multilateral agencies.
Under pillar two, the ID4D program has made progress in unifying and driving the global identification agenda by raising awareness and harmonizing the varying interests on this topic through the development of key principles of identification, now endorsed by 22 organizations, including the United Nations, NGOs, and the private sector. The recently launched ID4D High Level Advisory Council, cochaired by World Bank CEO Kristalina Georgieva and United Nations Deputy Secretary-General Amina Mohammed, has further elevated the importance of proper ID4D impact. The Advisory Council comprised of eminent practitioners and thought leaders from the public and private sector was set up to provide strategic guidance to the ID4D initiative and leverage international forums and engagements with client countries to advocate for the transformational role of identification in achieving several of the SDGs.

“Digital identification can play an important role in achieving the SDGs. It can enable the world’s poorest and most vulnerable people to gain access to critical services, from education to health care and financing, while also advancing their legal and political rights.”

—Amina J. Mohammed, Deputy Secretary-General, United Nations

Under pillar three, the ID4D program supported over 30 country assessments, out of which nine assessments were financed by the ID4D trust fund. The country assessments aimed to facilitate in-country dialogue with governments to improve their foundational identification systems. Building on these diagnostics, the ID4D trust fund has also supported demand for upstream technical assistance and advisory work and pilot interventions that support lending operations to finance the broader infrastructure required to build a robust identification system, including at the regional level. This upstream work has helped inform the design of World Bank lending operations worth around $750 million.

Mutual recognition across identification systems is a powerful driver of regional, economic, and social integration as it facilitates safe and orderly migration, access to services across borders, and increased trade. In West Africa, the ID4D trust fund is supporting the preparation of the first World Bank regional operation on identification, the $122 million IDA West Africa ID4D Regional Project, to be approved in FY18. The project will invest in developing robust, responsible, and inclusive foundational identification systems in up to 10 member States of the Economic Community of West African States (ECOWAS) that will, along with accelerating sustainable development in those countries, be recognized across ECOWAS, thus promoting safe and orderly migration and access to services in the region. The operation is being rolled out using a staggered approach, with Côte d’Ivoire and Guinea participating in the first phase with preliminary interest from an additional eight ECOWAS countries joining in subsequent phases. The project aims to: (i) strengthen the legal and enabling environment within and between countries by developing legal and technical standards for systems across the region to

85 These include: Bangladesh, Botswana, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d’Ivoire, Democratic Republic of the Congo, Egypt, Ethiopia, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Morocco, Myanmar, Namibia, Niger, Nigeria, Peru, Philippines, Rwanda, São Tomé and Principe, Sierra Leone, Somalia, Tanzania, Tonga, Tunisia, Uganda, and Zambia.

86 ECOWAS is a regional economic union of fifteen countries located in West Africa that was established in 1975 to promote economic integration across the region.
ensure privacy and data protection; (ii) develop new and improve the existing foundational identification systems; and (iii) promote the use of identity cards for free movement and service delivery, including for cross-border identity authentication, etc.

The ID4D trust fund is also providing upstream technical assistance for a second regional operation currently being considered by East African Community (EAC) member States, the $200 million IDA Mutual Recognition of National Identification in East Africa Project, currently scheduled to be approved in FY19. The details of the project, along with a finalized budget envelope, is currently under discussion. The work has involved working with six EAC member States and Secretariats to develop a five-year road map for mutual recognition of national identifications in the EAC in order to accelerate realization of the EAC Common Market Protocol, especially the free movement of persons, labor, goods, services, and capital, and the realization of rights, such as residency and access to services.

In total, 485 million people are expected to be impacted by the East and West Africa Regional World Bank projects, with support from the ID4D trust fund. In addition, this work has linked with the $150 million IDA Tanzania Financial Inclusion Project, to be approved in FY18, which includes a $30 million component to support mass enrollment of the population and increase access to digital financial services using the national identification system.

III. Increasing financial inclusion

With less than half of all adults in the poorest 40 percent of households with a bank account and approximately 375 million unbanked adults in developing countries, the WBG is using innovative approaches to monitor the use of financial services and provision of financial services to those who get left out of formal systems, including through digital financial services.

Global Financial Inclusion Indicators

The Global Financial Inclusion Indicators trust fund monitors the use of financial services by disadvantaged groups, such as the poor, youth, and women around the world to
understand and measure financial inclusion and calibrate progress from different development interventions that are aimed at improving financial inclusion. To achieve this, the trust fund has developed a comprehensive database comprising key financial inclusion indicators that are comparable across countries, include demographic covariates, and are collected over time. The trust fund uses these indicators to collect and analyze data to develop policy papers, research reports, and publish flagship studies, which are then disseminated to key stakeholders across the globe.

