

2017 ANNUAL REPORT



KOREA TRUST FUND for Economic and Peace-Building Transitions







FOREWORD

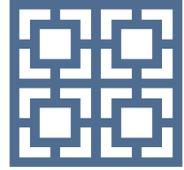
The international development community has adopted the Sustainable Development Goals (SDGs) to achieve universal and sustainable development over the coming 15 years. Among various global demands and development challenges towards 2030, the area of fragility, conflict and violence is undoubtedly one of the most pressing agendas of today in achieving the SDGs.

The Republic of Korea seeks to help developing countries overcome the various challenges in sustainable development. Against this backdrop, the Republic of Korea established the Korea Trust Fund for Economic and Peace-Building Transitions (KTF) with the World Bank in 2010 with \$24.2 million for the first phase. That initial phase has led to successful engagements and partnerships with Korean institutions to share accumulated development knowledge and expertise. Furthermore, KTF grants have been effectively linked with WBG lending operations and have provided assistance to projects in Myanmar, Thailand, and other countries worldwide.

With its flexibility to support analytical and operational work, the KTF is well positioned to generate future collaboration between Korea and the World Bank in areas such as collaboration on development solutions through pilot programs and innovation, expanded knowledge exchange and learning opportunities on FCV issues, and maximizing support for vulnerable countries.

Based on the fruitful results of the first phase, the Republic of Korea has decided to replenish its contribution to the KTF with an additional \$15 million for a second phase over the next 3 years. Moving forward, Korea will continue to enhance this partnership through its support to the KTF, in sharing lessons learned on FCV issues and exploring Korea's innovative development activities. We look forward to generating valuable results as part of the KTF's Phase 2.

Hyung Ik Ahn
Director, Development Finance Division and Development Finance Bureau
Ministry of Strategy and Finance
Government of the Republic of Korea



Fragility, conflict, and violence pose significant challenges for the World Bank's goals of reducing extreme poverty and boosting shared prosperity. By 2030, half the world's poor will live in environments marked by conflict and violence. At this critical juncture when the world grapples with multiple crises, the World Bank needs to harness the energy, knowledge, and creativity of our work and the support of our partners.

Since 2010, the Republic of Korea has supported the World Bank's initiatives in the areas of fragility, conflict, and violence through the Korea Trust Fund for Economic and Peace-building Transitions. This unique financing instrument has allowed the Bank to increase its support to countries struggling to manage fragility risks, to expand its understanding and approaches to fragility, conflict, and violence, and to engage partners across the humanitarian, development, peace, and security spectrums. The KTF has proven to be an important mechanism for priority peace-building activities where traditional International Development Association (IDA) or International Bank for Reconstruction and Development (IBRD) funding are unavailable.

The 2017 Annual Report of the KTF provides an overview of the fund's areas of work, operations, portfolio, and Phase 1 results. It also outlines a set of priorities for a second phase of funding: the Korea Trust Fund for Economic and Peace-building Transitions - Phase 2 (K-FCV). From 2018 to 2021, the K-FCV will carry forward lessons learned and best practices from the first phase of collaboration, continue to support implementation and strategy for World Bank operations, and expand collaboration with Korean institutions.

As the World Bank expands and deepens its engagement to address fragility, violence, and conflict, partners such as the Republic of Korea continue to be invaluable collaborators in supporting development and realizing peace. Working together, we can help bring about inclusive development.

A handwritten signature in black ink, appearing to read "Franck Bousquet".

Franck Bousquet
Senior Director, Fragility, Conflict, and Violence Global Themes
Global Themes Vice-Presidency
The World Bank



ACKNOWLEDGMENTS

The 2017 Annual Report of the Korea Trust Fund for Economic and Peace-Building Transitions (KTF) was prepared by a core team including Paul Bance, Suh Yoon Kang, Cynthia Delgadillo, Irina Galimova, and Yang Fu.

The team extends its gratitude to the Ministry of Strategy and Finance of the Republic of Korea, the World Bank Group Executive Director's Office for the Republic of Korea, and the World Bank Korea Office for continued support and collaboration to address fragility, conflict, and violence worldwide.

The team would also like to thank the KTF Technical Advisory Committee for contributing their expertise, leadership, and time to ensure high-quality grant-making. The KTF Technical Advisory Committee is composed of Laura Bailey, Tekabe Belay, Franck Bousquet, Colin Bruce, Kevin Carey, Fei Deng, Sascha Djumena, Talib Esmail, Helene Grandvoinet, Jimena Garrote, Michelle Keane, Claire Kfoury, Indira Konjhozic, Janet Minatelli, Vikram Raghavan, Sunil Rajkumar, Paola Ridolfi, Faisal Quraishi, Tracy Washington, and Paul Welton.

The team also extends its sincere thanks to the 42 KTF project teams, 36 recipient countries, and numerous executing agencies of KTF grants for their commitment to advancing innovative state and peace-building programming across the world.

Lastly, we wish to thank Franck Bousquet and Colin Bruce from the Fragility, Conflict, and Violence Global Themes Department and Darren Dorkin from the World Bank Korea Office for their guidance, advice, and encouragement.

ABBREVIATIONS & ACRONYMS

AFR	Africa Region
CDD	Community Driven Development
C4D	Collaboration for Development
CE	Citizen Engagement
CHM	Complaints Handling Mechanism
CPIA	Country Performance and Institutional Assessment
CSC	Citizen Service Center
CSO	Civil Society Organization
EAP	East Asia and Pacific Region
ECA	Europe and Central Asia Region
EU	European Union
FCS	Fragile and Conflict-Affected Situations
FCV	Fragility, Conflict, and Violence
FCV GT	Fragility, Conflict, and Violence Global Themes

FY	Fiscal Year (July 1 to June 30)
GCFF	Global Concessional Financing Facility
GRM	Grant Reporting and Monitoring
GRM	Grievance Redress Mechanism
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communication Technology
IDA	International Development Association
IDP	Internally Displaced Person
IFC	International Finance Cooperation
IMF	International Monetary Fund
KAIDEC	Korea Association of International Development and Cooperation
KDI	Korean Development Institute
KEXIM	Import-Export Bank of Korea
K-FCV	Korea Trust Fund for Economic and Peace-Building Transitions, Phase 2
KIEP	Korean Institute of International Economic Policy
KOSTAT	Statistics Korea
KRC	Korea Rural Community Corporation
KTF	Korea Trust Fund for Economic and Peace-Building Transitions
LAC	Latin America and the Caribbean Region
LIC	Low Income Country
MDB	Multilateral Development Bank
MDG	Millennium Development Goals
MDTF	Multi-Donor Trust Fund
MENA	Middle East and North Africa Region
MIC	Middle Income Country
MILF	Moro Islamic Liberation Front
MOLG	Ministry of Local Government, West Bank and Gaza
MOSA	Ministry of Social Affairs, West Bank and Gaza
MOSF	Ministry of Strategy and Finance, Republic of Korea
MRRD	Ministry of Rural Reconstruction and Development, Afghanistan
NGO	Non-Government Organization
NVMS	National Violence Monitoring System
PSD	Private Sector Development
RAS	Regional Advisory Services
SAR	South Asia Region
SDGs	Sustainable Development Goals
SGBV	Sexual and Gender-Based Violence
SME	Small and Medium Enterprises
SMU	Saemaul Undong
SPF	State and Peace-Building Fund
UN	United Nations
WBG	World Bank Group



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SECTION ONE



THE KTF AT A GLANCE

The **Korea Trust Fund for Economic and Peace-Building Transitions** (KTF) was established in 2009 through an agreement between the Ministry of Strategy and Finance of Korea (MOSF) and the World Bank Group (WBG). The goal of the KTF is to address governance and peace-building needs in conflict-prone and conflict-affected environments. The KTF supports the WBG’s state-building and peace-building initiatives by capturing and disseminating knowledge to help WBG clients design, plan, and implement strategies and investments addressing fragility, conflict, and violence (FCV). The KTF also seeks to strengthen and expand the WBG’s operations in FCV regions through piloting innovative approaches to state and peace-building.

The KTF is housed in the Bank’s Fragility, Conflict, and Violence Global Themes (FCV GT), which is dedicated to FCV response and collaborates closely with the State and Peace-Building Fund (SPF) also housed in the FCV GT. The KTF Secretariat oversees the fund’s day-to-day management and project portfolio. It offers support to project task teams, consults with donors on project proposals, processes grants, and facilitates knowledge-exchanges. The Secretariat leads partnership-building with relevant Korean institutions and aggregates and disseminates knowledge gained through KTF projects to inform the WBG’s strategy and approaches in FCV settings. The Secretariat also works with a larger pool of FCV GT staff members who provide technical and operational support to KTF projects.

Since 2009, the Republic of Korea has awarded over \$24 million to the KTF. As a result, the KTF has been able to realize 42 grants supporting projects in 36 countries and 6 regions. Grants have covered country-specific projects, such as the Domestic Revenue Mobilization Project in Timor-Leste, or provided support across a region, such funding for an IFC

Text Box 1: The Different Aims of State-Building and Peace-Building

peace-building



peace-building seeks to develop conditions, values, and behaviors that foster peaceful, stable, and sustainable development.

state-building



state-building is geared toward building or rebuilding governance institutions to increase resilience to internal and external stresses.

study in Africa entitled *Private Sector Development in Fragile and Conflict States*. The KTF has also funded global-level work focusing on knowledge building and research applicable to multiple regions of operation, such as the Learning on SGBV (Sexual and Gender-Based Violence) in Operations Project that increased client and WBG knowledge of SGBV strategies in Fragile and Conflict-Affected Situations (FCS).

In 2017, the Republic of Korea committed an additional \$15 million for a **Korea Trust Fund for Economic and Peace-Building Transitions – Phase 2** (K-FCV). Over a three-year period, the K-FCV will enable the WBG to carry forward achievements from Phase 1 of the KTF and provide continued funding for operational support, development innovation, and crisis risk management in FCS and non-FCS contexts.

KTF's Global Presence

6

regions and
global-level targeted

36

total countries
reached

42

total grants
funded

global

6 grants

\$1,560,463 committed

7.6% of portfolio

middle east and north africa

1 grant

\$450,000 committed

2.2% of portfolio

latin america and caribbean

2 grants

\$823,881 committed

4.0% of portfolio

30

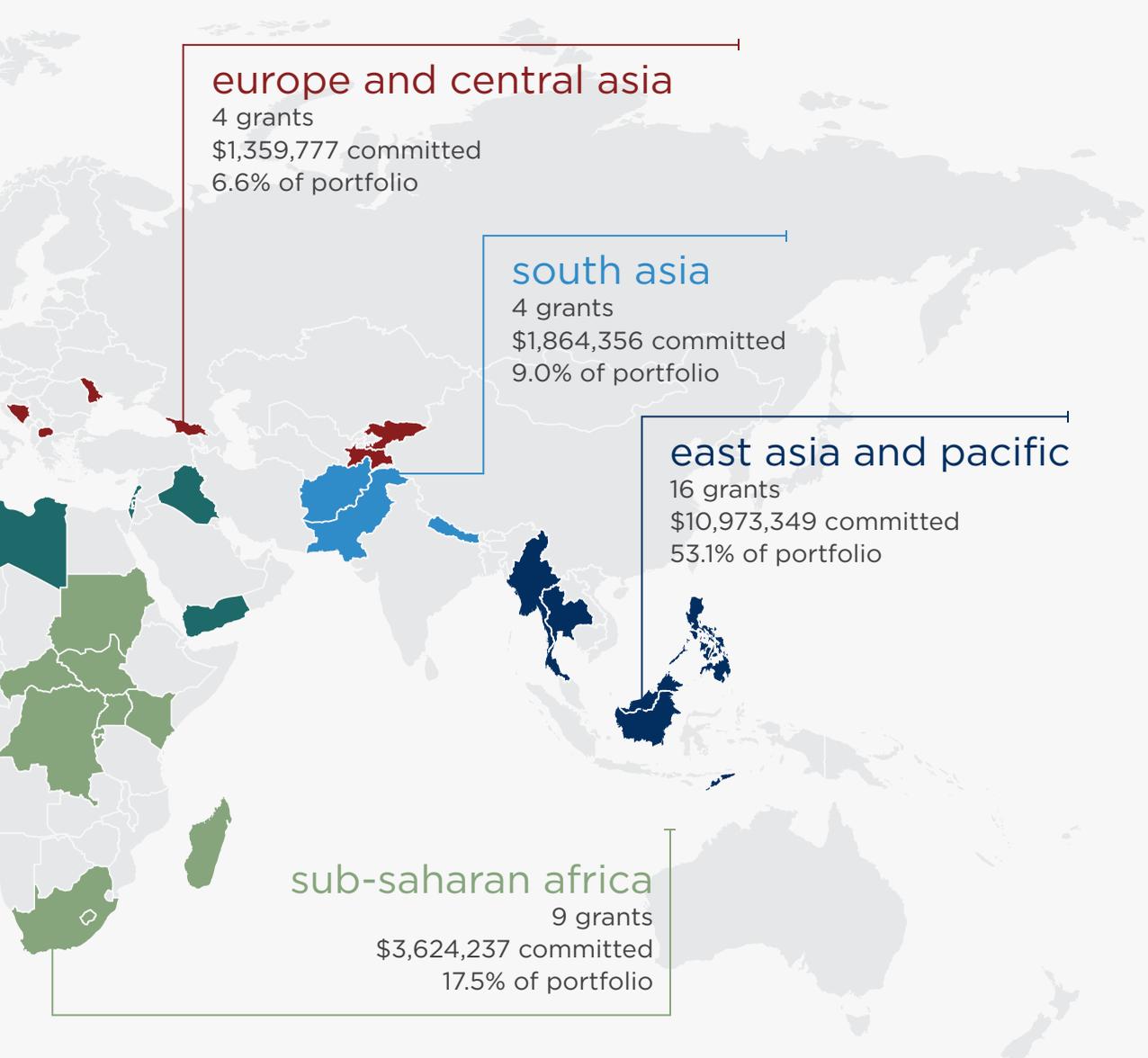
grants completed as
of December 2017

\$19,286,255

in cumulative
disbursements

12

grants
active



AVAILABLE FINANCING

79% committed

67% disbursed

PROJECT RATING

14% highly satisfactory

21% moderately satisfactory

55% satisfactory



SECTION TWO



MEETING THE CHALLENGE OF FRAGILITY, CONFLICT AND VIOLENCE

The Global Landscape in 2017

Fragility, conflict, and violence are critical development challenges threatening efforts to end extreme poverty, affecting both low-income countries (LIC) and middle-income countries (MIC). In 2017, about two billion people around the world were estimated to live in FCV-affected countries. By 2030, projections show the share of global poor living in countries suffering from FCV will range from 43 to 62 percent. World Bank studies also confirm poverty trends are directly proportional to the intensity of violence.

