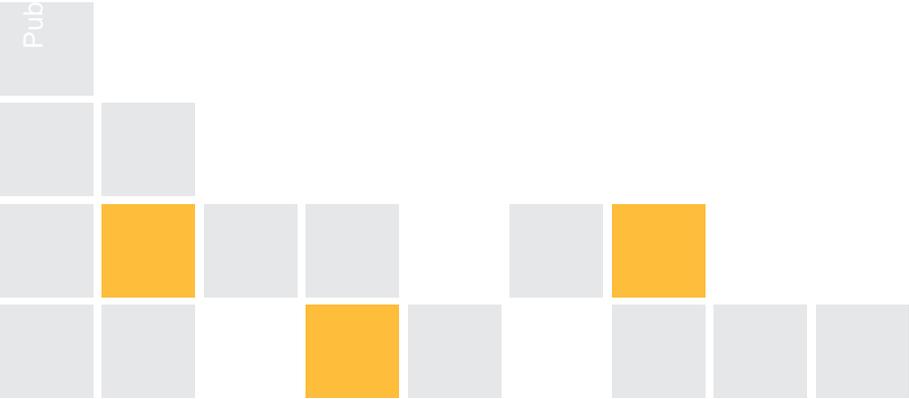


# KNOWLEDGE *for* CHANGE

2016 Annual Report



# Capacity Building





## Mission Statement

*By undertaking research and data collection in key areas and themes, the Knowledge for Change Program supports the development of effective policies and programs in developing countries with an aim to reduce poverty and promote sustainable development.*



# Contents

Message from the World Bank's Research Director 1

The Knowledge for Change Program III 5

KCP's Capacity Building Initiatives 7

Progress and Achievements in 2016 10

KCP Finances 25

## **ANNEXES:**

ANNEX I: KCP II Ongoing Research 29

ANNEX II: KCP II Research Projects in Profile 32

ANNEX III: KCP II and KCP III Project Portfolio 38

KCP Donors 59





## Message from Aslı Demirgüç-Kunt World Bank Research Director

### Building the Capacity for Better Politics

Too often, government leaders fail to adopt and implement policies that they know are necessary for sustained economic development. Political constraints can prevent leaders from following sound technical advice, even when the leaders have the best of intentions. Worse yet, unhealthy political environments can push politicians to compete based on the provision of private benefits rather than public goods. A wealth of experience now demonstrates that in such environments efforts to build the institutional capacity required for development often fail. Investing in capacity alone is not enough.

But as our new report, *Making Politics Work for Development: Harnessing Transparency and Citizen Engagement*, makes clear, political behavior can be shaped to work in favor of rather than against development. Together, the forces of citizen engagement and transparency can bring about the favorable changes in political behavior that are needed for building better institutions.

### The High Cost of Government Failure

Governments play a unique role in economic development by providing the institutions that support competitive markets and addressing those areas where markets fail. Governments also have unique powers for redistribution to complement other market-supporting policies to eradicate poverty and promote shared prosperity. When development stakeholders make policy recommendations, they often implicitly assume that governments will rely on the best available technical evidence to pursue

policies to deliver public goods. But as we know, this is often not the case. Leaders knowingly and deliberately ignore sound technical advice and adopt and implement policies that they know are costly, despite the availability of alternative policies that are likely to yield improved outcomes.

Examples of such failures abound in developing countries. We see it when the Treasury Secretary of a country in Africa gives public school teachers a salary increase despite evidence of extensive absenteeism. We also see it when local politicians fail to hold frontline public health workers accountable, as has happened in India's National Rural Health Mission.

In these cases of government failure, politicians are encumbered by adverse political incentives that prevent them from selecting good policies, and they run the risk of losing office should they try to do the right thing. Even when leaders pursue technically sound policies, implementation can run into perverse behavioral norms among public officials and citizens who seek to extract private benefits from the public sector. Such behavior might be supported by the widespread belief that corruption is the norm.

*Making Politics Work for Development* presents an impressive body of evidence that demonstrates that achieving positive development outcomes hinges on whether leaders are selected and sanctioned on the basis of performance, regardless of the type of political system. It is in this context that the growth of citizen engagement and transparency offers cause for cautious optimism.

## A Growing Space for Citizen Engagement and Transparency

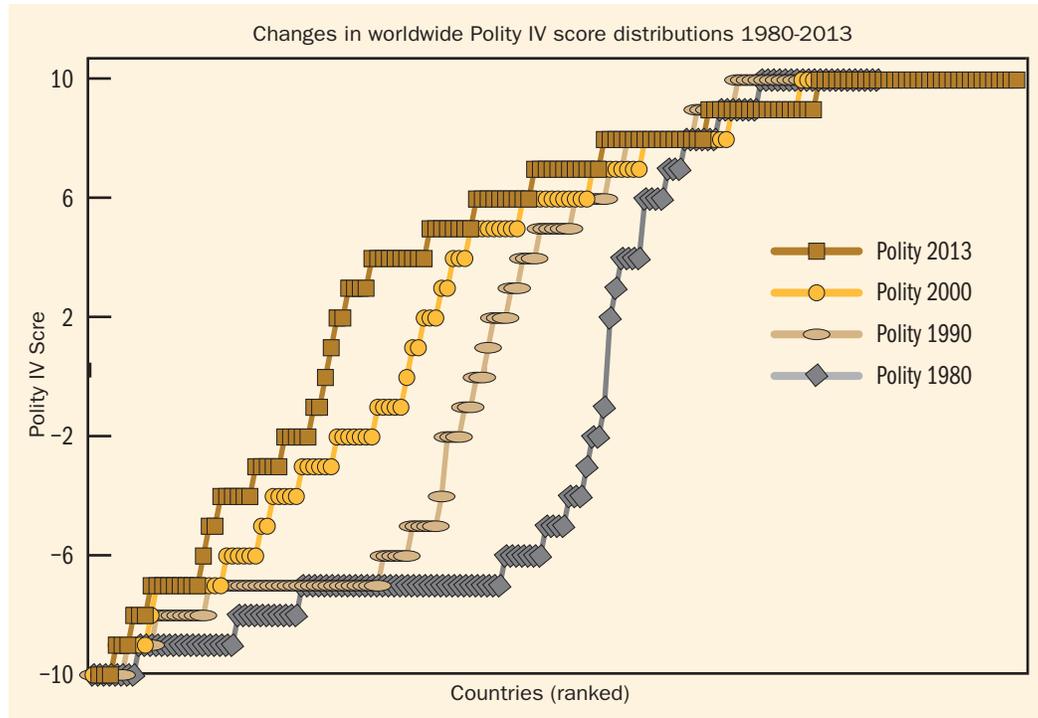
In today's participative world, citizens are not only queuing at voting booths, but also taking to the streets and using modern communications technology to select, sanction, and pressure the leaders who wield power within government. The dramatic spread of elections at the national and at local levels, even in countries with authoritarian national political institutions, has created unprecedented opportunities for citizens to influence the quality of governance. Figure 1 plots the distribution of countries ranked by the Polity IV measure of democracy, with higher values corresponding to greater space for political engagement by citizens. During the past three and a half decades, the overall distribution of political institutions across countries has steadily shifted toward those that allow greater political engagement. Although some

individual countries have experienced reversals to more autocratic institutions or have seen little change, the overall trend has been toward greater opportunities for political engagement.

Yet greater political engagement alone is not enough. Unhealthy political engagement in the form of corruption, clientelist vote-buying, and ethnic favoritism have held back many of the countries facing the biggest development challenges.

This is where transparency can make a difference. Citizen access to publicly available information about the actions of those in government and the consequences of these actions can help tip the balance in favor of healthy political engagement. Nascent and emerging democracies, as well as autocracies, are experiencing greater media freedom. While no comprehensive index of transparency exists, partial measures of transparency—such as the spread of right-to-information legislation in

**Figure 1. Global shift toward democratic institutions for political engagement**



Source: Data from the Polity IV project.

Note: The Polity IV Score is a measure of state authority that is widely used in research, varying on a 21-point scale ranging from -10 (which corresponds to hereditary monarchy) to +10 (which corresponds to the Polity IV view of consolidated democracy). Higher values are associated with more democratic institutions.

nearly 100 countries as of 2014—suggest that the world is moving toward greater transparency. The spread of new communications technologies looks destined to keep the world moving toward greater transparency.