The trust fund has supported the development of the Global Findex database, the world’s most comprehensive database on financial inclusion that provides in-depth data on how individuals save, borrow, make payments, and manage risks in over 140 countries. The first Global Findex database developed in 2011 was a landmark, conducting interviews with over 150,000 national representatives and randomly selected adults age 15 and older, to provide unprecedented insights into how people use financial services.87

The second edition of the database carried out in 2014 not only provided an update on the indicators collected in 2011, it went a step further to measure the use of new technologies such as mobile money and other digital financial services to support programs that provide access to financial services for the poor. Between 2011–2014, account ownership in Sub-Saharan Africa jumped from 24 percent to 34 percent due to an increase in the use of mobile money accounts, with more than 10 percent of adults having a mobile money account in the region. The 2014 Findex data indicated that adults in the region are using mobile accounts to make routine payments. In Kenya, about 20 percent of adults pay school fees through mobile money accounts. The data also revealed that both governments and businesses have increased account ownership by digitizing payments of social benefits and wages.

The second edition of Global Findex database carried out in 2014 covering 140 countries includes data on the use of new technologies such as mobile money and other digital devises that are providing access to financial services for the poor.

The World Bank Global Findex database showcases the global share of adults who received non-cash payments in 2014.

87 The complete dataset is available online at: http://bit.ly/GlobalFindex
In Bangladesh, the Findex database helped highlight opportunities to expand financial inclusion through an electronic wage payment system by surfacing several gaps in financial inclusion. For instance, there were significant gaps in account ownership between women and men, where only 26 percent of women owned a bank account, compared to 35 percent of men. Data also showed that nearly nine out of 10 wage earners in Bangladesh received their wage payments in cash only, clearly demonstrating that financial inclusion could be strengthened by increasing the use of a digital payroll. Moreover, with 18 million unbanked adults in Bangladesh receiving cash payments for the sale of agricultural goods, there is a big opportunity to increase financial inclusion by digitizing agricultural value chain payments.

Relying on cash increases the risk of wages being captured by unscrupulous people and heightens security risks, both for the employers and the employees. There is growing evidence that making the transition to digital forms of payment can save money and time for employers. For instance, garment factory owners in Bangladesh who pay wages in cash need to hire trucks and armed guards—and close production for days—to dole out millions of dollars in cash. Electronic wage payments are safer for employees—they don’t need to travel home with wads of cash in their pocket. It also gives employees access to formal financial services and more control over their financial lives. For example, if the wage goes directly into the employee’s bank account and there is no capture or leakage, it may offer the worker more decision making over their household budget, and thus provide a pathway to greater empowerment. This is especially true for poor women living and working in developing countries, and who may be opening their very first bank account to receive their salaries electronically.

The findings from the Findex database are being used to develop projects to encourage garment factories to migrate from cash to electronic wage payments. A current World Bank project is working with garment factories in Bangladesh to investigate whether automatically depositing wages into a formal bank account or into a mobile money account can improve workers’ ability to save, meet end-of-month expenses, and improve self insurance in the case of an emergency. Further work is also planned to examine the effects of electronic wage payments on remittances, loan demand, and worker productivity.

The third phase of the Global Findex expected to be launched in FY18 will feature new data on how adults use mobile phones and the Internet to make digital financial transactions, such as online purchases. It will also include data on how many adults have access to mobile phones and the Internet. By revealing the number of unbanked adults who have these technologies, the new Global Findex data will highlight new opportunities to increase financial inclusion using ICT.
IV. Strengthening public financial management

Emerging technologies are allowing the WBG to help client countries optimize mobilization and management of revenues and resources.

Zambia Public Financial Management Reform Program

The Zambia Public Financial Management Reform Program, a MDTF, supports the implementation of the government public financial management reform strategy to ensure efficient, effective, and accountable use of public resources through improved fiscal discipline, increased accountability, and greater transparency in service delivery. The trust fund is working closely with the Government of Zambia to support budget reforms, public investment management, integrated financial management information systems, public procurement (including electronic procurement system), tax policy reforms, implementation of international accountancy standards, strengthening the accounting profession through new Chartered Accountants qualifications, and enhancing the effectiveness of the Auditor General. It has also supported Zambia in conducting the PEFA Assessment and the Report on the Observance of Standards and Codes—Accounting and Auditing assessment.

Zambia’s primary export, copper and copper-related products, account for 77 percent of the country’s exports. However, government revenues in the form of royalties, taxes, and customs duties ranging between 3 to 5 percent, are significantly lower than global averages of 24 to 40 percent. This is mainly due to the improper management of the mineral value chain system in the country. The Zambia mineral value chain, as in many resource-rich nations, is complex. From exploration to exports, it involves a myriad of complex operations including licensing, exploration, mining, beneficiation, sales, toll treating, taxation, and issues of export permits, etc. The lack of a reliable information system for production and exports, multiple regulatory agencies operating in silos with varying data on mining activities and limited coordination, and manual reporting systems are some of the main challenges faced by the Zambian government to effectively manage the mineral value chain system in the country.