Today's conflicts are often protracted, leading to open-ended humanitarian crises and continuous forced displacement within and across borders. Recent trends show FCV is increasingly affecting MICs with conflicts occurring both sub-nationally and across borders. Syria's civil war has brought the number of refugees worldwide to 20 million, the highest since World War II, while a total of 60 million people are now forcibly displaced worldwide. Affecting several developing contexts, violent extremism is more likely to occur in countries with inequality and exclusion of certain groups, large-scale unemployment, limited economic and social opportunities for youth, and perceived injustice. Moreover, the aggregate economic cost of conflict on the global economy was estimated at \$14.3 trillion in 2014 – roughly 13.4 percent of world GDP. Unmanaged, these threats pose risks and consequences with far-reaching spillover effects.

How is the World Bank Responding?

Delivering sustainable development solutions to countries affected by FCV is both an institutional priority and a global responsibility for the World Bank. As FCV risks have become more acute, complex,

and serious, success in FCV-affected countries is now essential to accomplishing the WB's Twin Goals of reducing extreme poverty and boosting shared prosperity. Making smart, efficient, and effective investments in FCV situations is also a prerequisite for achieving the Sustainable Development Goals (SDGs), in particular SDG 16:

- *Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.*

As a result, the World Bank is deepening its focus on prevention and early action, leveraging diverse partnerships, and improving financing mechanisms in insecure and middle-income contexts.

A Renewed Commitment

In the face of increasingly complex and growing threats, the WB and key partners are renewing their global commitment to addressing FCV, emphasizing prevention and early action. In its new framework, the WBG aims to take a broader approach to addressing risks and drivers of FCV, expand its response to the forced displacement crisis, and address gender disparities imperiling peace and security.

With a focus on addressing instability and building resilience, the WBG will continue to remain engaged with FCS during active conflict and through recovery and transition periods. The WBG is also investing in expanding its knowledge of FCVs by developing an FCV toolkit and strengthening its staffing and operational effectiveness in FCV contexts.

Text Box 2: Understanding the Current Situation

62 PERCENT



of the global poor could be living in a fragile context by 2030.

80 PERCENT



of all humanitarian needs and acute food insecurity is driven by conflict.

According to the IMF, conflicts reduce GDP growth by

2 PERCENT POINTS

per year, on average.



Image 1: Drivers of Fragile and Conflict-Affected Situations are Diverse and Interlinked



SDG 16



peace, justice and strong institutions

Strengthening Partnerships

Building on recognition that humanitarian, development, and peace-building efforts are complementary in responding to FCV challenges, the WBG is leveraging partnerships and developing joint approaches with the UN, EU, and Multilateral Development Banks (MDBs). In 2017, the WBG and UN completed a joint study, *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict*, to improve understanding of how development processes interact with security, diplomatic, and other approaches to prevent conflict. The WBG is also expanding its engagement with local and international non-government organizations (NGOs) and non-state actors, particularly in insecure environments with limited state presence. These collaborations will be critical to the WBG's long-term success.

Better Financing

More and better financing is needed at scale to enhance the Bank's effectiveness in the world's most insecure environments. The record \$75 billion commitment under the International Development Association's (IDA) 18th replenishment marks a strategic shift, signaling the reduction of fragility and conflict risks as a top development priority. This will enable the Bank to double its resources for countries affected by FCV to more than \$14 billion.

For middle-income countries, the Global Concessional Financing Facility (GCFF) in its first year has unlocked more than \$1 billion in concessional financing for Jordan and Lebanon's Syria refugee response. The GCFF is aiming for a further \$500 million for other MICs over the course of the next four years. The Global Crisis Management Platform will coordinate early action and further develop the Bank's financing instruments for crisis response and recovery. New financing mechanisms also include \$2.5 billion to spur private enterprise and support for countries to mitigate the risk of falling into fragility.

Fragile and Conflict-affected Countries

In 2017, 34 countries qualified for the WBG's harmonized list of FCS countries. These countries were selected based on Country Performance and Institutional Assessments (CPIAs) which rate countries against a set of sixteen criteria grouped in four clusters: economic management, structural policies, policies for social inclusion and equity, and public sector management and institutions. Fragility, however, is not limited to these countries. A number of countries around the world face active conflicts, high rates of violence, and potential risks. Working in non-FCS contexts provides the WBG with analytical insight into the changing nature of FCV, particularly regarding sub-national conflict, conflict in MICs, and regional spillover dynamics.

Image 2: Countries that score above 3.2 on the CPIA qualify for the WBG's harmonized list of FCS countries

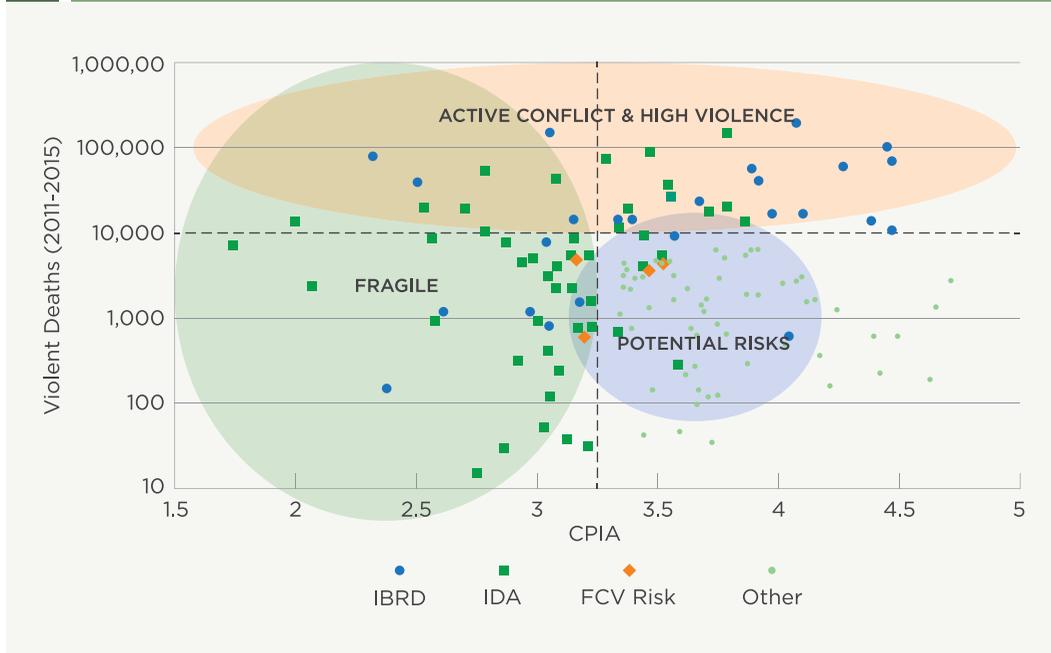


Table 1: Countries That Qualified for WBG's Harmonized List of FCS in FY2017

IDA Eligible			
Afghanistan	Dibouti	Liberia	Soloman Islands
Burundi	Eritrea	Mali	Somalia
Central African Republic	The Gambia	Marshall Islands	South Sudan
Chad	Guinea-Bissau	Micronesia, Federal States	Sudan
Comoros	Haiti	Myanmar	Togo
Congo, Dem. Rep	Kiribati	Papua New Guinea	Tuvalu
Côte d'Ivoire	Kosovo	Sierra Leone	Yemen, Rep
Territories			
West Bank and Gaza			
Blend			
Zimbabwe			
IBRD Only			
Iraq	Lebanon	Libya	Syria

STORY OF IMPACT

Building Trust through Community Approaches in Southern Thailand

Project Title: Expanding Community Approaches in Conflict Situations

Grant amount: \$490,000

Duration: August 2013 – April 2018

Dating back more than a century, the sub-national conflict in Thailand's southernmost provinces is Asia's oldest and deadliest conflict. Violence between groups of underground insurgents and government security forces stems from long-standing tensions between the state and the region's minority Malay Muslim population. Malay Muslims represent over 80 percent of the population in the southern region but make up only 2.9 percent of the entire Thai population, which is overwhelmingly Buddhist. Against a highly centralized Thai political system, Malay Muslims have struggled against perceived systematic discrimination in local governance, political marginalization, and forced assimilation to a Thai national identity. Violence re-erupted in 2004 and has since claimed more than 6,670 lives and injured 12,000 people through assassinations, bombings and roadside ambushes, and occasional attacks on military institutions. The conflict, occurring in one of the poorest parts of the country, presents profound challenges to the social and economic development of the region. Although government policies have become more tolerant and inclusive, measures have been insufficient to reverse a legacy of grievances and resistance.

KTF's long-term support to development

Since 2007, the WBG has worked in partnership with a wide range of actors to support peace and development in Thailand's southern region. Over the past four years, the KTF along with the State and Peace-Building Fund (SPF) has supported the Expanding Communities Approaches in Conflict Situations Project, which seeks to build confidence between communities and local authorities through participatory local development approaches in six sub-districts and capacity-building of select local government officials and civil society organizations (CSOs). Targeting the provinces of Narathiwat, Pattani, and Yala, the project has already expanded participatory community development planning, enhanced local authorities' capacity to undertake participatory local development activities, and strengthened the ability of CSOs to engage in dialogue on policy issues and peaceful conflict resolution.

Project approaches and investments are resulting in important outcomes as measured by an internal project monitoring system, a KTF-financed impact evaluation, and mid-term and final assessments of peace-building grants to CSOs. Over 90 percent of surveyed villagers reported satisfaction with project outcomes.

Strengthening ties among stakeholders

The project's participatory approach embeds civic engagement and social accountability. This approach has added value to government policies and programs, as well as strengthened the WBG's advisory and operational partnerships. The Project Advisory Committee, chaired by the Public Debt Management Office and comprised of representatives from government, academia, and other local organizations such as the Local Development

Institute, is providing valuable guidance and monitoring of project progress. The Department of Local Administration of the Ministry of Interior is collaborating to align planning and budgetary processes of grant activities with village and sub-village development plans, increasing the reach and sustainability of project inputs. Increased knowledge by villagers of local development plans has made them more willing to work with local government. A Peace-Building Partnership Fund, which supports organizations strategically positioned to influence the peace-building process, has facilitated the networking of organizations focused on policy advocacy and peace-building, particularly those organizations targeting vulnerable groups such as women, orphans, and youth.

Making village grants possible

KTF support has made possible three rounds of village block grants to all 43 communities in participating districts. Over 28,600 villagers - almost 60 percent of whom are women - actively engaged in Community Driven Development (CDD) block grant processes and activities. These block grants have financed community-identified priorities, including the construction and rehabilitation of buildings, expansion of savings groups and community cooperatives, natural resource conservation and ecotourism, water supply management, and the incorporation of peace education into the curriculum of more than 2,000 Islamic primary schools. Project funds have allowed civil society organizations to extend their reach into new areas, including the delivery of psychosocial services to affected groups, and the development of a written font for the local Yawi language. Overall, villages participating in the project appear more resilient to instances of violence than villages which did not participate. Trust within villages has increased as a result of the project, as did the amount of resident socializing and their willingness to help each other.

Building on lessons learned

This project builds on lessons learned from the Piloting Community Approaches in Conflict Situations in the Southernmost Provinces in Thailand Project, which operated from 2009 to 2013, and demonstrated the value of CDD and civil society capacity-building investments to fostering the government's understanding of local issues and improved CSOs' ability to engage with the government. Looking ahead, the Thai government has requested the WBG's Reimbursable Advisory Services (RAS) to scale up CDD operations in all villages in southern Thailand, ensuring the project's continuing impact.