## Confronting Politics Head On

Development stakeholders face a choice: pursue “second-best” solutions that are available when political constraints are taken as given, or find ways to relax the constraints to the adoption of technically sound policies. Given the importance of good governance to development outcomes and the growth of citizen engagement and transparency, the weight of the evidence points increasingly toward the latter option. Policy advice should shift from an approach in which technical experts seek to bypass politics or lower expectations when it is a problem, to one in which they confront politics and incorporate it into the search for technical solutions to development problems.

This approach does not mean prioritizing attention to political incentives or waiting until the problems of politics are solved. Instead, development practitioners can harness the current forces of political engagement and transparency, which are emergent everywhere, for better development outcomes.

Building effective government institutions requires changes in political behavior—investments in formal capacity and innovative technologies will not be enough. Political engagement and transparency can bring about the needed changes in political behavior. A body of evidence synthesized in *Making Politics Work for Development* lays out several guidelines that can help bring about these changes:

- » Communicate evidence and knowledge to citizens, not only to leaders.
- » Do not regard communication to citizens lightly or as a “soft” option; scientific investment is

needed to understand how to shift entrenched beliefs that can underpin economic policy failures, and persuade changes in behavior.

- » Compile credible, impartial information content, by leveraging analytical expertise that is specifically about performance in delivering public goods (not only about policy actions).
- » Strengthen media markets to carry public-interest programming, such as by sponsoring “infotainment”—entertaining programs that carry persuasive messages about evidence-based public good policies.
- » Disaggregate information content and communication media down to the multiple levels of local government where citizens are engaged in selecting and sanctioning leaders.

## Role of External Development Stakeholders

These recommendations raise an obvious question: who will take responsibility for implementing them, especially when political leaders themselves are constrained by adverse political incentives? The good news is that the conditions in many countries where the vast majority of the poor live resemble those described in historical accounts of previous institutional transitions in high-income economies. These conditions include widespread political engagement by citizens, even the poor and less educated; broad-based demands for improvements in public services; dissatisfaction with clientelist politics; and availability of cheap and accessible mass media, such as television and radio.

Civil society and international development partners can help increase the odds that these favorable conditions will lead to institutional transitions. International development assistance can shift away from an approach where external technical

experts believe they have all the policy answers, and the main objective is to transfer knowledge and ideas to the leaders of the developing world. The alternative is to reduce some of this hubris, and recognize that the search for the “right” policies is a continuous one, by trial and error; and the alternative involves everybody, not just a select few. Development stakeholders such as the World Bank can leverage their comparative advantage in generating technical data and analysis to help citizens and leaders to be better equipped and more inclined to pursue the solutions to public good problems. In this approach, institutions like the World Bank—and particularly the Development Research Group—have a renewed role to play as providers of impartial, policy-relevant research and data.

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## The Knowledge for Change Program III

The Knowledge for Change Program (KCP) pilot phase was established in 2002 to undertake research and data collection in key areas to support the development of effective policies in developing countries. Phase II started in 2008 and operationally closed in February 2017. All four KCP II windows (Poverty Dynamics & Public Service Delivery Window, Investment Climate & Trade and Integration Window, Global Public Goods Window, and Economic Development & Structural Change Window) support the research agenda linked to the twin goals.

In parallel, a restructured KCP III was set up and became active in December 2014. KCP III continues to contribute to policy making in developing countries. Priority is given to research and analysis that focus on applied and policy-oriented questions with relevance to issues faced by developing countries. In addition, KCP III will focus on enhancing research and data collection capacity by encouraging World Bank teams to work with local researchers/data specialists or institutions from developing countries.

The KCP III funds policy-relevant research and data activities in the following areas:

1. Service Delivery and Aid Effectiveness: focusing on how to deliver “development” across multiple sectors
2. Poverty and Shared Prosperity: emphasizing the importance of economic growth and inclusion, including strong concern for equity
3. Growth and Job Creation: focusing on understanding the dynamics of economic growth and job creation
4. Fragility and Risk Management: studying the challenges of fragile and conflict-affected areas, which are home to a significant share of the world’s extremely poor people
5. International Cooperation and Global Public Goods: addressing the political economy, policy design, and evaluation challenges that arise in international cooperation
6. Innovation in Data Production, Analysis, and Dissemination: addressing the need to establish strong baselines and a monitoring system for poverty alleviation, shared prosperity, and sustainability goals
7. World Bank Flagship Reports: contributing to the World Development Report, Global Development Outlook, Global Economic Prospects, Poverty and Shared Prosperity Report, and Doing Business Report.

The KCP III started fundraising activities in November 2014. As of June 30, 2016, there were seven donors—Norway, the United Kingdom, Finland, Estonia, Canada, France, and Sweden—with total contributions of US\$11.5 million. The KCP III launched its first Call for Proposals in March 2015, and the process was concluded in July 2015. Fifty-two proposals were received, with total requested funding of US\$12.3 million, of which 29 proposals were approved by the Internal

Management Committee, with total allocations of US\$3.3 million. Of the 29 approved proposals, six proposals (US\$600,000) were approved with high capacity-building potential.

The second Call for Proposals was launched in August 2016 and concluded early 2017.



## KCP's Capacity Building Initiatives

As stated in the KCP Charter, the fundamental objective of the Knowledge for Change Program is to promote high-quality, cutting edge research (including data collection in the direct context of research) that creates knowledge to support policies for poverty reduction and sustainable development. A subsidiary objective is to assist the development of research capacity in client countries. On the primary objective, the last KCP evaluation conducted in 2012 concluded that “Based on the evaluations summarized here, KCP continues not only to meet this objective but to surpass it by a considerable margin.” However, the evaluation also pointed out that the program has not made significant progress in achieving its secondary objective, capacity building.

The evaluation suggested an approach to strengthen the KCP's capacity-building effort, which is for the program to focus on capacity building in a few projects where the potential and interest seems greatest, and leave the rest of the portfolio to concentrate all their efforts on producing the best possible research. To implement this suggestion, the KCP could set aside a part of the total budget specifically for capacity building. Only projects that include significant involvement of researchers from developing countries or genuine collaboration with research institutions in developing countries and efforts to carry out rigorous training programs would be eligible for these funds.

The management of the Development Economics (DEC) Group agreed that although capacity building is a secondary objective, it is important for the KCP to make some gains in this area. Hence, DEC

proposed to set aside up to 15 percent of the total budget available annually for projects that have strong potential to demonstrate local capacity building. This proposal was discussed and endorsed at the KCP Consultative Group meeting in Copenhagen on November 28, 2012.

During the next Call for Proposals in 2013, the following steps were taken to operationalize this capacity-building initiative:

1. Make the capacity-building question more prominent in the Grant Funding Request template, and in the ex ante review form.
2. Select/approve Capacity Building–focused projects first. Based on the ex ante reviewers' ratings, the Internal Management Committee, upon recommendation of the KCP Program Administration Unit, will first select/ approve projects that have the strongest potential to demonstrate local capacity building to fit in that year's capacity-building budget (15 percent of the total available budget). These capacity building–focused projects should score high in the ex ante reviewers' ratings for capacity building and should also have a high overall score.
3. Calculate the remaining available budget for each window. The remaining available budget for each window can be calculated by deducting the approved capacity building–focused project(s) budget in a specific window from the original indicative budget for that window.

4. Select/approve other projects. All the other proposals will be evaluated and selected based on the ex ante reviewers' overall scores, as well as general KCP criteria and the remaining available budget in each window.

This procedure was hence adopted in the succeeding years, and the capacity-building budget envelope was also adopted in the newly established KCP III. In the past three years, a total of 13 projects (US\$1.51 million) were funded under the capacity-building budget envelope—seven projects (US\$910,000) under KCP II and six projects (US\$600,000) under KCP III.

Capacity Building was also given greater importance in many other projects. In fiscal year 2016, 102 developing country research institutions, and 179 developing country researchers, were substantively engaged in KCP research projects as reported by the individual project Task Team Leaders (TTLs).