Between FY13–FY17, the Zambia Public Financial Management Reform Program supported the development of the first ever online, integrated, and centralized revenue mobilization system, the Minerals Value Chain Monitoring Project. Anchored in the Revenue Authority, the project integrates information technology across all the institutions and stakeholders engaged in the mineral value chain from exploration to exportation. In addition, the trust fund promoted the use of information technology tools, such as handheld mineral analysis equipment, to allow for easy spot checks of mineral exports, while the establishment of the mineral analysis laboratory provided more accurate verification of mineral contents. Upon completion, the project will help Zambia’s first ever online, integrated, and centralized revenue mobilization system for copper exports, developed between FY13–FY17, is making compliance simpler, enhancing transparency, and increasing revenue collection.
reduce costs for mining companies to achieve compliance, create greater transparency, and reduce transaction and monitoring costs for the government, ultimately increasing revenues for the country.

V. Improving water resource management

Technological improvements in remote sensing have generated an effective tool for the WBG to bridge key data gaps and improve data inputs to deliver better information to decision makers.

Global Water Security and Sanitation Partnership

The Global Water Security and Sanitation Partnership (GWSP) trust fund helps clients build capacity to achieve water-related SDGs by generating cutting-edge global knowledge, providing country-level support, leveraging WBG financial instruments, and promoting global dialogue and advocacy with key partners and clients to increase outreach and impact. The GWSP builds on nearly a half century of collaboration driven by the Water and Sanitation Program, the Water Partnership Program, and other trust funds managed by the Water Global Practice, in an effort to consolidate and create a large global thematic trust fund. The partnership focuses on five priority themes: (i) sustainability; (ii) inclusion; (iii) institutions; (iv) financing; and (v) resilience. It also provides new opportunities to test and scale up innovations.

Remote sensing, also referred to as Earth Observation, allows the measurement of many hydrometeorological and environmental variables and plays an increasingly important role in providing the information needed to confront key water challenges. The GWSP supports a global initiative on remote sensing for water resources management to enable the World Bank to take advantage of fast improving remote sensing applications to support better water management using a two-phased approach. Phase one aims to develop and disseminate a clear picture of the potential role of remote sensing in helping decision makers address water challenges, focusing on the accuracy, reliability, and validity of available remote sensing products. Phase two is intended for operationalizing and mainstreaming the beneficial use of remote sensing applications in client countries to inform and support decision making for water resources planning and management.

Remote sensing initiative launched for Lake Chad between FY13–FY17 is expected to inform drought preparedness, increase agriculture production, protect people and livestock, and manage risks related to water resources across sectors.

88 This activity was originally financed through the Water Partnership Program.
Phase one resulted in the publication of *Earth Observation for Water Resources Management: Current Use and Future Opportunities for the Water Sector* to inform specialists and development practitioners around the world about the usability of remote sensing for water resources management. The assessment concludes that there is still a large gap between existing remote sensing technologies and operational applications in support of the planning, design, and management of water resources. Although there is great potential for space-based remote sensing to enhance the capability to monitor the Earth’s vital water resources, remote sensing data products are currently underutilized in water resources management.

To tackle these challenges, phase two of the remote sensing initiative supports World Bank teams by: (i) developing case studies and pilot projects in selected countries for the development of approaches that can be replicated in other countries facing similar challenges; (ii) providing world-class experts to offer targeted advice on specific problems related to World Bank operations; and (iii) carrying out knowledge dissemination, advocacy, and capacity building activities, in partnership with leading global and regional remote sensing and capacity building organizations.

Between FY13–FY17, one of the remote sensing initiatives supported by the trust fund was the hydrometeorological monitoring of flood and drought in Lake Chad. *Africa Flood and Drought Monitor*, is an example of an operational hydromet monitoring and prediction system that uses historical data, near real-time remote sensing data, precipitation forecasts (short term and seasonal), and a land-surface model to produce useful data at different time horizons relevant for a range of water resources planning and management tasks. Building on the experience of that system, the remote sensing initiative developed a higher resolution monitoring and prediction platform called the *Lake Chad Flood and Drought Monitor*. The platform provides the Lake Chad Basin Commission, responsible for natural resource management in the basin, with hydromet monitoring, weather forecasts (10 to 15 days ahead), seasonal forecasts (six to nine months ahead), and the resulting hydrologic predictions. The platform provides information from a broad range of relevant hydromet variables, as well as drought indexes covering the Lake Chad Basin, and contributes to evidence-based decision making for sound management of water resources in the Lake Chad Basin.

This tool will be used to monitor the hydrologic state of the basin in terms of flood and drought risk, enabling the technical staff of the Lake Chad Basin Commission to report to decision makers on the state of water and associated resources in the basin. It provides a much needed basic understanding of rainfall and hydrologic partitioning across the basin: the spatial distribution of rainfall in near real time, and how much is expected in the near and mid-range future. This information is the basis for drought preparedness, agriculture production, protection of people and livestock, risk management, and adapting to water resources variability in a number of different sectors.

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90 The Lake Chad Basin is about 2,300,000 square kilometers expanding over Niger, Nigeria, Cameroon, Chad, and the Central African Republic.