With the support of the KTF, a standard curriculum that incorporates peace education for Tadika or Islamic schools in Southern Thailand has been designed.



“

“Teaching children what peace means can help. It won’t help immediately. However, if our younger generation learns this early on, there’s hope that we will have a peaceful future.”

- Hasan Yamadibu, Teacher and Leader of the Bungaraya youth group, speaking about the peace education curriculum supported by the Expanding Community Approaches in Conflict Situations Project

”





SECTION THREE



ABOUT THE KTF

As one of the World Bank’s key resources for engaging FCV-affected countries, the KTF has emerged as a catalytic, innovative, and flexible partner in preventing and responding to FCV risks, advancing key partnerships, and capturing global development knowledge.

- Through the provision of seed funding, the KTF has been able to catalyze the WBG’s work in FCV contexts, resulting in the rapid scale-up of WBG operations. In the Great Lakes Region of Africa, KTF’s support informed 4 operations valued at \$500 million in the areas of displacement, cross-border trade, agriculture, and gender-based violence. In Myanmar, KTF funded initiatives are informing operations in health, education, extractives, public financial management, and rural development valued at \$1.6 billion.
- KTF funds have encouraged the piloting of innovative approaches, including use of information and communication technology (ICT), in WBG projects to prevent and respond to risks in FCV settings. KTF support has also initiated cutting-edge analytical work on FCV issues expanding the WBG’s understanding of differentiated approaches to conflict and fragility. KTF funds have also supported the documentation and sharing of innovative approaches through funding for knowledge exchange events and new knowledge platforms.
- As a highly flexible funding mechanism, the KTF has proven to be an invaluable partner in supporting developing countries facing FCV challenges regardless of geography, income level, and arrears status. KTF funds also finance the full spectrum of country services, from the promotion of conflict-sensitive strategies, the provision of technical assistance, and to the dissemination of knowledge and learning.

Section 3.1: What We Support

KTF grants seek to address state-building and peace-building needs to generate six fund-level results in one or more thematic areas.

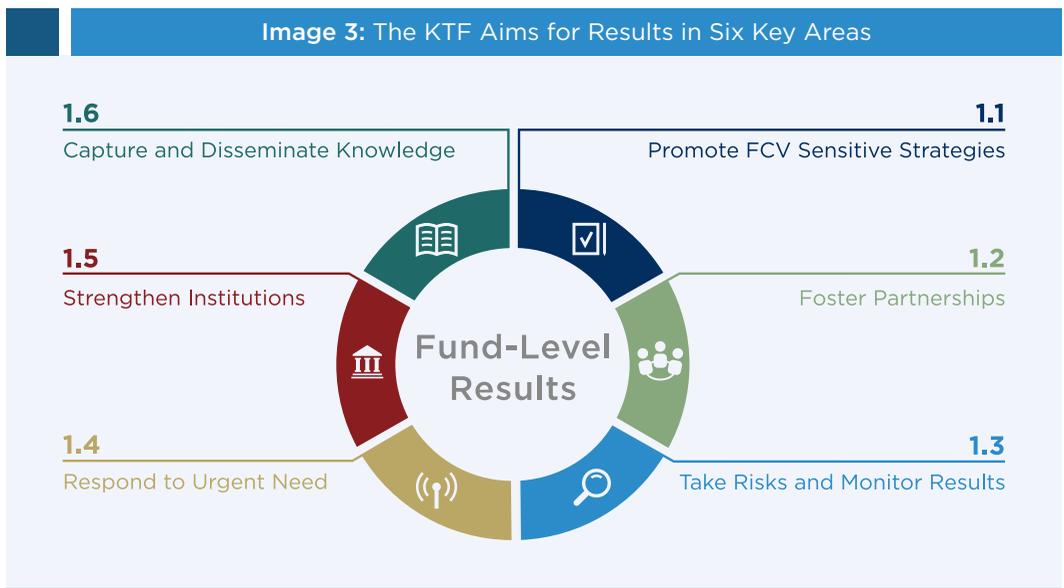


Image 4: Thematic Areas

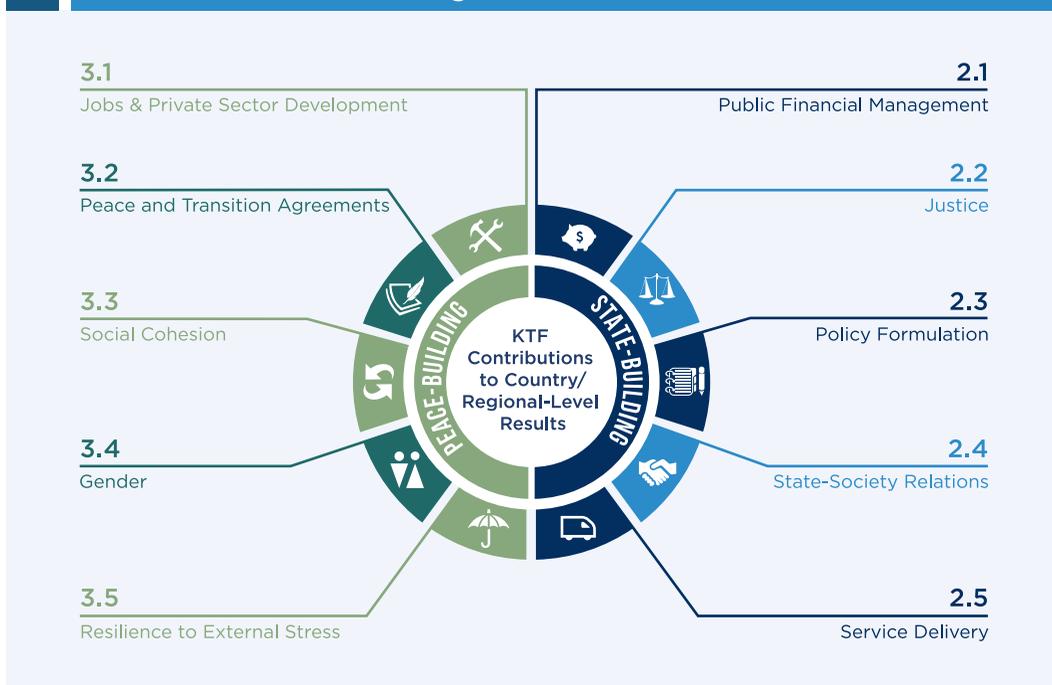


Table 2: The KTF’s Peace-Building and State-Building Work Covers a Total of Ten Thematic Areas

State-building	Peace-building
Public Financial Management projects seek to promote more effective and accountable public sector management and use of public resources. Typical project activities focus on anti-corruption initiatives and advancement of sustainable natural resource management.	Jobs & Private Sector Development projects provide support for job creation, livelihood improvement, microenterprise support, etc.
Justice-Oriented projects aim to promote inclusion and build capacity in the formal as well as informal justice sector. Project activities focus on local-level dispute and conflict resolution, varied forms of human rights protection, repatriations for victims of conflict, as well as land reform and promotion of land rights.	Peace and Transition Agreements encompass conflict and violence monitoring, national dialogue support, and the design of conflict sensitive interventions.
Policy Formulation is the most common form of state building in the KTF portfolio and aims to strengthen the capacity and performance of institutions in fragile contexts.	Social Cohesion projects are support refugees and internally displaced people, and social programs that serve marginalized groups or increase inter-group trust.
State-Society Relations projects aim to improve social accountability mechanisms through support for civil engagement programs and capacity building for civil society networks and NGOs.	Gender projects provide support for gender-sensitive activities, including sexual and gender-based violence (SGBV) prevention and response, programs targeting vulnerable young men, and women’s empowerment and leadership programming.
Service Delivery project activities include conflict-sensitive and community driven development initiatives to improve inadequate, poor or unequal access to basic services.	Resilience to External Stress projects provide support to cross-border development programming, urban violence prevention, and disaster risk reduction, supporting national and local governance institutions in the face of external stresses such as cross-border violence, resource shocks, trafficking in drugs or people, and organized crime.

Section 3.2: Grant-making, Governance, and Management

The KTF's grant-making process begins with funding requests from World Bank teams. After receiving concept notes for individual projects, the KTF Secretariat reviews submissions and short-lists funding candidates. If a project is selected to move to the full proposal stage, it undergoes an extensive peer-review process involving country specialists, thematic experts, and the KTF Secretariat prior to submission to the KTF Committee and the Korean Ministry of Strategy and Finance (MOSF) for approval.

KTF grants can be Bank-executed or recipient-executed:

- (i) **Bank-executed grants** are generally applied where client capacity is limited or occasionally in situations where the Bank has a particular comparative advantage. They are designed to offer technical assistance to government counterparts, generate in-depth knowledge and learning on FCV issues, and assess the impact of FCV-focused interventions.
- (ii) **Recipient-executed grants** are allocated to government counterparts, including regional or local governments, public sector entities outside the executive branch, and international organizations such as UN agencies. Recipients also include international and national non-government organizations (NGOs), universities, and research organizations.

KTF grant-making is sufficiently flexible to respond quickly to requests for technical assistance or initiate catalytic analytical work on addressing specific FCV challenges. The flexibility of KTF grants also makes them ideal for piloting innovative small-scale interventions that inform larger Bank operations helping them become more conflict-sensitive.

Governance, management, and results monitoring

All FCV GTs trust funds are governed by a committee within the World Bank charged with approving grants and providing strategic guidance. The approval of MOSF is also required for KTF projects valued in excess of US\$0.5 million. KTF grants are subject to the same rigorous technical, legal, and fiduciary due diligence as all other Bank projects. To ensure consistent monitoring and performance measurement of project results, a comprehensive results framework is applied to all KTF grants. The framework captures both fund-level and project-level results and includes sample indicators to help document progress toward specific objectives. Project teams must report yearly on progress against fund-level objectives through the Bank's grant reporting and monitoring (GRM) system.

STORY OF IMPACT

Sustaining Support to Myanmar's Peaceful Transitions

Project Title: Support to the Myanmar Peace Process

Grant Amount: \$2,954,973

Project Duration: August 2013 – December 2018

After decades of isolation and conflict, Myanmar is undergoing a 'triple transition' of peace-building, democratization, and economic liberalization. Launched in 2011 and formalized in the signing of a Nationwide Ceasefire Agreement in 2015, Myanmar's ongoing peace process offers the best hope of lasting peace in a generation, and interacts closely with parallel economic and political transitions unfolding in the country. While the peace process to date has led to increased security in the country's southeast region and to ceasefire agreements with some ethnic armed organizations, fighting persists in the country's northeast and the path to a comprehensive peace agreement addressing drivers of conflict remains uncertain. Moreover, the overall country context remains fragile with high political risks, as seen in the ongoing crisis in Rakhine State that displaced over 600,000 people to Bangladesh in 2017. Taken together, these factors require development partners to deepen their understanding of the country context, monitor evolving risks and opportunities, and adapt operations accordingly in real-time.

Supporting the Bank's Scale-up in Myanmar

When the WBG began to re-engage Myanmar in 2012 in support of transformations underway, a key challenge was how to understand and support all three transitions and seize on their inter-linkages, rather than limiting activities to the promotion of broad-based economic transition. As a result, a flexible approach was needed allowing the WBG to support the peace process while remaining alert to the country context and address drivers of fragility.

Over the past four years, the KTF has played a major role in supporting WBG's rapid scale-up in Myanmar and contributing to sustainable peace and prosperity. With KTF support, the WBG has ensured its portfolio in Myanmar remained cognizant of risks, seized opportunities to support the peace process wherever possible, and leveraged donor funds across its activities.

Promoting Aid Effectiveness

Evidence shows long-term KTF support has had a substantial impact on aid effectiveness, building a shared knowledge base, and ensuring conflict sensitivity in WBG operations in Myanmar. The project contributed technical input and an M&E framework for the establishment of a peace-focused Multi-Donor Trust Fund (MDTF), which sought to better coordinate development aid. Engagement with the MDTF has allowed the WBG to shape the aid agenda and positively influence the work of development partners. The WBG has also promoted consistency in donor approaches and adherence to global good practice through active participation in donor and government forums for peace and conflict, such as the Peace Support Group and the Rakhine Head of Missions Group.

Filling Knowledge Gaps

The KTF has ensured the WBG continues to be a valued partner in helping stakeholders consider critical issues in addressing drivers of fragility and supporting progress toward reducing poverty and boosting shared prosperity. KTF support for the Beyond Ceasefires Initiative harnessed public and private discussions of technical issues relevant to the peace process to build trust and understanding among government, ethnic armed organizations, and development partners. KTF support also enabled five South-South study tours which brought Myanmar participants abroad and brought leading international experts to Myanmar. The WBG also provided guidance and strategic direction to a flagship study by The Asia Foundation. Published in 2017 to positive reception from a wide range of stakeholders, the study entitled *Contested Areas of Myanmar* examines interactions among aid, conflict, and development in Myanmar and seeks to influence strategies and actions by government and development partners.