## **Build Local Capacity Building through Close Collaboration**

In early 2002–03, the KCP awarded funding for a project for better understanding the indoor air pollution problem in rural Bangladesh. The project spent US\$25,500 and purchased 12 air monitors for measuring the concentration of particulates in the air in the kitchen and living quarters of households in Bangladesh. The project team, led by lead economist David Wheeler, worked closely with local researchers. The team produced two journal papers and a policy note, and for the first time highlighted the importance of indoor air pollution for country environmental analysis.

In 2006–07, one of the team members (Susmita Dasgupta) of the initial KCP project led a team and used the same air monitors in another research project to measure the indoor air quality of households in Bangladesh. The team again closely collaborated with local researchers. The

### **Enhance Capacity Building through Mentoring**

#### **Hands-On Capacity Building in Environmental Economics: A Collaboration with the Environment for Development Initiative (TF015186)**

The project aims to strengthen the capacity for research on environment and development issues in World Bank client countries. It builds on the established institutional capacity of an international network of research centers on environment and development known as the Environment for Development Initiative (Efd). The project supports collaborative research by Efd fellows in several Efd centers through financing and mentorship by World Bank researchers. In addition, the project helps strengthen the initiative's outreach capabilities through the production of working papers for sharing ideas with World Bank staff in research and operations. The World Bank team leader participated in refereeing some 15 research proposals, along with other members of the Efd Research Committee, and participated in an inception meeting at which research ideas were presented and feedback was provided to the candidate grant recipients. Among the proposals reviewed, five were identified for World Bank support over a subsequent 18-month period. Drafts of the research papers were reviewed, with final versions to be made available soon.

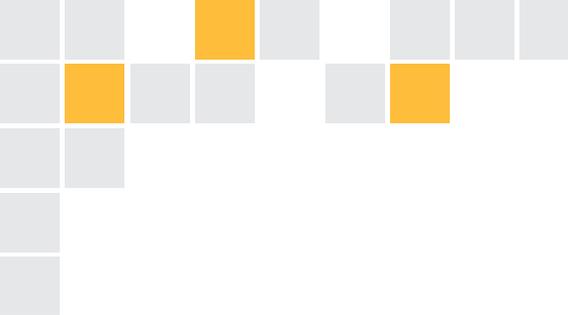
Going forward, the World Bank team leader emphasized the importance of having more upfront participation of World Bank researchers in future similar projects, and allocating enough time to have more direct collaborations with local researchers.

project produced a journal article and a research note published by the Energy Sector Management Assistance Program.

In 2012, upon signing a Memorandum of Understanding, DEC's Research Group handed over the air monitors to a group of scientists led by Dr. B. A. Begum in Bangladesh, who had no air monitors in her possession but was actively engaged in research and development (R&D) work on air quality issues. Since then, the equipment has been used for academic work and service activities in connection with World Bank-financed

projects. Related projects include R&D work on Improved Cooking Stoves at Bangladesh University of Engineering and Technology; Measurement of Indoor Particulate Matter (PM10 and 2.5) and Carbon Monoxide Levels in Model Kitchens; Stack Monitoring and Ambient Air Quality Measurements at 10 Operating Power Station Sites; and Ambient Air Quality Measurements for Energy Information Administration Preparation for the 50 MW Midland and 200 MW United Power Plants. Academic work, mainly related to dissertations by students at various universities, has been conducted using the equipment.

KCP	TF NO.	PROJECT NAME	AMOUNT (US\$)
<b>KCP II</b>			
1	TF018228	Demand Curve for Clean Water and Its Determinants in a Low-Income Context	200,000
2	TF015136	Improving the Management and Profits of Small Businesses and Their Measurement	150,000
3	TF015268	Supporting Ethiopia's Push for 9 Million Improved Cooking Stoves to Improve Health and Combat Climate Change	125,000
4	TF015186	Hands-On Capacity Building in Environmental Economics: A Proposed Collaboration with the Environment for Development Initiative	175,000
5	TF017655	The Impact of Wage Frequency on Employee Performance: A Field Experiment with Factory Workers Receiving Electronic Wage Payments in Bangladesh	100,000
6	TF017704	Upgrading Management Technology in Colombia: A Randomized Experiment	100,000
7	TF017711	Providing Technical Support to Financial Institutions in Rural Mexico	60,000
			<b>910,000</b>
<b>KCP III</b>			
1	TFOA2733	Poverty Imputation Handbook and Research	100,000
2	TFOA1423	China Climate Policy Modeling	50,000
3	TFOA1279	Kenya Patient Safety Impact Evaluation	150,000
4	TFOA1665	Economy wide Effects of Expanded Electricity Access and Impacts of Household Electricity Tariff Changes in Ethiopia	100,000
5	TFOA0815	Getting Water and Sewerage Connections in 31 Mexican States and Mexico City	100,000
6	TFOA1666	The Effect of Improved Biomass Cookstoves on Indoor Air Quality and Respiratory Health in Rural Ethiopia	100,000
			<b>600,000</b>
<b>TOTAL</b>			<b>1,510,000</b>



## Progress and Achievements in 2016

The final batch of new KCP II projects was approved in June 2014. The projects are on track to disburse by June 2017. There are 21 ongoing projects in various stages of implementation, and the progress reports prepared by the TTLs are available on the KCP website. Four ongoing projects are highlighted in Annex I.

35 projects were completed and one was dropped in FY2016. Outputs include high-quality papers, databases, data sets, and research tools covering a broad range of development topics and issues.

Table A.3 provides a full list of the completed/dropped KCP II projects, and the completion reports prepared by the TTLs are available on the KCP website. Highlights of the completed projects are provided here by window.

There are also 29 new projects under the KCP III initiated during FY2016. Table A.5 provides a list of the KCP III projects.

### Window I: Poverty Dynamics & Public Service Delivery

Window I addresses issues at the heart of poverty reduction: empowerment and sustainable development as well as public service delivery for human development. In FY2016, 16 projects were completed and one was dropped in this window, and eight projects are ongoing. The 16 completed projects covered a range of topics, including the following: health and welfare (TF010746: Quality

of Care in Health Markets: Supply and Demand Side Perspectives; TF012991: Early Childhood Nutrition, Availability of Health Service Providers; and Life Outcomes as Young Adults: Evidence from Indonesia; TF013050: Welfare Impacts of Marital Status Shocks in Senegal and the Implication for Social Protection Policy; and TF015400: An Evaluation of Long-Term Impacts of an Integrated Early Childhood Intervention for Low- Income Families in Rio de Janeiro, Brazil); poverty monitoring (TF017729: Harmonized Microdata for Enhanced Global Poverty Monitoring: The International Distribution Database; and TF018041: Improving Poverty and Shared Prosperity Measurement: An Experiment to Measure Purchases of Food Away from Home); behavior economics (TF014986: WDR 2015: The Behavioral and Social Foundations of Economic Development; TF015742: WDR 2015: Building an Evidence Base for the WDR; and TF015194: Behavioral Economics for Better Public Service Management); governance (TF015397: Uganda: Building Institutions for Government Accountability); and others related to jobs, gender, and agriculture (TF013078: Can a Formal Address Do the Job?; TF016848: How Do We Motivate Public Sector Workers in Developing Countries?; TF018228: Demand Cure for Clean Water and Its Determinants in a Low-Income Context; TF018112: Gender, Insurance, and Agriculture Productivity; TF017980: What Happens in Rural Areas When Food Prices Spike?; and TF018345: Census Independent Sampling Strategy Using Satellite Imagery).

## How Does Quality Care Affect the Health Market?

This project aimed to understand how health care functions in India, Tanzania, and China, with a focus on evaluating potential ways to improve primary health care in these countries. The objectives of this work were therefore (1) to expand quality of care work to additional settings; (2) to test innovative methods to measure quality, discrimination against patients from marginalized groups, and the demand for quality; and (3) to build capacity within the World Bank and client countries to conduct similar studies in the future.

The project conducted a set of studies to measure the quality of clinical interactions in primary health care settings in three diverse contexts—India, China, and Tanzania—and to assess the extent to which quality is determined by explicit contractual incentives and health market attributes, such as the degree of competition, demand for quality, and social identities of patients.