Ensuring Conflict Sensitivity in WBG Operations

KTF support has also created opportunities for innovation, such as the piloting of new approaches to manage risks in FCS. This support enabled country team to enhance their conflict monitoring system, moving beyond one-off risk analyses toward ongoing mechanisms to identify changes in country context in real-time: including monthly risk reports that track developments across key risks factors and regular briefings with Myanmar experts to review the impact of current events on the WBG's portfolio. The grant also supported integration of conflict sensitivity across operations of both Bank and IFC teams, which included training alongside government counterparts. By ensuring the integration of conflict sensitivity in the WBG portfolio, KTF support has allowed for successful and rapid scale-up of WBG assistance in a complex FCV context.

Continuing Support

The KTF's impact in Myanmar highlights the value of flexible support allowing for rapid adaptation in highly fluid and dynamic environments. As Myanmar looks ahead to its long-term transitions and second national elections in 2020, the WBG will continue to work with the government on operational needs response while managing risks and seizing opportunities in support of peaceful transitions.

“

“I would like in particular to acknowledge the funding support of the Korea Trust Fund for Economic and Peace-Building Transitions, which has supported the Bank's peace and conflict work in Myanmar since the beginning of our re-engagement. This support has enabled the Bank to integrate conflict sensitivity in our portfolio and to help build a shared knowledge base among government, ethnic armed organizations, and development partners [.] The country team and I are grateful for this important sustained support and the work of our social development team in leading this engagement on the ground.”

- Victoria Kwakwa, Regional Vice President, East Asia and the Pacific,
WBG, 19 October 2017.

”



The World Bank's EAP Vice President Victoria Kwakwa at the World Bank Headquarters launch of *The Contested Areas of Myanmar: Subnational Conflict, Aid, and Development*. Panelists included Patrick Barron, The Asia Foundation, Country Director Ellen Goldstein, FCV Director Colin Bruce, and Executive Director Andin Hadiyanto.



Myanmar government staff at a KTF-supported conflict sensitivity training session. Photo credit: Nikolas Myint, World Bank.

the contested areas of myanmar report

dissemination facts & figures (January 2018)



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49

Research Briefings Held

Briefing Locations:





SECTION FOUR



2017's PORTFOLIO

In the 2017 calendar year, the KTF continued to contribute to tangible results at the country, regional, and global level through expanding the WBG's global knowledge and learning on FCV, supporting pilots and innovation, and partnerships with Korean institutions.

Section 4.1: Operational and Financial Status¹

Cumulative disbursements of KTF grants in the amount of \$19,286,225 have been made since the fund's establishment, out of which \$4,073,184 was made in 2017. A contribution of \$5 million was received from the Korean government as the first installment of a total \$15 million pledge for Phase 2 of KTF funding. With an opening balance of \$8,698,926 from 2016, the uncommitted balance at the end of the 2017 was \$6,226,420.

KTF-funded projects continued to demonstrate strong performance records in 2017. Overall, 90 percent of grant projects are rated satisfactory or above and their average disbursement rate is 67 percent. At the end of 2017, 30 grant projects have been completed with 12 grants remaining active.

Section 4.2: New Projects

In line with KTF priorities, 3 new KTF projects in the East Asia and Pacific (EAP), South Asia (SAR), and Europe and Central Asia (ECA) regions commenced in 2017. Funded projects fell under the thematic areas of State-Society Relations, Social Cohesion, and Public Finance Management.

Table 3: New KTF Projects in 2017

Project	Objective
EAP	
Thailand: Strengthening Confidence-Building Measures in Subnational Conflict (\$495,000)	Improve state-citizen relationships through demonstrating the feasibility and value of participatory local development approaches and supporting institutional capacity-building of civil society networks and organizations, by (i) providing knowledge and evidence on peace-building approaches, and (ii) fostering constructive dialogue between the state and non-state actors.
SAR	
Pakistan: Social and Economic empowerment of youth through ICT-based solutions in Khyber Pakhtunkhwa (\$733,900)	Support civic inclusion and economic empowerment of young men and women in Khyber Pakhtunkhwa, Pakistan, through the use of ICT based solutions.
ECA	
Western Balkans: Strengthening Fiscal Institutions to Build Resilience (\$250,000)	Support a review of the rules-based fiscal framework in the region as well as generate and share knowledge on approaches to designing fiscal rules and building fiscal institutions to help address economic fragility.

¹ In the reporting period, the KTF Secretariat conducted a thorough performance review of the fund's portfolio. Based on this review, data was updated to reflect projects that have closed and the fund balance of the closed grants that was returned to the main fund. Adjustments between the data in the KTF 2016 Annual Report and the KTF 2017 Annual Report reflect this review.

STORY OF IMPACT

Engaging Citizens in MENA through Innovation

Project Title: Middle East and North Africa Citizen Engagement

Grant Amount: \$450,000

Project Duration: July 2014 to January 2018

Project Duration: July 2014 to January 2018

Engaging citizens through grievance redress mechanisms, citizen service centers, independent citizen feedback, and participatory planning processes can empower citizens and civil society, provide checks and balances against corruption and fraud, provide transparency and accountability for timely service delivery, and build trust in local institutions. These are critical factors in minimizing underlying drivers of fragility. Despite consensus in the development community that citizen engagement (CE) plays an important stabilizing role in fragile and conflict-affected countries, the use of CE in FCV countries faces substantial challenges, including weak state legitimacy, low CE capacity, and the perception CE efforts are less immediately relevant than short-term humanitarian aid. In the MENA region, this challenge is particularly acute: according to WBG's 2016 Worldwide Governance Indicators, the region has the lowest Voice and Accountability scores.²

Piloting CE in Six Contexts

With the key support of the KTF, the MENA Citizen Engagement Project aimed to provide key technical assistance to amplify citizens' voices in policy-making decisions and public service through use of innovative technologies. As a pilot initiative in Iraq, Yemen, the West Bank and Gaza, Libya, and Lebanon, the project sought to grow the WBG's experience in applying CE to FCV contexts by identifying CE entry points and designing CE mechanisms tailored to post-conflict and fragile countries. The program emphasized where possible mainstreaming mechanisms to strengthen local institutions in line with the MENA regional strategy. The project carried out three types of activities: (i) analysis and inputs at the strategic level; (ii) technical support on integration of CE mechanisms in existing MENA projects; and (iii) capturing lessons learned through dissemination of best practices.

Successes

Following two years of KTF support, the pilot project has successfully provided assistance to clients and WBG teams across the MENA region. The project supported diagnostics and capacity building of Grievance Redress Mechanisms (GRMs) and Complaints Handling Mechanisms (CHMs) in Lebanon's Emergency Health Care Restoration Project and

² Voice and Accountability scores capture perceptions of the extent to which a country's citizens can participate in selecting their government, as well as have freedom of expression, freedom of association, and a free media.

National Poverty Targeting Program, and the West Bank and Gaza's Cash Transfer Project. Training, clinics, and capacity building activities were carried out at the regional level and have resulted in South-South knowledge exchanges and a World Bank Conference on Mainstreaming Citizen Engagement in FCV Countries held in Jordan in 2017. This conference brought together WBG task teams and clients from the MENA and South Asia Region (SAR) to share learning from the KTF-supported pilots.

The project has also improved institutional trust and legitimacy at the municipal level through the West Bank and Gaza Municipal Development Project series. Nearly 90 percent of citizens surveyed responded municipal services improved after establishment of Citizen Service Centers (CSCs)³. More recent data show municipalities with CSCs scored 4.5 percent higher on overall municipal performance than those without. Municipalities with citizens using GRMs had close to a 2 percent higher performance score.

Across the West Bank and Gaza, similar approaches to CE are being scaled up by development partners across the entire municipal sector. In Libya, the project built the capacity of civil servants to support implementation of the Local Administration Law (2012) and understand the role CE can play in improving service delivery outcomes and strengthening the state and society relationship.

Challenges

In Yemen, although the project provided diagnostic support and design of a digital Complaints Handling Mechanism (CHM), Yemen's deteriorating security situation and resumption of conflict prevented implementation. In Iraq, a worsening security situation and concerns about abuse of data also delayed project implementation.

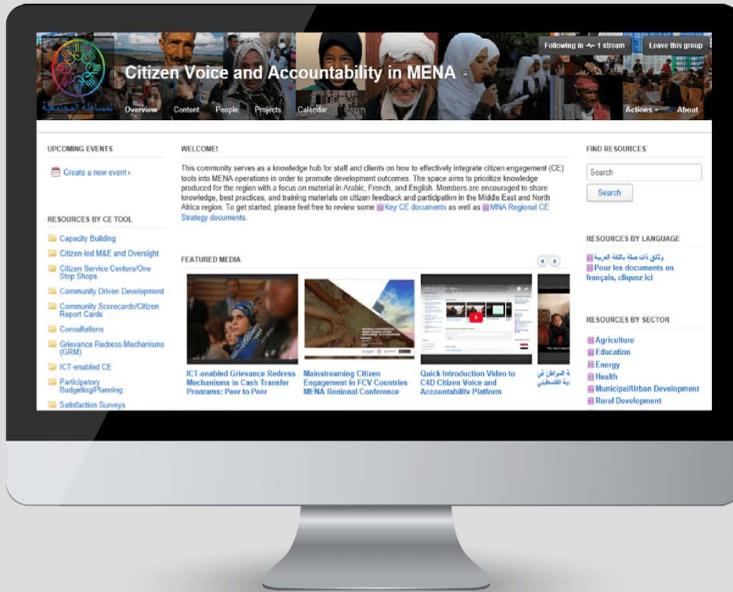
Changing Perceptions around CE

Evidence suggests the pilot project shifted clients' perspectives toward CE. Across the West Bank and Gaza, GRMs and budget transparency are now integrated as core indicators in allocation of municipal performance grants. The Ministry of Local Government (MOLG) has organized a national workshop on social accountability at the local government level, chaired a new social accountability committee, and endorsed social accountability policies and tools. After receiving recommendations from CE technical experts, the Ministry of Social Affairs (MOSA) piloted a new CHM system in the governorates of Jenin and Abu Dees, with plans currently underway to implement the system in all governorates under MOSA. MOSA is currently engaging in peer-to-peer exchanges with counterparts in Tunisia and Lebanon, thus building a knowledge network on grievance redress within the region.

CE Approaches Going Forward

CE approaches piloted by this KTF grant now function as a model to new clients. Experience has shown that mainstreaming CE is a long-term process best built upon existing structures, allowing for institutional learning, and providing incremental changes. In fragile contexts, room exists for both ICT and non-ICT tools to ensure no group is excluded by the digital divide. The learning from this pilot project has been captured in a regional Collaboration for Development (C4D) platform for exchange among WBG staff, clients, and others. Continued support and investment is needed to ensure CE approaches are sustained in MENA's FCV contexts.

³ Municipal Development and Lending Fund, Citizen Satisfaction Surveys, 2015.



The Collaboration for Development (C4D) Knowledge Community, open to WBG staff, clients, and development practitioners, provides a forum for exchange and hosts more than 300 documents on citizen engagement and social accountability in Arabic, French, and English. It includes lessons learned and best practices from the KTF-funded CE project.



The Palestinian Ministry of Local Government published Jenin municipality's 2017 budget which depicts expenditures and financing sources.



Palestinian Ministry of Local Government representative Raed Sharabati presents on newly implemented social accountability measures within MOLG at the World Bank Conference on Mainstreaming Citizen Engagement in FCV Countries in MENA, on November 28, 2017 in Amman, Jordan.



SECTION FIVE



ACHIEVEMENTS IN PHASE ONE

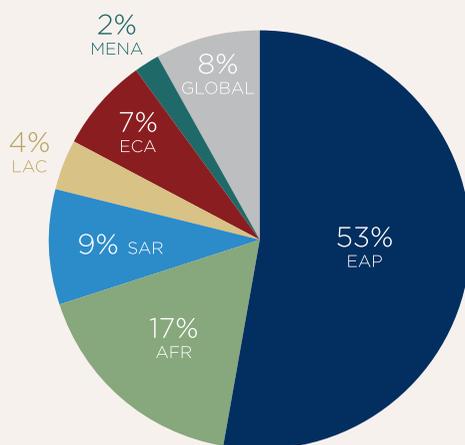
To date, the KTF has supported projects around the world including 16 grants in non-FCS countries or regions. Projects from diverse countries have contributed to outcomes under all 6 objectives of the Phase 1 results framework. Phase 1 also witnessed the initiation and strengthening of new partnerships between Korean institutions and the WBG.