The method was developed and applied in diverse settings through this grant for measuring the quality of primary care. The method is known as “standardized patients,” and has become widely accepted and quoted in key conferences and publications, including those of the National Academies of Medicine. Some of the highlights are the following: more than 50 talks were given, including at every major forum in the United States, the United Kingdom, and Europe, and the methodology has been broadly accepted and the results are gaining greater acceptance.

This project produced 10 peer-reviewed publications, two working papers, and two published journal articles.

## How Does Early Childhood Nutrition Affect Outcomes for Young Adults?

The project aimed to understand (1) how poor nutritional status at birth and in early childhood affected the life outcomes of Indonesian children born between 1989 and 1997; (2) whether the presence of health service providers in Indonesian communities improved the nutritional status of children at birth and in early childhood; and (3) whether we may attribute the presence of community-based health service providers in early childhood to improved long-term life outcomes as adults.

Poor nutrition in early childhood is a result of poverty and exposure to uninsurable events. A long-term effect of poverty in early childhood is likely to be diminished ability (through lower cognitive ability and stature) to escape poverty.

Recent research has demonstrated that shocks experienced in utero or in early childhood may have observable persistent effects on productivity as adults. To date, significant research efforts have focused on demonstrating the relationship between these dimensions of child human capital and subsequent well-being as adults and important intervening pathways. Less research has examined the scope that public provision of health services may play in influencing these outcomes.

There continues to be considerable interest in the World Bank in factors affecting early childhood development, and the importance of community-based health service providers. Finding that community-based midwives in Indonesia influenced educational attainment and life outcomes many years after their exposure to infants would demonstrate long-term returns to investment in health service providers that have not previously been documented.

The research findings are as follows:

- » A nutritional intervention aimed at young children in the wake of the East Asian Financial Crisis led to 7 and 15 percent declines in the rates of moderate and severe stunting, respectively, for children ages 12 to 24 months who were exposed to the program for over a year. This finding suggests that when there are skilled representatives in villages, in this case midwives, it is possible to roll out nutritional interventions quickly enough to insure against the effects of adverse shocks.
- » Children under five who were stunted in 1993 were 3.5 centimeters shorter, 5 percent less likely to have pursued tertiary education, and had completed five months less schooling than children who did not suffer from stunting. Among girls who had exhibited stunting, Z-scores on Raven's tests and cognitive tests were 0.12 and 0.16 standard deviations lower, respectively. (Evidence prepared for Galasso and Wagstaff memo to World Bank President Jim Yong Kim, May 2016.).

This project produced one peer-reviewed publication, one working paper, one database, and one published journal article. The working paper was published with a member of the World Bank's operational staff as one of the primary authors, working with one researcher from a developing country.

### How Do We Motivate Public Sector Workers in Developing Countries?

Although most research on poverty alleviation and service delivery focuses on interventions to reduce poverty and increase the efficacy of services, a central question in the "science of service delivery" is how to build government capacity to scale up successful interventions and, in particular, how to motivate public sector employees to deliver services in the first place. Important issues in the motivation of public sector employees include the

intrinsic motivation of public employees to work for the public interest, the effects of intrinsic motivation on effort, and the interaction of compensation reforms and intrinsic motivation.

Although there are isolated, important examples of research in these areas, in general, little empirical research exists in this area to guide reform efforts, particularly in developing countries and particularly for the public sector. The absence of research on such questions as the following poses significant challenges to reform design.

The research undertaken here was to answer questions such as the following. (1) How do the level of intrinsic motivation and its effects on effort differ between poor and middle-income countries with poorly- or well- performing public sectors, between front-line and back-office employees, and between employees working in teams relative to those whose contributions to final outcomes are easy to discern? (2) Are public employees more motivated by flat pay systems that do not condition pay on performance? (3) What is the longer-run impact on public sector reforms when compensation systems change?

The results from the research are the following. (1) Public sector reform needs to focus on the selection of new employees, and reforming the pay system. (2) Public sector reform needs to be grounded in detailed, country-specific data on employee attitudes and perceptions. (3) The research should not strive for so-called best practice (such as pay for performance) without consulting the growing body of research, which calls into question the validity of some long-held expert beliefs. Work conducted under this grant suggests that selection methods that choose high-ability workers, but then pay them a fixed salary, yield as much effort as pay systems that ignore selection and pay workers for performance—but the latter could be costlier than the former. (4) Reform efforts need to pay attention to the nonpecuniary sources of worker motivation, including in selection procedures and in forecasting the effects of pay

on the types of individuals who will be attracted to the public sector.

This project has produced one published journal article and one working paper; another working paper and three reports are in the works.

## Window II: Investment Climate & Trade and Integration

Window II focuses on the major elements of a business climate that is conducive to growth, with emphasis on the role of small- and medium-scale industries. In FY2016, there were seven

completed projects and four ongoing projects in the Investment Climate & Trade and Integration window. The four completed projects covered a wide range of topics, such as private sector work (TF015136: Improving the Management and Profits of Small Business and Their Measurement; and TF015398: Salary Susu Plus: The Impact of Formal Savings on Spending and Borrowing); governance (TF17867: Corporate Governance and Debt Maturity; and TF015098: Worldwide Governance Indicators 2014–2015); public procurement (TF018326: Benchmarking Public Procurement); and migration (TF015212: The Gains from International Migration Revisited; and TF015145: Behaviorally Informed Mystery Shopping Tools for Consumer Protection Policy Makers).

### What Happens in Rural Areas When Food Prices Spike?

The main objective of the research is to help policy makers and stakeholders in making informed decisions about how best to prepare for periodic spikes in food prices and manage high-price episodes when they arise. The research also looked at how best to engage African farmers to address poverty and growing global demand.

This research addresses three related activities that together investigate how run-ups in food prices affect rural households. Activity 1: Using a well-timed panel from Indonesia, this activity traces the price effects of the 2008 surge in food prices to farms across the Indonesian archipelago, and then examines how the farms responded. Activity 2: By using consumption and anthropometry data from the same panel, this activity looks at how the combination of livelihood strategies and government safety net programs protects children, ages 0 to 6 years, from malnutrition. Activity 3: This activity looks at the capacity of staple crop farmers to adopt more productive technologies in response to market incentives and government interventions.

Consistent with studies in other settings, the research from Indonesia shows that households adjust to high food prices by changing their consumption, while farming households adjust production as well. However, despite government programs targeting the most vulnerable households, very poor families were unable to mitigate fully the 2007/08 food price spike, and a cohort of children were malnourished and thus failed to grow. This suggests that livelihood strategies that include some measure of self-sufficiency are a rational form of risk management, although alternative strategies may provide higher incomes on average.

Taken together, the research findings suggest that a strategy of boosting smallholder productivity that relies on land and labor assets already in place is more likely to benefit this generation of poor and malnourished households. Policies designed to prepare households for work outside agriculture and encourage commercial farming are complementary, but require a reallocation of land and labor resources that occurs slowly at the national level. Food systems and the agroclimatic conditions that support them are diverse in Africa, so the types of technology dissemination practices that worked well in the early stages of Asia's Green Revolution are inadequate for Africa, where a larger and more targeted set of technologies are needed to achieve continentwide productivity gains.

This research produced two published journal articles, 11 book chapters, and various presentations.

## How to Improve the Management and Profits of Small Businesses and Their Measurement?

The objective of this project was to develop and validate improved measures of managerial practices and profits in micro and small enterprises, and to use these improved measures to evaluate policies designed to improve the business skills and profits of micro and small firms.

The project carried out two main activities. The first was testing new methods of measuring firm profits in small microenterprises that do not keep records. One of the innovations that was tried was the use of radio frequency identification tags to measure flows of business inventories. This technology turned out not to be as good as advertised, and currently seems unsuitable for this purpose. However, the results did find encouraging reliability in survey measures compared with a benchmark of physical stock taking.

The second activity was to develop measures of business practices in microenterprises and determine the extent to which these measures matter for firm growth and productivity. The project developed a set of practices that were measured in more than 20,000 firms, and used these data to show that they appear to be picking up a key aspect of businesses: firms with better practices earn more in the cross-section, grow more quickly over time, are more likely to survive, and experimental evidence suggests that this effect is causal.