Section 5.1: Grant Allocation

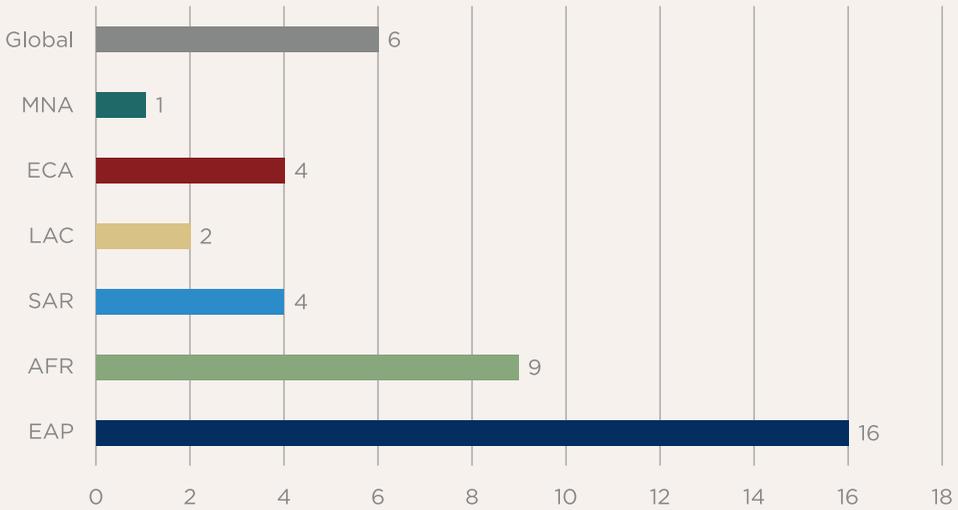
In Phase 1, EAP hosted the largest number of KTF-supported projects, with 16 total projects or nearly 40 percent of all projects. This translated into a total grant allocation of almost \$11 million or 53 percent of total funds. Myanmar was the largest recipient of KTF funds, with a portfolio of 2 grants totaling \$3.4 million in funding. Funding to Myanmar focused on supporting the peace process and strengthening an evidence base on poverty using mixed methods. The Philippines was the second largest recipient country of KTF funds, with a portfolio of 4 grants totaling \$2.5 million. These funds have contributed to a sustainable peace process, initiatives for Islamic financial inclusion, and development of a conflict monitoring system in Bangsamoro. Indonesia is the third largest country recipient with a total of \$2 million in funding, which primarily supported development of a National Violence Monitoring System (NVMS).

AFR hosted the second largest number of KTF-supported grants with 9 grants worth a total allocation of \$3,624,237. This was followed by grants to SAR, valued at \$1,864,356 and grants to global-level work valued at \$1,560,463. Over Phase 1, MENA received the lowest allocation with 2 grants worth a total of \$450,000.

Graph 1: Total KTF Grant Allocation by Region in Percentage

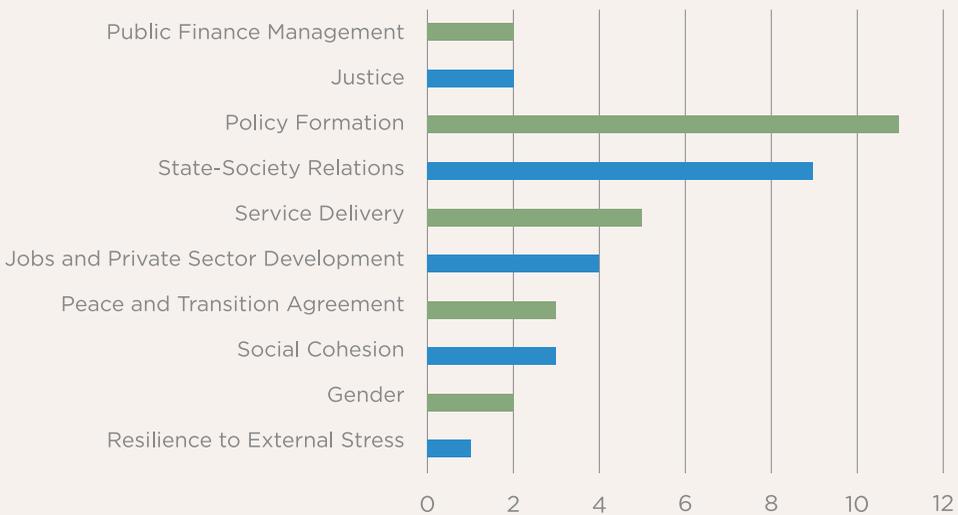


Graph 2: Where Does KTF Support Go



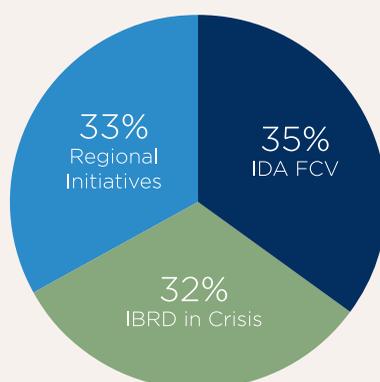
Nearly 60 percent of KTF grants focused on three thematic areas: Policy Formation, State-Society Relations, and Service Delivery. Public Finance Management, Justice, Gender, and Resilience to External Stress appear to be the least engaged thematic areas. Thirty-five percent of KTF funding supported IDA programs in FCV, while 32 percent supported IBRD countries affected by conflict.

Graph 3: Breakdown of Thematic Areas Supported



Note: Some projects cover more than one thematic area. The primary thematic area was selected for the purposes of this graph.

Graph 4: Funding to IDA FCV and IBRD in Crisis



Section 5.2: Fund-level Results

Objective 1.1

Promote FCV-sensitive strategies – supporting approaches that address a broad range of FCV challenges, align with regional priorities, advance existing country strategies and portfolios, and deepen WBG programming and knowledge on FCV-sensitive strategies.

Select results:

- In **Myanmar**, the KTF supported the peace process through conflict analyses, active risk monitoring, and donor coordination. This enabled the WBG to pro-actively integrate conflict-sensitivity in the WBG’s \$1.6 billion lending portfolio in the areas of education, health, extractives, and rural development.
- In the **Great Lakes Region**, the KTF supported the design of conflict sensitive strategies and six projects addressing root causes of violence. These projects tackle issues ranging from integrated agricultural growth, cross border trade, to SGBV. Studies were conducted on the vulnerabilities and resiliencies of actors involved in cross-border trade and on the linkages involving land, displacement, and conflict.
- The KTF supported political economy analysis in the **Democratic Republic of the Congo** that helped make the Bank’s engagement more conflict sensitive by promoting increased understanding of forced displacement challenges.

Objective 1.2

Foster partnerships – building and maintaining strong partnerships in engaging a variety of partners and grant recipients to ensure coherent development interventions in FCV settings.

- The KTF supported a conference and field visits on Community Driven Development (CDD) programs involving **Afghanistan’s** Ministry of Rural Reconstruction and Development (MRRD) and representatives from 4 CDD programs. This resulted in establishment of a network of practitioners to continue to exchange knowledge and learning from each other’s programs, as well as follow-up implementation plans for Afghanistan, Kenya, Myanmar, Nepal, and the Philippines.

- Partnerships are being developed with various **Korean institutions**: the Public and Private Infrastructure Investment Management Center at the Korean Development Institute (KDI) on private-public partnership; Hana Foundation on refugee issues; Korea Institute for International Economic Policy on private sector development (PSD) joint analytical work; Korea Institute of Public Finance for technical assistance to a project in Timor-Leste; and the Human Resources Development Service of Korea for technical assistance in Pakistan on ICT.

Objective 1.3

Take risks and monitor results – piloting new and innovative areas of programming, with a focus on monitoring, evaluation, and learning.

- In **southern Thailand**, the KTF supported the evaluation of a community development program and helped guide and incorporate key findings from the evaluation in local development planning.
- In the **Sahel and Horn of Africa**, the KTF contributed to enhancement of monitoring and evaluation systems related to pastoralist conflicts through creation of an online monitoring platform in livestock corridors. This project has been linked to \$2 million from IDA for pastoral livelihoods development projects in the region.
- In the **West Bank and Gaza**, the KTF supported implementation of an e-governance platform to empower citizens to demand better services and monitor use of public resources.

Objective 1.4

Respond to urgent need – effectively disbursing financing to provide rapid support to requests for urgent technical assistance.

- In **Mali**, the KTF supported the WBG's work on forced displacement through a household survey of internally displaced persons (IDPs) that incorporated innovative technological methods such as mobile phone surveys.
- Analytic and technical assistance on forced displacement, supported through the KTF, led to analyses and studies in the **Great Lakes** region of Africa. This project informed the design of Displaced Persons and Border Communities in Africa, a \$20 million IDA operation.

Objective 1.5

Strengthen institutions – building the long-term capacity and legitimacy of both formal and informal institutions to manage stresses that increase the risk of conflict and violence, with an emphasis on documenting innovative pilots.

- In **Eastern Europe and Central Asia**, the KTF improved the capacity of governments to provide inclusive and equitable land administration systems and land restitution processes. As part of this project, the KTF supported a Real Estate Registration Project that included vulnerability mapping and social monitoring to protect the land rights of vulnerable groups in **Bosnia and Herzegovina**. The project also developed an action plan for a land leasing program to improve access to land for IDPs in **Georgia**.
- KTF support allowed for advisory assistance to be provided to the government of the **Philippines** to promote investment and jobs in Bangsamoro and strengthen

government accountability mechanisms. The KTF also funded a needs assessment of ex-combatants from the Moro Islamic Liberation Front (MILF). This assessment is expected to closely inform the design of assistance packages for ex-combatants and communities.

- In **Timor-Leste**, the KTF supported the development of a new revenue mobilization policy and strengthening the state’s ability to mobilize non-oil revenue. The project also contributed to increasing effectiveness of the Tax Office, improving the regulations and procedural codes for value-added tax, and establishing a large Taxpayer Office.
- In **Pakistan**, KTF funds have supported civic inclusion and economic empowerment of young women and men through information and communication technology (ICT)-based solutions. A total of 15,000 youths have been trained on an online freelancing model. In addition, the project has developed a curriculum for a coding and entrepreneurship ‘bootcamp’ and a Digital Fellowship Program.

Objective 1.6

Capture and disseminate knowledge – capturing operationally relevant learning that improves the WBG’s ability to tackle FCV and respond to client demand.

- In **South Asia**, the KTF supported learning on improving the effectiveness of service delivery in FCS through a South-South learning exchange and analytics that drew on global good practices. As a result, the WBG’s SAR operations increased their level of knowledge on building effective institutions in low-capacity states.
- Through a Learning on SGBV Operations Project, the KTF supported two learning tours in **Papua, New Guinea** and **Nepal** to identify regional best practices and strengthen research and knowledge-sharing around SGBV.
- The KTF supported the publication of *Rebuilding Public Services in Post-Conflict Countries: A Comparative Study of Reform Trajectories in Afghanistan, Sierra Leone, South Sudan, and Timor-Leste*. The study was dissemination at a joint workshop with the Korean Institute for Public Administration (KIPA) and lessons from the study have informed WBG projects in the Central African Republic, Somalia, Liberia, South Sudan, and Zimbabwe.
- The KTF commissioned four studies contributing to the flagship UN-WBG report *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict*. This included funding a Korean doctoral-level researcher affiliated with the Korea Association of International Development and Cooperation (KAIDEC) and who was based at Princeton University for a year working with the WBG team.

Section 5.3: Partnerships with Korean Institutions



The KTF places a strong emphasis on partnerships with Korean institutions and mutual learning among those institutions, the WBG, and local actors in FCV contexts. Korea's historical development and economic successes offer lessons learned that can be of practical application to many FCS countries. Korean institutions are uniquely positioned to draw on these experiences and, through KTF support, help deliver tangible results for WBG clients. Additionally, this collaboration and engagement deepens the understanding of Korean academics and development practitioners about best practice and ongoing challenges in FCV contexts. Over Phase 1 of the KTF, partnering with Korean institutions has included research, knowledge-exchange, and technical assistance initiatives leveraging Korea's expertise.

Facilitating Dialogue with G20 and g7+ Group of Fragile States

In close partnership with the Korean Development Institution (KDI) School of Public Policy and Management, the KTF supported two annual events in Seoul to facilitate dialogue between the G20 and g7+ group of 18 fragile and conflict-affected states. In 2013, representatives attended a Global Leadership Course on the G20 and Peace-Building where Korean representatives shared the country's development experience. In 2014, a roundtable discussion between members of the G20 and g7+ group discussed challenges of growth, employment, and infrastructure in advance of the G20 summit in Brisbane. These events increased G20 knowledge and understanding of FCV challenges and international responses in FCV contexts. g7+'s capacity to engage in critical global issues such as extractive industry development and employment in fragile contexts also increased.

Engagement by Korean institutions with the g7+ subsequently continued. In May 2016, the KTF supported the participation of two experts from Statistics Korea (KOSTAT) in the g7+ technical meeting on SDG monitoring in Nairobi, Kenya. Approximately 50 participants from the 20 g7+ member countries and international organizations convened to develop common indicators and discuss the

development of a g7+ tracking portal for the SDGs. The KOSTAT experts provided peer-to-peer learning by sharing Korea's expertise in data and ICT to g7+. Through bilateral meetings between the KOSTAT and g7+, KOSTAT gained a better understanding of existing needs of some g7+ participants and identified potential bilateral training programs.

Knowledge Exchanges on Community Driven Development

In collaboration with the KDI School, the KTF supported the "Knowledge Exchange on Rural Community Driven Development in Fragile and Conflict Affected Countries" event in 2016. The event brought together 14 government representatives from Afghanistan, Kenya, Myanmar, Nepal, and the Philippines, as well as World Bank staff and experts from nine Korean universities and institutions, including Saemaul Undong Center (SMU) which provides training on international development. The exchange focused on sharing lessons learned from the Korean development experience and promoting peer-to-peer learning among FCV countries. Participants made field visits to the Korean Rural Community Corporation (KRC) and the Agriculture Technology Center of the Sejong Metropolitan Authority to learn more about Korea's CDD efforts. Participating countries developed action plans and requested further capacity-building and technical support from SMU.