Key areas for future research include (1) continuing to test alternative ways to measure profits objectively in firms that do not keep financial accounts; and (2) fine-tuning the use of these business practice measures for medium-size firms.

This project produced one journal article, one working paper, two databases, one analytical tool, and two peer-reviewed publications.

## What Gains from Revisiting International Migration?

The aim of the project was to contribute to a better understanding of the links between international migration, integration, and development, and to inform current debates about the potential role of international collaboration on migration policy reform as part of a post-2015 development agenda.

There were four objectives: (1) to develop a modeling tool that could facilitate quantitative analysis of the migration impact of economic policies and shocks, or conversely the economic impact of policies that affect migration flows; (2) to reexamine the costs and benefits of greater migration flows, primarily from developing countries to high-income countries, but also between other migration corridors; (3) to apply the global analytical framework to a global policy or development issue where migration has a major role to play in the outcomes; and (4) to influence current policy discussions in the development community and in client countries on migration-related issues.

The results of the project provide three major insights into the role of migration and integration in development:

- » Although it is known that greater South-North migration can lead to global welfare gains, a challenge facing policy makers in high-income countries is that in the short run there can be extreme negative impacts on native wages. This project finds that although greater migration could push down the wages of native workers in high-income countries in the short run, these wages eventually recover. This pattern would be mostly caused by the beneficial effect of additional labor on the real returns to capital and fostering faster capital formation. Additional South-North migration could favor capital income recipients and reduce labor income in host regions in the short run. In contrast, in sending countries, capital owners could experience lower incomes while wages rise.

- » South-South migration currently accounts for a small share of global migration, and it will continue to be dwarfed by South-North migration. However, there are substantial wage differentials even between developing countries, and so South-South migration already plays a major role in boosting development. Stagnant or lower intra-South migration in the future could lead to substantial loss of remittance income and lower welfare in developing countries.
- » It is feared that protracted periods of low oil prices may dampen the development prospects for developing countries in South and Southeast Asia that send many migrant workers to net oil-exporting economies in the Gulf Cooperation Council (GCC). It is expected that lower oil prices will lead to lower demand for migrant workers, and hence lower remittance flows and lower wages in the migrant source countries. However, it was found that in the long run (2015–30) migrant demand in the GCC would be relatively stable for most South and Southeast Asian economies. The migrant-sending economies also tend to be net beneficiaries of low oil prices, because of the lower cost of intermediate inputs boosting economic activity and higher real incomes.

In the course of the model development and technical survey, the project identified a major shortcoming in the area of migration, integration, and development research. That is, there are no global estimates of the barriers to migration between bilateral migration corridors, in the same way as there are databases on nontariff barriers and tariff barriers to goods trade. Such a database would be a critical next step in the economic modeling of migration. Previously, a key data gap was the absence of bilateral migration stock and flow data, and bilateral remittance flow data. When databases on these started to become available in the early 2000s, they catalyzed a new literature on the gains from migration, and a database of bilateral migration barriers could do the same. The current project was unable to address this,

because of the complexity of the task and the fact that it was outside the scope of the project's objectives. Future work on this, with appropriate expertise and commensurate resources, is highly recommended.

This project produced one software tool and one working paper; two more working papers are in the works.

### Why Benchmark Public Procurement?

The Benchmarking Public Procurement initiative focuses on regulatory environments that affect the ability of private companies to do business with governments. Public procurement accounts for around one-fifth of global gross domestic product. Given its size, the public procurement market can improve public sector performance, promote national competitiveness, and drive domestic economic growth. And it can boost economic development.

Given the magnitude of the public procurement sector and its relevance to countries globally, the main objective of this project is to promote evidence-based decision making by governments and generate new knowledge on public procurement legal systems and related practices.

Consistent and objective data on public procurement can inform and support decision making by policy makers seeking to promote more effective, inclusive, and competitive public procurement systems, and serve as an input for research on links to economic outcomes.

The project's data points are organized under two indicators under Doing Business: (1) the Procurement Life Cycle, and (2) Complaints and Reporting Mechanisms. Because it views public procurement as a powerful tool to boost private sector development, this initiative targets the most critical issues deterring the participation of private firms, especially small and medium enterprises. The data are collected through electronic surveys administered to domestic procurement experts.

This initiative is funded by various sources, and the KCP II is contributing part of the funding for the project.

The results from the data collection exercise have shown that the levels of transparency and efficiency of procurement systems differ greatly from one country to another, and do not correlate with the level of development of a given country.

Examples of interesting project results are highlighted:

1. At the regional level, the performance of high-income Organisation for Economic Co-operation and Development (OECD) economies in the procurement sector, boosted by high standards of transparency and access to information, exceeds the performance of other regions. The second best performing region is Eastern Europe and Central Asia. The Middle East and North Africa economies, with the lowest performance in the submission of bids and awarding process, occupy the last position of the indicator's average.
2. The transparency of public procurement regulations is far from optimal: most of the economies targeted by the project have at least one "transparency" deficiency. Although there is still room for improvement in all the economies measured, OECD high-income economies do hold higher standards of transparency.
3. There is a clear move toward the use of electronic means in conducting public procurement. Among the economies measured, 73 have a website dedicated to public procurement. Some are more advanced than others. In 17 of the economies measured, it is still not possible for users to access tender documents from the electronic procurement portal.
4. Implementation of procurement regulations and laws is lagging: Australia, Lebanon, the Netherlands, New Zealand, Sweden, and the United

Kingdom are among the 12 economies that do not have a set time limit for the first-tier review body to render a decision. Even in economies where the law explicitly sets a time limit for the first-tier review body to render a decision, it may take months or years to obtain a decision.

Overall, given that many of the poorest countries are still in the process of building public institutions and refining their governance, there is plenty of room for collaboration between the private and public sectors in the provision of public services. Collaboration may speed up service delivery from what it would be if the donors and governments tried to provide them all on their own. Knowledge of best practices will help governments and donors to save funds for other important development tasks.

This project produced two policy research reports, one journal article, and various blogs.

### **Window III: Global Public Goods**

Window III focuses on global issues, such as climate change, that require collective action and coordination across countries. In FY2016, two projects were completed in this window and there were five ongoing projects. The completed projects discussed innovative tools for development (TF014304: Development of Innovative Tools and Technologies for the Global Research Community) and data (TF016340: Data Version Management and Linked Data).

#### **Why Is Data Version Management Important?**

The Open Data Initiative (ODI) has been a major success, demonstrating the World Bank's commitment to becoming a more transparent and open organization. It has signaled the opening of many valuable World Bank data sets. Climate Change, Projects and Operations, Finance, and Microdata are examples of data repositories that have joined the ODI, and the list is growing. The

new website that accompanied the launch—data.worldbank.org (or data site)—is now the most popular of the World

Bank’s websites, accounting for just under a third of all visitors, with the number of annual unique visits exceeding 11 million. ODI plays a critical role in the client impact and results theme, by providing evidence-based support to national policy makers, program implementers, and private sector partners.

With the Open Data movement gaining momentum, the data published by organizations and the use of data, especially in research, are growing exponentially. Given that often data are updated regularly, as more research and publications are made available using economic and other data, there is a need to preserve data versions that were used at the time the publications were released. Many economic data series are revised frequently, as more comprehensive information becomes available and as methodologies change or improve. Even the latest available data are subject to uncertainty, and historical data may be replaced by more accurately measured observations. Revisions to data series can complicate the evaluation of historical policy actions. Policy actions taken based on data available at the time may differ considerably from recommendations based on revised data (Orphanides 2001). Policy settings that seemed appropriate when they were made may be regarded as mistakes when viewed with the revised data.

Thus, to understand certain policy decisions, it is important to know the data policy makers were observing at the time (Runkle, Croushore, and Stark 2000). A related consequence of data revisions is that policy makers today must make decisions based on data that they know may be noisy or imprecise measures of activity. Since different data series are revised to different extents, having access to the data as well as the justification and properties of historical revisions can help policy makers distinguish important economic signals.

Consequently, having a facility to manage and make available data versions to users can be a great benefit.

In recent times, increased demands for more “real time” data have considerably changed our current practice of data management and dissemination. Consequently, it is critical to align with newer data and technology standards and provide support for data versions.

The objective of this project was to implement a web-based version management system that will allow data publishers of key databases to track data revisions. Enabling access to data versions allows users to have better comprehension of research and analysis that was published using previous versions of data.

The direct “audience” for the project is composed of researchers and other stakeholders interested in analyzing the data versions to inform policies and programs. The project does not influence policy making in a direct manner, and does not track uses and users of the data published. It is thus impossible at this stage to indicate specifically which projects or documents were explicitly inspired by the data versions published through this application.

Web usage monitoring statistics indicate that the database and software produced (partly funded) by this project are being used extensively. During February 2015 to July 2016, there were about 110,000+ page views and 20,000+ unique visitors to the versions database.

The project has produced one working paper and one software tool, and two working papers are still in the works.

## Window IV: Economic Development and Structural Change

The fourth window analyzes the policies and factors that are necessary to make it possible for a developing country to upgrade its industrial structure continuously and develop rapidly. Ten projects were completed and four projects are ongoing in this window. The completed projects discussed evaluation of programs that promote structural transformation (TF013183: Structural Change in a Dynamic World; TF015200: Aging: The Changing Nature of Intergenerational Flows in Developing Countries; and TF017704: Upgrading Management Technology in Colombia: A Randomized Experiment); infrastructure (TF013506: Understanding the Broader Impacts of Transport Infrastructure Investments); flagship reports (TF017690: WDR 2016: The Internet and Development; and TF018348: Global Economic Prospects); and others (TF015211: Simple Global Analysis with the R23 Model and Database for 200+ Countries; TF015048: Promoting Rural-Urban Integration in China; TF015161: Community, Family, and Household Support for the Elderly in the Wake of Rapid Urbanization: Evidence from Rural China; and TF015022: Institutional Investors).

### What Are the Broader Impacts of Transport Infrastructure Investments?

Transport is the World Bank's second largest sector by lending volume, with a 20 percent share. A well-functioning transport system is critical for economic development and connects poor and remote populations to opportunities elsewhere. Yet, our understanding of transport's broader impacts on growth, welfare, and poverty—in their own right and relative to other areas of World Bank lending—remains surprisingly inadequate. This reflects not only the complexity of these impacts, but also an underinvestment in the development of appropriate evaluation approaches. Progress in identifying the direct and indirect effects of major transport infrastructure projects will be critical for

improving the design and impact of such projects in the future, not only within the World Bank, but also more generally.

This research program has implemented studies at three scales—national, regional (subnational), and local—with a shared emphasis on ex post evaluation of the broader indirect or induced effects of transport investments. At the national level, a study of large-scale highway investments in China focuses on the impacts of nationwide network upgrading on labor mobility, agglomeration, and income. The paper compares the effects of transport investment with another important spatial policy, the hukou household registration system, which aims to control internal migration in the country. The regional studies focus on the impacts of major transport infrastructure—an important bridge in Bangladesh and a critical road link in West Africa—on regional economic development, including in the rural sector. At the local level, studies in three Mexican cities look at the impact of transport infrastructure—and the accessibility to jobs it facilitates—on housing prices.

The emphasis on broader impacts in these research projects stands in contrast with typical sector cost-benefit analysis (CBA), which tends to be limited to the more direct benefits of investments, such as reductions in travel time and vehicle operating costs. The importance of such savings should not be understated, but the narrow focus of traditional CBA methods tends to overlook the wider transformational effects that transport infrastructure can have at the national, regional, and local levels. It is these transformational effects, as manifested in our outcome variables, which this research aims to capture. By their very nature, these effects lie outside the transport sector itself.

In addition to their emphasis on the broader developmental impacts of transport, the three studies share important methodological features. Each study is spatially explicit, integrating geographic information system and spatial data analysis

techniques with more conventional tools of econometric analysis. Furthermore, either directly or indirectly, all three studies view the wider impacts of transport infrastructure improvements as operating through the changes in the geography of access to the product and labor markets that they trigger, such as national changes in the ability of consumers to access markets for urban and rural goods or intra-urban changes in workers' access to local labor markets.

At the national level, the China study shows overall economic benefits from the two main spatial policies used by the government: highway construction and upgrading, and the hukou residential registration system. The national highway system reinforced existing urbanization patterns, and the benefits have not spilled over into unconnected lagging regions as much as expected. The removal of the hukou registration system, by contrast, would result in more widespread welfare gains, including promoting urbanization in currently lagging regions.

At the regional level, analysis of the impact of the Jamuna Bridge in Bangladesh shows widespread benefits across several outcomes: increasing economic density and human capital formation, employment in service sectors, adoption of agricultural technologies, and thus increased rural sector productivity. Further analysis even shows improvements in child health outcomes, but mixed effects on female empowerment. The second regional study, on road impacts in West Africa, exploits a natural experiment (cutting off a major export route because of civil war). Re-routing of trade led to higher urbanization along newly important corridors and higher employment in services (although not manufacturing) sectors.

At the local level, two papers on Mexican cities look at the impact of transport options and access to employment centers on housing prices, using comprehensive information on residential property prices from a federal mortgage society and a private consulting firm. The results show a

somewhat different picture from what is usually found in high-income countries. Investments in public transit are capitalized to a lower extent than has been found elsewhere. This suggests that public transport (and particularly being close to a metro stop) is perceived as an inferior characteristic of a housing unit, especially for middle- and high-income households in Mexico City. Although these findings warrant more detailed research on household preferences, these first results suggest that public transport options need to be made much more attractive to all residents to trigger a major modal shift from private (car) transport.

In addition to these specific analyses, the project also prepared a survey paper on the impact of transport investments on economic development. This paper shows the considerable progress that has been made in developing methods for identifying broader transport benefits, as well as the still significant knowledge gaps.

The project has yielded two working papers and one published journal article.

## How to Promote Rural-Urban Integration in China?

Unsustainable ways of acquiring land for rapid urban expansion have been a main cause of weak governance and social conflict in China and are increasingly unsustainable. By describing the implementation and assessing the impact of a national experiment on investment, land transfers, and households' economic activity and well-being, this proposal aims to contribute to knowledge in this critical area and identify viable options for policy makers in China and other developing countries.

Between 2000 and 2010, rural-urban land conversion in China expanded at rates that are among the highest in East Asia. As such changes are not easily reversed, this poses vast challenges for China's development for decades to come. Although piecemeal efforts to change this pattern had proved largely ineffective, the rural-urban

integration reforms undertaken in Chengdu prefecture followed a more integrated approach that could hold broader lessons.

China has a dualistic land system that strictly separates rural from urban land. Land acquisition by local governments led to a high rate of conversion from rural to urban land in 2000–10, and contributed to the expansion of industrial activities.

Chengdu was used as the pilot area for the reform to support rural-urban integration in 2008 that introduced three key changes. First, a participatory effort to title all land and establish a registration system was implemented under the authority of administrative villages. The purpose was to establish clear and secure property rights as a basis for long-term contracts for agricultural or construction land. Second, the Chengdu Rural Property Rights Exchange was established as a platform for transactions of all types of rural property rights. It also aimed to allow farmers and collectives to take the initiative in auctioning construction land quotas through competitive bidding, and shifted the role of government to that of a regulator and supervisor. Third, to encourage migration, hukou restrictions were eliminated and regulations to allow easier transfers of rural construction land were passed. At least in principle, this would allow migration without the fear of losing an essential social safety net, or the sale of part of a migrant's land in her place of origin to finance the start-up of a small enterprise in an urban area.

Village-level results. The reform significantly reduced the threat of reallocation or expropriation, thus facilitating more efficient land use, through investment or by transferring land from less to more efficient uses and users. This resulted in higher shares of agricultural and construction land being used for arable and economic purposes. Beyond this, a significant increase in new enterprise startups may point toward independent impacts from labor market reforms.