As part of the Expanding Community Approaches in Conflict Situations Project in southern Thailand, an international Community Driven Development (CDD) conference in fragile and conflict-affected areas is planned for 2018 between the Research and Development team of KDI and the WBG team. The Thai government, including the Front Command Cabinet, the National Security Council, and the Southern Border Province Administration Centre, and CSOs will partner with the WBG to make this event reach as many stakeholders as possible.

Korea Week 2015

Jointly organized by the WBG and MOFA, Korea Week was held in Seoul from June 1-5, 2015. The event provided an opportunity to highlight the KTF as one of



Participants during a site visit to Agricultural Technology Center in Sejong Metropolitan City



Participants at the "Knowledge Exchange on Rural Community Driven Development in Fragile and Conflict Affected Countries"

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"Korea's remarkable progress gives hope to us that our situations can be changed to achieve the same status."

"We were surprised by the rapid economic development of Korea. The SMU Movement laid the foundation, allowing Korea to achieve modernization and development."

- Participants from the workshop titled, "Knowledge Exchange on Rural Community Driven Development in Fragile and Conflict Affected Countries"

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the key WGB-Korea partnerships. FCV Senior Management made several presentations and the government of the Philippines presented KTF's innovative and flexible support to the Mindanao Peace Process.

In partnership with Import-Export Bank of Korea (KEXIM), Korean Institute of International Economic Policy (KIEP), and Seoul National University, the KTF organized complementary side events to Korea Week. A workshop titled 'Perspectives on Economic Transitions' brought together Korean and World Bank experts on transitional economies and recovery post-conflict to discuss lessons learned and implications for new transitions. This workshop set the stage for continued knowledge exchanges and joint analytical work between the WBG and Korean institutions on conflict prevention and transitions in FCV environments. In February 2016, a follow-up event was organized in Washington, DC, bringing experts from Korea University and Yonsei University to discuss their work and implications for WBG operations.

Highlighting the Private Sector's role in FCS

Research from the World Development Report 2011 and the Peace and State-Building Goals of the New Deal (PSG) shows an increasing recognition that private sector development (PSD) can effectively enhance the impact of development interventions in FCS. As part of an IFC study titled *Private Sector Development in Fragile and Conflict States*, the KTF supported a complementary study of China, Japan, and Korea's corporate engagement in FCS countries in Africa. The purpose of the complementary study, *China-Japan-Republic of Korea Corporate Engagement in FCS Countries*, which involved participation by the Korean Institute for International Economic Policy in its conception phase, was to make findings relevant for the Korean private sector and assist FCS host governments, Millennium Development Goals (MDGs), and international organizations in reflecting on how they can enhance the positive effects of PSD and economic prosperity in African FCS. A conference is tentatively planned for 2018 to build awareness and strengthen the relationship between the WBG and Korean development actors such as the Korea Development Institute, agencies related to SMEs (KOTRA, Small and Medium Business Administration, Korean Federation of SMEs), the Korea Export-Import Bank, Korea Institute for International Economic Policy, and Korean universities.

STORY OF IMPACT

Working with the UN to find “Pathways for Peace”

Violent conflict is on the rise and increasingly recognized as one of the biggest obstacles to reaching the Sustainable Development Goals (SDGs) by 2030. Preventing conflict and violence is an urgent agenda shared by the UN and the WBG. In taking office, UN Secretary-General Antonio Guterres called prevention of violent conflict ‘the priority’ and has made it the organizing principle for UN reform. At the same time, the WBG has made the reduction of conflict risks a central priority of its expanding engagement in situations of fragility, conflict, and violence, particularly given the 18th replenishment of the International Development Association, the WBG’s fund for the poorest countries.

Groundbreaking *Pathways for Peace* Report

The UN-WBG flagship report *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict* is a first-of-its-kind study in which the two institutions unite on the prevention agenda. Using evidence from the past 16 years and original analysis, the report shows that prevention can be accomplished, is cost-effective, and can be successful. Importantly, the report makes a case for placing prevention at the center of development efforts and provides recommendations for national governments, international organizations, and other relevant actors. The report’s key findings have already begun to influence the global policy debate on prevention, as seen at the UN General Assembly in September 2017 and at a roundtable during the WBG-IMF Annual Meeting in October 2017.

The KTF’s Support

Pathways for Peace benefited from the support of the KTF through the commission of four studies published by Princeton University Press. “Aid Flows to Conflict-Affected Situations: Exploring Cross-Country Empirical Studies and Updated Data” and “Understanding Risk and Resilience to Violent Conflict” examine critical questions of the extent to which aid is correlated with the onset, intensity, and duration of violent conflict and identified areas where policy intervention can enable resiliency to conflict. “Evaluating Conflict Forecasts: Criteria, Approaches, and Tools” and “A Review of Conflict Forecasting Models” assesses the performance of existing conflict forecasting models in terms of accuracy, precision, and accountability and provides a critical review of these early-warning tools. These original studies contributed directly to the *Pathways for Peace* report’s findings and recommendations. In particular, “Understanding Risk and Resilience to Violent Conflict” and consultations around this paper substantially influenced the final report’s risk-centered prevention framework.

Support from the KTF will enable the dissemination of *Pathways for Peace* in East and South-East Asia, where launch events in Bangkok, Seoul, and Jakarta will engage a broad audience of policy makers, peace-building agencies, academia, think-tanks, civil society, and the private sector. In light of Korea’s chair of the Peace-Building Commission and leadership role on peace-building initiatives, activities in Seoul will be developed in consultation with the Korean government. This will follow the dissemination of the full report in March 2018 at the WBG’s Fragility, Conflict, and Violence Forum in Washington, DC.

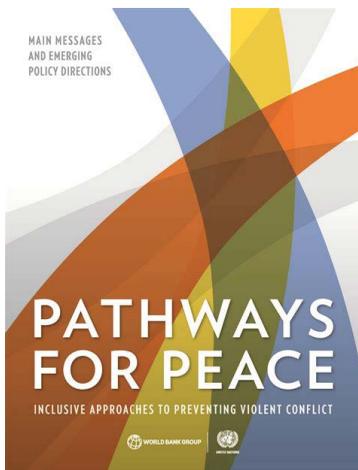
Engaging strategic audiences in Asia on the main messages and recommendations from *Pathways for Peace* will be crucial to advancing regional dialogue on prevention as a universal agenda and building inclusive partnerships. This will also provide an opportunity to present the report's findings and recommendations related to conflict trends and dynamics in Asia and generate practical ideas on how to proceed on the report's recommendations in a regional context.

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“The joint UN-World Bank study, *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict*, is an important step. This endeavor was a first for our two institutions, and it had the strong support of the global community, benefiting from many partners who provided valuable insight. As a development institution, the World Bank Group is putting prevention first to build a less violent, more stable, more resilient world.”

- Jim Yong Kim, World Bank Group President, at the UN General Assembly, September 2017.

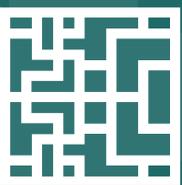
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At the UN General Assembly in September 2017, the UN Secretary-General and the WBG President launched a preview of the *Pathways for Peace* report's main messages for policymakers.



Alexandre Marc, the World Bank's Chief Specialist, Fragility, Conflict and Violence Global Theme, speaks at the UN General Assembly in September 2017.



SECTION SIX



LOOKING FORWARD TO K-FCV

Building on the success and lessons learned from implementation of the KTF's first phase, a second phase of partnership between the Republic of Korea and the WBG has been initiated. The proposed ***Korea Trust Fund for Economic and Peace-Building Transitions – Phase 2*** (K-FCV) aims to maximize the impact of the WBG engagement in FCV situations and address the challenges of fragility, conflicts, and violence, particularly in Asia and the Pacific.

The experience of the first phase highlighted that transitions are dynamic processes where ill-managed efforts can stall progress and deteriorate gains made in peace and economic growth. Phase 2 is based on a more comprehensive understanding of 'transition' through a risk-based approach taking into account economic, social, political, and security dimensions and promoting stronger collaboration with humanitarian and peace actors.

Three proposed areas of focus under the K-FCV align with WBG priorities for FCV and leverage Korea's comparative advantage from its technical expertise and geographic location: (i) operational support for conflict sensitive strategies and operations; (ii) innovative engagements for development in FCV; and (iii) management of crisis risk. Under each area, the K-FCV aims to support both recipient and bank-executed activities. To operationalize the recommendations from the UN-WB flagship study *Pathways to Peace*, K-FCV will place a premium on risk-based and prevention approaches. In general, the K-FCV will continue to support efforts to innovate and pilot new approaches that would not be easily financed through IDA or IBRD.

In its second phase, the K-FCV will provide implementation and strategic support to WBG's country team with an emphasis in Asia and the Pacific. FCV staff based within the WBG Korea Office will ensure multi-sectoral collaboration in risk monitoring, strategies and analysis, and support country teams and sector units in the region operating in FCV situations. Moreover, the K-FCV will further expand collaboration with Korean institutions and experts to maximize development impact in FCV affected countries. Korea's strong ICT expertise will be leveraged to engineer innovative solutions in addressing FCV issues. Such an approach is aligned with Korea's 2017 *ODA Strategy for Supporting Fragile Countries*.

Despite the enormous challenges that threaten sustainable development in the coming years, Korea and the WBG's sustained engagement through the K-FCV remains an important marker of effective collaboration in the effort to prevent and respond to fragility, conflict, and violence around the world.



ANNEXES



Annex 1: Statement of Receipts, Disbursement and Fund Balance

	Note	2017	2016	2009-2015	Total
Expressed in US\$					
Opening Balance	1	\$8,698,926.76	\$490,000	\$0.00	-
Receipts					
Donor Contributions	2	\$5,000,000.00	\$0.00	\$23,827,987.51	\$28,827,987.51
Net Investment and Other Income	3	\$89,626.73	\$94,322.28	\$466,218.48	\$650,167.49
Total Receipts		\$5,089,626.73	\$94,322.28	\$24,294,205.99	\$29,478,155.00
Disbursements					
Grant Disbursements	4	\$4,073,183.67	\$4,023,553.87	\$11,189,487.89	\$19,286,225.43
of which Program Management	5	\$60,833.76	\$53,878.31	\$563,180.46	\$677,892.53
World Bank Administration Fee	6	\$0.00	\$0.00	\$476,559.75	\$476,559.75
Total Disbursements		\$4,073,183.67	\$4,023,553.87	\$11,666,047.64	\$19,762,785.18
Ending Balance		\$9,715,369.82	\$8,698,926.76	\$12,628,158.35	-
Less: Committed Funds (Active Grants)	7	\$3,488,949.96	-	-	-
Fund Balance (Available for New Programming)	8	\$6,226,419.86	-	-	-
Pipeline of Operational Activities (first quarter of 2018)	9	\$5,000,000.00			

Note 1 : Reporting Basis

Reporting period used in this report is the calendar year 2017.

Note 2 : Donor Contributions

The Korea Trust Fund for Economic and Peace-building Transitions (Fund) has received US\$5 million in the calendar year ending December 31, 2017. This contribution represents the first installment of a total of \$15 million pledged by the Republic of Korea over a three-year period under the Agreement between the Republic of Korea acting through the Ministry of Strategy and Finance and the International Bank for Reconstruction and Development and the international Development Association concerning Phase-2 of this Fund. Since it was established in 2009, the Republic of Korea has contributed US\$28,827,987 equivalent to the Fund.

Note 3 : Investments and Other Incomes

Net investments and other incomes in the amount of ~US\$89,627 for the calendar year 2017 consists of the Fund's share in the interest income earned by the World Bank's trust fund portfolio including realized gains/losses from sale of securities and other income.

The received income in the calendar year 2017 is superior to the Fund's annual program management costs and administration fee, i.e. Donor contributions have been used for financing of operational activities only.

Note 4 : Disbursement for the Fund's Operational Activities

Cumulative disbursements to the KTF grants in the amount of US\$19,286,225 were made since the establishment of the Fund, out of which ~US\$4,073,184 in the calendar year 2017.

The following table provides details of the grant distribution and disbursements by region.

Region	Number of Grants	Share, %	Disbursed (\$ million)	Share, %
East Asia and Pacific	16	38	9.6	49.5
Africa	9	21	3.6	18.6
South Asia	4	10	1.7	8.8
Latin America and Caribbean	2	5	.8	4.1
Europe and Central Asia	4	10	1.1	5.7
Middle East and North Africa	1	2	.4	2.1
Global	6	14	2.2	11.3
	42	100	19.4	100.0

Note 5 : Program Management Disbursement

The cost of the Fund program management for the calendar year 2017 were in the amount of ~US\$60,834. This cost was fully covered by investment income, i.e. donor contributions were used for operational activities only. The cost of the Fund program management in the calendar year 2017 is lower than annual average of ~US\$75,000 since the Fund inception.

The following table provides details of expenses for the Fund program management.

Expense categories	2017	2016	2009-15	Cumulative disbursements, US\$
Staff costs	38,812.72	30,741.42	382,062.17	451,616.31
Consultant fees	0.00	3,584.88	38,021.73	41,606.61
Travel expenses	22,021.24	5,912.21	107,299.25	135,232.70
Other expenses	0.00	13,639.80	35,797.31	49,437.11
	60,833.96	53,878.31	563,180.46	677,892.73

Staff costs include salaries and benefits for SPF Secretariat's staff. Other expenses include overhead expenses, contractual services, e.g. editing, graphic design, translation, publishing and printing, representation and hospitality.

Note 6 : Administration Fee

The World Bank administration fee covers indirect costs related to corporate services provided in support of operational work. Indirect costs include the cost of institution-wide services such as human resources, information technologies, office space services, etc. The World Bank administration fee is not specific to the Korea Trust Fund for Economic and Peace-building Transitions but applies to all trust funds administered by the World Bank.

No administration fee was charged in the calendar year 2017 as under the New Cost Recovery Model of the World Bank the administration fee is deducted at the disbursing fund level. This means that administration fee is not deducted at the time of receipt of contribution into the trust fund as it used to be done before 2017. No administration fee was charged in the calendar year 2016 as there were no new contributions to the Fund in that year.

Note 7 : Committed Funds

Commitments in the amount of US\$3,488,950 are outstanding as of December 31, 2017. These are the remaining balances (funds committed but not disbursed yet) of the grants that the Fund has approved to program management and operational activities, i.e. active grants.

Note 8 : Fund Balance

Fund balance in the amount of US\$6,226,420 is outstanding as of December 31, 2017 and can be used to finance new operational activities and program management.

Note 9 : Pipeline of Operational Activities

The estimated pipeline of operational activities for the first quarter of the calendar year 2015 amounts to US\$5,000,000.

Annex 2: All Grants

Active Grants			
Country & Project Title	Start Date	Development Objective	Grant Amount
EAP			
Myanmar: Support to the Myanmar Peace Process	Aug. 2013	Enable the Myanmar Peace Center to generate an evidence base that improves both national decision-making and development partner interventions in support of the peace process.	\$2,954,973
Thailand: Expanding Community Approaches in Conflict Situations	Aug. 2013	Contribute to building confidence between communities and sub-district authorities in southern Thailand through participatory local development approaches and capacity building.	\$490,000
Thailand: Strengthening Confidence-Building Measures in Subnational Conflict	Dec. 2017	Improve state-citizen relationships through demonstrating the feasibility and value of participatory local development approaches and supporting institutional capacity-building of civil society networks and organizations, by (i) providing knowledge and evidence on peace-building approaches, and (ii) fostering constructive dialogue between the state and non-state actors.	\$495,000
Philippines: Bangsamoro Conflict Monitoring System	Jul. 2016	Support the Government and other development partners in establishing of a monitoring system for violent conflicts with a view to inform plans, policies and programs in Bangsamoro.	\$544,000
Timor-Leste: Domestic Revenue Mobilization	Jul. 2016	Provide just in time advice for improving the tax regulatory framework and provide preliminary capacity building in support of the government domestic revenue reform program	\$348,000
EAP TOTAL			\$4,831,973
AFR			
AFR: Initiative on Pastoralism and Stability in the Sahel and the Horn of Africa	Aug. 2015	Enhance monitoring and evaluation systems and knowledge on the link between pastoralism development and stability for regional organizations and programs.	\$375,000

IFC-KST Private Sector Development Study	Dec. 2016	Examine the effectiveness of private sector interventions in different fragile situations in Africa with a focus on the effective sequencing with a view to understand which development strategies work in complex fragile situations and which don't and help inform future interventions.	\$150,000
AFR TOTAL			\$525,000
SAR			
Pakistan: Social and Economic empowerment of youth through ICT-based solutions in Khyber Pakhtunkhwa	Feb. 2017	To support the civic inclusion and economic empowerment of young men and women in Khyber Pakhtunkhwa (KP), Pakistan, through the use of ICT based solutions.	\$733,900
Western Balkans: Strengthening Fiscal Institutions to Build Resilience	Oct. 2017	Support a review of the rules-based fiscal framework in the region as well as generate and share knowledge on approaches to designing fiscal rules and building fiscal institutions to help address economic fragility.	\$250,000
MENA			
Middle East and North Africa Citizen Engagement	May 2014	Design and implement citizen engagement activities in the region, which are tailored to particular conflict and post-conflict contexts.	\$450,000
GLOBAL			
Learning on SGBV in Operations	Mar. 2014	Deepen client and Bank knowledge on addressing Sexual and Gender Based Violence (SGBV) in Fragile and Post-Conflict situations.	\$444,000
Dissemination of Study on Rebuilding Public Services in Post-Conflict	Jul. 2016	Publish and disseminate a completed comparative study with a particular focus on dissemination to Korean audiences.	\$26,000
Other Regions (SAR, ECA, MENA, Global) Total			\$1,903,900

Closed Grants			
Country & Project Title	Duration	Results Achieved	Grant Amount
EAP			
Indonesia: National Violence Monitoring System (NVMS)	Dec. 2011 – Apr. 2015	Increased capacity of Indonesia's institutions to better use data in policy planning. The project supported data collection, coding, web development, as well as technical assistance to the Coordinating Ministry to use the data to inform policy responses. Habibie Center, an Indonesian think tank, tasked with producing data based analytical work was given technical support. As result, the NVMS has been validated as an effective and accurate violence response tool. The NVMS holds over 200,000 data entries, covering all of Indonesia's 34 provinces, and Government, academia and civil society are all using the NVMS data to improve national-level policy planning.	\$2,079,258
Indonesia: National Violence Monitoring System (Additional Financing)	Mar. 2014 – May 2015		

<p>Myanmar: Improving the Evidence Base on Poverty through Mixed Methods</p>	<p>Mar. 2014 – Apr. 2016</p>	<p>Developed a better evidence base on poverty and living conditions in Myanmar that is accepted and credible by all stakeholders, and used to inform national decision-making in the transition process through conducting Myanmar Poverty and Living Conditions Survey (MPLCS), a nationally representative household survey implemented by the World Bank together with a survey firm, in collaboration with the Ministry of National Planning and Economic Development. The project also supported analysis of existing poverty data in the country, as well as a qualitative field study of poverty, inequality, and mobility in Myanmar.</p>	<p>\$459,485</p>
<p>Pacific Islands: Strengthening Local Capacity and Project Implementation</p>	<p>Aug. 2013 – Mar. 2016</p>	<p>Increased capacity and strengthened government procurement and financial management systems; strengthened knowledge and application of safeguards policies and documents; and partnered with civil society organizations to strengthen and improve social accountability through innovative on the ground technical support. This project provided direct support across 23 projects. A lessons-learned paper on strengthening capacity and building implementation in fragile and remote island states have been completed.</p>	<p>\$494,661</p>
<p>Philippines: Supporting Inclusive Peace in the Bangsamoro</p>	<p>Nov. 2013 – Feb. 2016</p>	<p>Provided analytical and advisory support to help build legitimate institutions in conflict affected areas of the country. This included support in the development of draft Bangsamoro Basic Law, which is the key legal instrument to implement much of the Comprehensive Agreement on the Bangsamoro; and Bangsamoro Development Plan which is informing government budget and donor financing for conflict-affected Mindanao. The project also contributed to the design and operation of the Bangsamoro Conflict Monitoring System (BCMS), which is informing more conflict-sensitive development programming; and included major TA on the overall approach to combatant transition, utilizing a community-based reintegration approach.</p>	<p>\$469,924</p>
<p>Philippines: Supporting the foundations of sustainable peace in Mindanao</p>	<p>Oct. 2014 – Nov. 2017</p>	<p>Provided timely support through analytical work, policy advice and donor coordination focusing on citizen security, justice, social programs and jobs, and helped build credibility and relationships of trust with clients. The project outputs included the Mindanao Jobs Report, which will inform the WB's plans for a scale up on operations in Mindanao over the coming five years. The report has also been cited in the government's new Strategic Framework for Peace and Development in Mindanao. Land Conflict in Mindanao study, supported by the project, was endorsed by the Transitional Justice and Reconciliation Commission and its key recommendations were included in the Commission's report.</p>	<p>\$1,464,907</p>

Philippines: Islamic Finance and Financial Inclusion on Bangsamoro	May 2015 - May 2016	Provided support in creating the environment to improving access to basic financial services, and, in particular Islamic financial services, in Bangsamoro as part of the broader effort to stimulate growth, jobs and development in the region. The project built significant skills and knowledge on an issue of strategic importance for cultural recognition of Muslim Filipinos by (i) assessing the access to financial services and financial inclusion in Bangsamoro; (ii) providing assistance on the development of the legal framework for Islamic finance; and (iii) helping design of Islamic microfinance pilot for future possible implementation in ARMM/Bangsamoro. Project activities facilitated the counterparts' commitment to the development of legal framework, and triggered the on-going discussions on the future support for improving access to finance in ARMM including Islamic microfinance.	\$66,646
Timor-Leste: Support for Land Policy	Apr. 2014 - Apr. 2016	Increased the capacity of the government, CSOs, and communities to develop and implement land legislation in a fair, inclusive, and transparent way by supporting stakeholder and political economy analysis of community lands and implementing the Land Governance Assessment diagnostic tool. Support was also provided to the National Directorate for Land, Property, and Cadastral Services to implement the land law and identify options for the development of livelihood opportunities.	\$166,296
EAP: Developing Tools for Trauma-Sensitive Livelihood Interventions in East Asia	Feb. 2014 - Apr. 2016	Contributed to improving effectiveness of World Bank efforts in fragile and conflict prone situations through supporting dialogues among development practitioners, mental health and psychosocial experts, and researchers about how sensitivity to trauma and psychosocial well-being can be integrated into projects. Online course was also developed to build capacity of development and humanitarian practitioners to design projects that are responsive to psychosocial and mental health needs, and in turn, contribute to improved outcomes for projects.	\$467,893
EAP: Regional Violence Monitoring Knowledge Exchange	Oct. 2014 - Jun. 2016	Consolidated lessons from three existing violence monitoring initiatives in Thailand, Indonesia and the Philippines, and based on the synthesis of lessons learned, a practical methodology toolkit has been developed. The project supported methodological improvements and harmonization, established a network of violence monitoring practitioners, and provided technical solutions to inform WBG internal and external incorporation of conflict and violence monitoring in project and portfolio monitoring, program design and policy formulation.	\$472,305
AFR			
Central African Republic: Strategic Early Response	Feb. 2014 - Jun. 2016	Generated important knowledge and learning, which is enabling the improvement of World Bank operations in CAR. The Labor-Intensive Public Works knowledge exchange provided direct operational and strategic support to the restructuring of two ongoing WB projects. KTF support has fed into the preparation of the WB's Country Engagement Note to support CAR's fragile transition and define the WB's priority areas of engagement. KTF support also led to the launch of the US\$31 million multi-donor rapid employment program that delivers 10,000 jobs.	\$417,680

<p>Great Lakes Region: Promoting Peace and Stability through Development</p>	<p>Jun. 2014 – Feb. 2017</p>	<p>Provided concrete, pragmatic support to Great Lakes programs and strategies resulting in some significant adaptations of projects, to not only be sensitive to conflict but address the causes of violence. The project helped to (i) design a US\$35 million component on conflict transformation and land management under the DRC-Burundi agriculture program as well as identify peacebuilders and spoilers inside agricultural value chains that will be engaged with through the program; (ii) inform the cross-border trade project by a study of vulnerabilities and sources of resilience of actors involved in cross-border trade flows between DRC, Uganda, Rwanda and Burundi; (iv) identify peace and security-related indicators that will be collected by the regional M&E project and all GLI programs will be linked to this framework, thereby identifying aggregate progress; (v) inform the Performance Learning Review for DRC through an extensive forward-looking risk assessment for the eastern provinces, which will influence the design of the upcoming Country Partnership Framework; and (vi) identify priority axis and communities along which the STEP (early recovery) and displacement projects in DRC will work.</p>	<p>\$338,479</p>
<p>Liberia: Citizen Engagement for Fair, Equitable and Durable Land and NRM</p>	<p>Nov. 2013 – Oct. 2015</p>	<p>Assisted the Liberian Government to mitigate the potential conflict arising from land and natural resource management. The project also supported the drafting of recommendations for government to improve citizen engagement as well as specific inputs to the proposed Liberia Land Administration Project regarding land acquisition processes.</p>	<p>\$480,623</p>
<p>Mali: Immediate Post-Conflict Recovery Support Initiative</p>	<p>Nov. 2013 – Oct. 2015</p>	<p>The project allowed the WBG to engage more actively with the government about the post-conflict response. It supported an assessment of needs and priorities, and a monitoring system to assess progress on peace and development over time. The roll-out of the Joint Assessment Mission in 2015 was the first attempt to pilot the new framework and methodology for recovery and peace-building assessments. The experience in Mali has allowed the EU, UN, and WBG to further strengthen this framework, which has since become a core tool in the international response to conflict.</p>	<p>\$473,586</p>
<p>Sierra Leone: Local Development Partnerships for Mining</p>	<p>Apr. 2014 – Apr. 2016</p>	<p>Contributed to the design of a more conflict sensitive mining sector in Sierra Leone, through the development of the overarching policy, and addressing one of the sources of fragility identified in the 2016 SCD - control of mining resources by chiefs. The project provided technical assistance (TA) to a working group that produced a model Community Development Agreement (CDA) that the National Minerals Agency is now working with investors to adapt to particular contexts and implement. On-demand TA support was provided to support the adaptation and implementation of the CDA. The KTF support helped shaping the overall policy discussion on the governance of the minerals sector as well as the specific policy and implementation arrangements for community development agreements.</p>	<p>\$471,862</p>