Household-level results. The reform helped increase consumption and income, especially for less educated and affluent households. Interestingly, the estimated benefits exceed the cost of reform implementation. The reform increased overall labor supply and contributed to a shift of labor by young males and females toward the agriculture sector, a move which, for females, coincided with a significant reduction in the time spent migrating. The reform contributed to higher agricultural yields and profits through three channels, namely (1) greater rental market activity that transferred land to more productive producers; (2) substitution of purchased inputs for labor; and (3) a shift from grains toward vegetables, corn, and oilseeds, all of which offer higher levels of profitability.

This project has produced two working papers, one journal article, two databases, and one peer-reviewed publication.

### How Does Aging Change the Nature of Intergenerational Flows in Developing Countries?

The main objective of the project is to quantify forthcoming changes in government balances caused by aging, under a range of scenarios, taking into account various possible policy responses to aging and the general equilibrium macroeconomic effects of aging and age-related policies.

Countries at all levels of development are experiencing change in their population age structure, but the implications for policy depend critically on the exact nature of the demographic changes. Most countries have relatively underdeveloped public sectors and, for them, critical decisions will be made over the coming decades about expanding public services. Public finances are suffering under the strain, creating pressure to increase taxes, cut existing programs, or both. The timing of these changes is unfortunate, as higher levels of debt are common in the wake of the great recession.

Several features of this study distinguish it from previous efforts. First is the comprehensive approach of the analysis. The emphasis is not on specific sectors, but rather on the public sector in its entirety. Second, the project considers new policy options that have not been previously investigated. The project explores the potential for major reform that incorporates the improvements in health that accompany longer lives. Third, the analysis traces the implications of alternative public policies for private decisions about the allocation of resources among consumption, saving, and private transfers.

The analyses and case studies offer the following important lessons:

1. The demographic dividend will offer substantial fiscal space to many developing countries for an extended period. This represents an opportunity for countries to introduce important new public programs or expand existing ones, including education, health care, and pensions.
2. Favorable demographics also represent a trap for many low-income countries. Aging is a relatively remote prospect and, hence, only a very long time horizon will allow countries to introduce sustainable programs.
3. Some middle-income countries will experience rapid aging, but with varying pressure on public sector balances. Thailand and China are two such cases considered in the study. The implications for Thailand's public sector will not be severe unless currently modest programs for the elderly (pensions and health care) are expanded. China faces different problems. Aging will be very rapid and revenues will be insufficient to cover the existing public programs, which primarily benefit urban retirees. Substantial tax increases will be required to extend social welfare programs to rural populations and avoid large deficits.
4. Four post-dividend countries were analyzed: Germany, Hungary, Japan, and the United States. All of these would experience severe and unsustainable deficits in the absence of substantial public reform. Among the dividend countries, Brazil's public spending on the elderly (generous public pension programs) cannot be maintained.
5. There are many public policy options that can achieve public sector balance in aging societies, but most will lead to substantially slower growth in standards of living as measured by per capita consumption. The one exception to this generalization is lifecycle reform, that is, policies that delay retirement, extend the work span, and realize savings in public spending on health care.
6. Those in their sixties would be most directly affected by these policies, because they would be working to an older age. They would also benefit the most in terms of higher consumption. But the benefits would also accrue to prime-age adults and children, because they would pay lower taxes and experience favorable shifts in private, familial transfers.

This project produced four working papers and two analytical tools

### How Do Institutional Investors Invest across and within Countries?

The objective of this grant is to understand how institutional investors invest across and within countries, and to link their investment allocations to the use of common benchmarks.

This project studies the effects that benchmarks have on asset allocation within and across countries, and on the flow of funds. The types of questions that will guide our research are: (1) How diversified are benchmark indexes? Do they cover many companies and countries, generating financing across the board? (2) How are

benchmarks constructed? What determines their allocations? How pro-cyclical are they? How do they respond to shocks? (3) To what extent do institutional investors follow benchmarks? Do benchmarks act as coordinating mechanisms generating herding effects within the industry? (4) Does the incorporation (removal) of countries or companies to (from) certain benchmarks generate similar reactions by institutional investors? (5) Does belonging to certain benchmarks generate contagion effects? (6) How much do investors deviate from the benchmarks, and what factors determine those deviations? (7) How many of the assets that benchmarks contain are actually present in the portfolios of the funds that follow them? (8) How much of the volatility of financial flows within and across countries is caused by benchmark fluctuations, and how much by active management?

More generally, this project also studies how institutional investors allocate their portfolios. The types of questions that guide this work are (1) What are the differences between international and domestic investors when investing in domestic countries? (2) What are the differences in investment patterns and behavior between different types of institutional investors? (3) What are the incentives that institutional investors face? (4) Which institutional investors might help more in risk diversification and access to finance?

The report argues that the overall evidence on institutional investors suggests that for developing countries to extend their maturities through financial institutions is more difficult than usually thought.

First, the development of large and sophisticated nonbank intermediaries does not guarantee an increased demand for long-term assets. Evidence from Chile shows that domestic mutual and pension funds tend to invest short term, especially when compared with insurance companies. Short-term strategies seem to arise from market and regulatory mechanisms that monitor managers

on a short-term basis and give some of them incentives to invest shorter term.

Second, international evidence on mutual funds suggests that foreign investors hold more long-term KCP Annual Report 32 domestic debt than domestic investors do. Thus, it might be difficult to extend the maturity structure toward the long term by relying only on domestic mutual funds.

Third, although sovereign wealth funds have grown rapidly, their overall investments remain concentrated in liquid asset classes in high-income countries, while thin capital markets, as well as political and economic risks, still limit their role as providers of long-term finance in developing countries.

Fourth, private equity investments are an increasingly important source of entrepreneurial finance in developing countries.

This project produced one policy research paper and two working papers.

### Strengthening Operational Linkage and Policy Relevance

Research plays a crucial role in learning from past policies and influencing strategy and thinking in the future. DEC fills this role by undertaking research that addresses relevant questions, answering them in a rigorous and persuasive manner, and then effectively communicating findings to policy makers. Given its broad mandate to shape development thinking, DEC's audience includes Bank's senior management, operational colleagues, as well as other researchers, national policy makers, the development community, and the general public. We seek to reach this wide audience through academic publications, books, conferences, blogs, and other social media channels. Despite limited resources, Bank researchers produce large volumes of work of high quality and influential by academic standards, yet more focused on development issues and developing countries.

Under KCP III's framework, research teams are especially encouraged to improve linkages to operations and policy relevance. One question on "relevance for policy in developing countries and for WBG Operations" is specifically asked in the funding proposal application template, and ex-ante reviewers are asked to rate each proposal's operational linkage and potential policy impact. Research usually has a long production cycle, it takes long to publish, and quite often even longer to see the influence from research in real life, and it's difficult to track these influences. But from what we learned from research teams, there have been progress in this regard.

Improvement is reflected in the collaboration between DEC researchers and operational staff. Among the 87 KCP II and KCP III research projects that were ongoing or completed during FY2016, 28

of them reported that the research team includes both DEC and operational staff. They communicate frequently, and tried to address concerns/demands from the frontline operations. Some research work is embedded in and has informed operation projects. 43 Bank operational programs or projects have cited or made references to KCP research findings.

For example, Project TF018996: GMR 2015–2017 Monitoring and Reporting the Twin Goals, contributed extensively to the Systematic Country Diagnostic (SCD) s for Mozambique, Tanzania, and Uganda in the Health, Nutrition, and Population (HNP) section; follow-up work from the GMR also contributed to the forthcoming Malawi Poverty Assessment and a Mozambique country study on demographics. Findings from the GMR were presented at the 2015 Pakistan National Population

**Table 1: Key Indicators in FY 2016**

	JOURNAL ARTICLES	WORKING PAPERS	POLICY NOTES, AND RESEARCH REPORTS	DATA SETS	RESEARCH TOOLS	NUMBER OF CONFERENCES AND EVENTS ORGANIZED	NUMBER OF CONFERENCES AND EVENTS AT WHICH RESEARCH RESULTS WERE PRESENTED
<b>KCP II</b>							
Window I	14	10	14	12	2	27	42
Window II	3	9	6	7	3	8	40
Window III	1	6	4	2	3	7	23
Window IV	9	43	42	10	7	169	60
KCP II total	27	68	66	31	15	211	165
<b>KCP III</b>							
KCP III total	2	39	5	5	7	34	30
Developing country partners substantively engaged							
RESEARCHERS		179			INSTITUTIONS		102
Number of World Bank operational programs/projects with citations/references to the research findings funded by this project							43
Number of citations/references to the project's work in partner governments' programs and policy documents							5

Summit in Islamabad by the HNP Global Practice to high-level counterparts, including the President of Pakistan, and have subsequently been used to catalyze new operations in the country, starting with a Technical Assistance project on population policies.