South Sudan: Youth Employment	Oct. 2013 – Apr. 2016	The project objectives were revised given the outbreak of conflict in South Sudan, which rendered the originally planned labor market survey unfeasible and inadequate given the context of high fragility. Instead, impact evaluation of a cash grant for youth on their livelihoods, education and other socioeconomic indicators was conducted. The program was implemented in the least conflict-affected regions in South Sudan and entailed life-skill and business training as well as a grant of US\$1,000 per beneficiary. The project contributed to more detailed knowledge of the youth and their labor situation in South Sudan.	\$442,757
Sub-Saharan Africa: Jobs and Job Creation in Fragile and Conflict States	Oct. 2013 – Mar. 2016	Improved the knowledge base and quality of data for informing employment policies and operations in a subset of fragile and conflict states (FCS) in the Africa Region. Three country jobs reports (Côte d'Ivoire, Sierra Leone, Liberia), as well as presentation of findings from the research have already informed a range of analytical, operational and strategic activities in Côte d'Ivoire, Sierra Leone, and, to a less extent since the report has only recently been completed in Liberia. The activity informed or jump-started broader employment engagement in all three countries.	\$474,250
SAR			
Afghanistan: Understanding the Drivers of Peace and Security in Extractive Industries Sector	May 2014 – May 2016	Provided assessment on understanding the drivers of conflict across extractive industry value chain which informs preparation of the Afghanistan Extractives for Development (AE4D) project. In addition, the grievance redress related work proved to be very useful in supporting the government meet its safeguard obligations under the Sustainable Development of Natural Resources Project. Under this component, 310 male and 237 female workers were trained on grievance redress mechanisms and conflict mitigation.	\$390,662
SAR: Framing Responses to State Fragility in SAR	Apr. 2014 – Mar. 2015	Generated knowledge on effective engagement strategies and approaches for delivering services and building effective institutions in low-capacity, conflict-affected and fragile areas in South Asia. The project provided important contribution to knowledge about how subnational political settlements and elite bargains can affect service delivery outcomes. The outcomes of the research is being used to influence World Bank country and sector strategies, and aspects of the findings were integrated into the current Afghanistan Country Partnership Framework.	\$349,959
Men as Agents of Change for Peace, and Security Knowledge Product	Sep. 2013 – Mar. 2015	Contributed to the knowledge base for programming and improving knowledge of male gender issues in development. A Global symposium on Men, Peace, & Security: Agents of Change was organized to bring together and to train 245 participants, many from fragile states, on issues related to men, peace and security. Follow-up research looked further at how job creation programs can be improved with a better focus on male gender issues through examining the links between male identity and employment and income generation for young people around the world. Furthermore, the grant contributed greatly to the development of the WEvolve campaign, in particular, its focus on understanding and responding to male gender issues.	\$389,835

LAC			
Colombia: Peace Process Implementation Support	Mar. 2014 – Dec. 2015	Strengthened the Government capacity to make informed decisions for peace building policies, as well as implementation mechanisms through: (i) the development of a framework for understanding key aspects of the peace-building exercise in Colombia in the context of societal transition from armed conflict to sustainable peace; (ii) a technical review of the reintegration policy and approach in Colombia to inform the preparation of the institutional structure for a potential Disarmament, Demobilization, and Reintegration program for FARC ex-combatants; and (iii) a study on crime and violence in the aftermath of an armed-conflict and how public policy can effectively address post-conflict violence. In addition, this project increased the understanding of the role of civil society in peace building processes, as well as of building trust in state institutions through: (i) a study analyzing local governability in conflict affected zones, and (ii) the development of a methodological guideline for carrying out communication programs for building citizens' trust in institutions in sub-national areas with low levels of state presence and affected by violence. The applied knowledge generated by the activities, supported the maintenance of a policy dialogue with the Government during the transitional period to peace and promoted the WB role as a trusted knowledge broker in peace and development interventions.	\$387,302
Haiti: Political Economy Analysis and Social Accountability Pilot	Oct. 2014 – Apr. 2016	Contributed to improving the effectiveness of the World Bank operations in both electricity and education. The improved understanding of the stakeholders in the sector, their interests, and their impact on the sector has helped the electricity program in Haiti move toward alternative avenues for increasing access through renewables and off-grid solutions, which has resulted in two new energy projects focusing on those alternative approaches. In Education, the inspection analysis and net mapping of stakeholders has generated knowledge that sector teams are using to inform the TA on improving education quality. In addition, all the main activities under Social Accountability Pilot are being picked up and scaled up in a new education project under preparation to enhance the impact of the project on learning outcomes.	\$435,881
ECA			
ECA: Addressing Land and Conflict Issues in Eastern Europe and Central Asia	Jan. 2014 – May 2016	The project contributed to improving capacity of governments (Bosnia & Herzegovina, Kosovo, Georgia, South Africa, Colombia, Nepal, Kenya, and Ivory Coast) to provide inclusive and equitable land administration systems and/or land restitution processes, sensitizing the governments to the special needs of vulnerable groups in FCV settings. The concept of land leasing program, social monitoring and vulnerability mapping, and door-to-door sensitization of women's property rights were piloted, and were further developed to benefit the relevant WB land operations in ECA.	\$483,760

Moldova/ Transnistria: Knowledge for Confidence Building	Mar. 2014 – Sep. 2017	The project went through several iterations as adjustments were made to reflect political realities and align with demands from the Government of Moldova (GoM) and Transnistrian Authorities. It supported a series of workshops and capacity building events aimed at closing the knowledge gaps to support the confidence building process including pilot programs with communities on both banks of the Nistru River. The project team also produced a note on strategic and operational challenges of working in the Transnistria Region, Republic of Moldova which highlights a particular challenge of the shifting power relations within the authorities of Transnistria and negotiating with the sovereign government on a leeway to work with the break-away regions of the country. This note provides a valuable guidance for the WB teams on working in conditions of frozen conflicts.	\$165,014
Kyrgyz Republic & Tajikistan: Citizen Engagement for Better State- Society Relations	Apr. 2014 – Apr. 2016	The project (i) enhanced understanding of the grievance redress mechanisms (GRM) as a means for operations to respond to beneficiary feedback in Central Asia; (ii) developed a citizen engagement Country Roadmap in Kyrgyz Republic; (iii) improved the quality of design of citizen engagement in IPF operations; (iv) developed innovative tools for citizen engagement in the education and energy sectors in Kyrgyz Republic. The outcomes of this grant leveraged significant additional funds for sector activity – to introduce new levels of citizen engagement in the education sector, through a partnership between the World Bank (US\$3 million) and civil society (the Aga Khan Foundation, US\$0.5 million). In addition, the project resulted in a commitment from the WB Country Management Unit in FY17 to continue the financing of the mainstreaming of CE, as well as the expansion of citizen engagement work to neighboring countries (Kazakhstan and Uzbekistan). The piloting of the Country Roadmap for CE in Kyrgyz Republic has been taken up by several countries across the ECA region and has defined an instrument for defining country specific objectives, priorities and standards.	\$461,003
GLOBAL			
Designing and Implementing Displacement Sensitive Development Interventions	Oct. 2013 – Apr. 2016	The project contributed a wealth of relevant knowledge on forced displacement across the globe and resulted in the uptake of recommendations in major WB initiatives and operations, particularly in the DRC and Great Lakes. This includes informing the design of a US\$20 million IDA operation on “Displaced Persons and Border Communities in Africa.” The household survey in Mali has become a precedent for WBG work on forced displacement, incorporating innovative technological methods such as mobile phone surveys. The study in Afghanistan has become a basis for increased investments by the CMU in displacement operations in that country. Studies funded by this grant have also been incorporated in government discussions to ultimately design policies to address the development challenge of forced displacement, particularly in the regional initiative in the Great Lakes.	\$408,628

Korea-Afghanistan-FCS Countries Knowledge Exchange on Rural Development	Feb. 2016 – May 2017	Supported knowledge exchange on rural development between Afghanistan, Korea and four FCS countries to conceptualize potential approaches to improving community driven development (CDD) efforts based on the implementation experiences and results of the Saemaul Undong program. The knowledge-exchange event held in June 2016 gathered over 20 participants from the participating countries and representatives of 9 Korean institutions and laid a basis for continuing dialogue between at least 3 of the participating countries (Afghanistan, Myanmar, and Nepal). The project also supported a stocktaking of CDD in FCV contexts with a focus on four of the participating programs.	\$74,429
Risk Factors of Violent Conflict and Deviation from Expected Outcome	Aug. 2016 – Sep. 2017	Provided an empirical analysis of the resilience factors to violent conflicts, which is essential to analyze policies and programs that can effectively support prevention of conflicts. This analysis fed into the flagship study on development intervention for prevention of violent conflicts. The study was informed by extensive regional consultations in Europe, Africa, Middle East and North Africa, and South-East Asia. It makes a case for placing prevention at the center of development efforts, and ends with recommendations for national governments, international and other relevant actors, and have already begun to influence the global policy debate on prevention.	\$259,987
Improving Professional and Regulatory Safeguards Capacity in FCS by Building Skills through South-South Staff Exchange	Jan. 2014 – Dec. 2015	Provided capacity building to environmental regulators from FCV-affected countries and produced a toolkit with practical tips to improve professional and regulatory safeguards capacity in FCS. Twenty five environmental regulators from 10 FCV-affected countries (Burkina Faso, Central African Republic, Kenya, Liberia, Madagascar, Mali, Mozambique, Nigeria, Sierra Leone, South Sudan and Sudan) were trained at a one-week intensive workshop consisting of presentations, discussions, participatory exercises, field trips and country case studies. The materials processed and harvested during the workshop were captured in the toolkit that was produced.	\$263,118
Surmounting Conflict and Fragility	May 2015 – Apr. 2016	The project provided a deeper insight to the intersection of macroeconomics and political science approaches to conflict by supporting an analytical study which examined the factors that allow countries to recover (economically) from conflict. The study revealed that economic growth before and after conflict seems, on average, only marginally lower than in non-conflict countries, and that cycles of violence are the single most important reason for the lack of long-term development in these countries. The study described political violence as a leading cause of extreme volatility and highlighted corollaries of this in more detail through looking at political exclusion – political institutions, executive constraints – literature on trust on conflict.	\$84,288

Annex 3: K-FCV Results Framework

	Unit of Measure	Baseline (K-FCV-1)	End Target (2020)	Frequency	Data Source/ Methodology	Responsibility for Data Collection
DO-level Results Indicator						
Indicator A: Ministerial-level acknowledgement letter of the impact of the K-FCV at grant completion	Percentage	0	70	Annual	Letters	FCV Group management, with CMUs
Indicator B: K-FCV grants allocated to countries in Asia and the Pacific (in \$ volume)	Percentage	62	75	Annual	Portfolio and Project data	K-FCV Secretariat
Indicator C: Engagement with international and local Non-Governmental Organizations	Number	8	20	Annual	Project data	K-FCV Secretariat
Intermediate Results Indicators						
Area 1: Operational support for FCV-sensitive strategies and operations						
Indicator 1.1: WB lending operations directly supported through preparation, implementation and/or supervision	Number US\$ million Beneficiaries	6 180 967,343	15 750 XXX	Annual	Portfolio and Project data	K-FCV Secretariat, with CMUs and GPs
Indicator 1.2: Operational missions of FCV staff from/ through/ to Korea (days)	Number	60	450	Annual	FCV facetime index	FCV Group management, with WB HR
Area 2: Innovative engagements for development in FCV						
Indicator 2.1: WB operations building on innovative ICT technologies for preparation, implementation and/or supervision	Number	0	10	Annual	Presentation at annual event	K-FCV Secretariat, with GPs
Indicator 2.2: Korean actors providing technical advice for the above WB operations	Percentage	0	60	Annual	MoU	K-FCV Secretariat, with GPs
Area 3. Management of Crisis Risk						
Indicator 3.1: Crisis management tools designed and/ or their enhanced application	Number	1	10	Annual	Grant reports; GCMP report	K-FCV Secretariat, with GCMP
Indicator 3.2: Asia/Pacific focal point for the GCMP based in WB Korea Office (WB-KO)	Number	0	1	Annual	WB-KO report	GCMP Secretariat, with WB-KO CMU





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Fragility, Conflict & Violence

The Korea Trust Fund Economic and Peace-Building Transitions (KTF) is a global fund to finance critical development operations and analysis in situations of fragility, conflict and violence. The KTF is kindly supported by the Ministry of Strategy and Finance, Republic of Korea.