Another example is project TF 015145: Behaviorally Informed Mystery Shopping Tools for Consumer Protection Policymakers. The project refined and further tested an innovative audit study (often referred to as “mystery shopping”) methodology for behaviorally-informed consumer protection supervision. The project was carried out in Colombia, Ghana and Peru. The Peru research is being integrated into the overall consumer protection diagnostic led by the World Bank and Superintendency of Banks. In Ghana draft credit disclosure directives have been released for public comment, which were informed by the Ghana mystery shopping findings, and in fact these findings were used as the evidence base for these directives when they were shared with the banking sector in a public forum in July, 2014. The final directives are pending release in 2016.

Results from “the Community, Family and Household Support for the Elderly in the Wake of Rapid Urbanization: Evidence from Rural China” project (TF015161) informed a \$160M lending project: Anhui Aged Care System Demonstration (P154716), and were featured in four non-lending Bank projects: East Asia and Pacific Region (EAP) Aging Report (P143908), Options for Aged Care in China (P143713), Asia Social Protection Report (P155757), and Urbanization Study (P145191). The project helped to stimulate discussions of the possible increases in the retirement age within China. After the release of the EAP Aging Report, there were several hundred newspaper references to this discussion from the report.

KCP also tries to improve its operation and policy relevance by developing analytical tools to equip policymakers, researchers the weapon to generate their own analysis and produce evidence based

policy and research. The PovcalNet, World Integrated Trade Solution(WITS), Linkage and Envisage models developed are all good examples. Project TF017347 invested in improving the PovcalNet, an interactive computational tool that allows user to replicate the calculations made by the World Bank’s researchers in estimating the extent of absolute poverty in the world and different country/ region. The new version provides an easier way to monitor the twin goals. The new functionalities added can perform a range of simulations and compute the growth rate needed to reach the goal. During FY2016, PovcalNet delivered 11 million computations for users around the world. All six regions in the Bank and the Poverty GP use PovcalNet to simulate the poverty and inequality measures under different scenarios. Developing country official and researchers can also use it to calculate their own progress. These outputs have also been used by the IMF, UNDP, ADB, FAO, ILO and many other organizations’ publications. The task also shows how different parts of the Bank and clients can work together. The data used are from over 100 governmental statistics offices that collected the primary household and price surveys, population and other National Accounts data. When collaborating with country to check consistency and reliability of the data and results, the team also provides training to country staff as part of the country’s capacity building.



## KCP Finances

### Donor Contributions and Pledges

The KCP II received US\$31 million in contributions from 12 donors, namely, the United Kingdom, Finland, Sweden, Australia, the Republic of Korea, Norway, Canada, Japan, Denmark, Switzerland, China, and Singapore

The KCP III, which became active in December 2014, currently has seven donors, namely, Norway, Estonia, Canada, the United Kingdom, Finland, France, and Sweden. Negotiations are ongoing with current and prospective KCP partners to join the KCP III.

Norway was the first donor to contribute to the KCP III. Its pledge is for Nkr 30 million, payable over three years. In FY2016, Norway made an additional contribution of US\$800,000 toward the WDR 2017: Governance and the Law.

Estonia pledged €436,000 for the World Development Report 2016: Internet and Development, payable in two tranches.

The United Kingdom, a founding member of the KCP, pledged £1.8 million, payable through October 2017.

Canada contributed Can\$400,000, with Can\$200,000 for the WDR 2016: Internet and Development, and Can\$200,000 for the WDR 2017: Governance and the Law.

Finland, the other founding donor together with the United Kingdom, pledged €2,250,000, payable through June 2017.

France pledged €100,000 for the WDR 2017: Governance and the Law, payable in one installment.

Sweden pledged US\$1 million for the WDR 2017: Governance and the Law, payable in one installment.

## KCP II—Parent Accounts Statement

As of June 30, 2016

(US dollars)

	TF071173	TF071177	TF071178	TF071393	
	POVERTY DYNAMICS & PUBLIC SERVICE DELIVERY	INVESTMENT CLIMATE & TRADE AND INTEGRATION	GLOBAL PUBLIC GOODS	ECONOMIC DEVELOPMENT & STRUCTURAL CHANGE	TOTAL
<b>Contributions Received</b>					
United Kingdom	2,958,122	1,636,728	1,684,441	920,740	7,200,030
Finland	1,762,509	1,762,509	1,762,509	741,884	6,029,412
Sweden	1,472,393	28,099	696,118	21,074	2,217,684
Australia	1,593,740	1,064,580	664,580		3,322,900
Korea, Rep.	1,500,000			1,968,064	3,468,064
Canada	773,403	486,942	193,517	492,536	1,946,399
Norway	402,855	402,855	2,133,472	402,855	3,342,038
Japan				1,500,000	1,500,000
Denmark				924,351	924,351
Switzerland	62,028	62,029	62,028	330,818	516,903
China				500,000	500,000
Singapore				300,000	300,000
<b>TOTAL CONTRIBUTIONS RECEIVED</b>	<b>10,525,050</b>	<b>5,443,742</b>	<b>7,196,666</b>	<b>8,102,323</b>	<b>31,267,780</b>
Administrative fee (1%)	-105,251	-54,437	-71,967	-81,023	-312,678
Net Contributions Received	10,419,800	5,389,304	7,124,699	8,021,300	30,955,103
Investment income	96,819	67,977	69,486	78,056	312,338
<i>Less:</i>					
Project allocations	-9,610,843	-5,198,915	-6,655,190	-7,223,176	-28,688,124
Program management and administration	-441,527	-189,221	-226,873	-485,159	-1,342,781
Technical reviewers' fees	-85,142	-60,342	-58,142	-82,567	-286,193
<b>ESTIMATED FUNDS AVAILABLE</b>	<b>379,106</b>	<b>8,802</b>	<b>253,980</b>	<b>308,454</b>	<b>950,343</b>

Unaudited

**KCP III—Parent Accounts Statement**  
As of June 30, 2016  
(US dollars)

	TF072304	TF072635
	AMOUNT (US\$)	AMOUNT (US\$)
<b>Contributions Received</b>		
Norway	3,352,489	
Estonia	480,839	
United Kingdom	1,340,016	
Canada	303,558	
Finland	1,289,670	
France	107,235	
<b>TOTAL CONTRIBUTIONS RECEIVED</b>	<b>6,873,807</b>	
Administrative fee (5%)	-343,690	
<b>NET CONTRIBUTIONS RECEIVED</b>	<b>6,530,117</b>	
Outstanding pledges (signed)		
Norway	1,195,757	
United Kingdom	1,213,830	
Finland	1,215,758	
Sweden		1,000,000
<b>TOTAL OUTSTANDING PLEDGES (SIGNED)</b>	<b>3,625,345</b>	<b>1,000,000</b>
Administrative fee (5%)	-181,267	-50,000
<b>NET OUTSTANDING PLEDGES</b>	<b>3,444,078</b>	<b>950,000</b>
Investment income	27,172	
Less:		
Setup fee	-35,000	
Project allocations	-4,907,049	-950,000
Technical reviewers' fees		
Program management and administration		
<b>ESTIMATED FUNDS AVAILABLE, JUNE 30, 2016</b>	<b>5,059,317</b>	<b>0</b>

Unaudited



## KCP II Ongoing Research

### Project Highlights

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**TF018344:** Quality of Care, Its Determinants, and How It Can Be Improved

KCP II Poverty Dynamics and Public Service Delivery Window

**Task Team Leader:** Jishnu Das

**KCP II funding:** US\$150,000

**Region/country:** World

**Timeline:** 07/01/2014 to 12/31/2016

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#### Project Objective and Description

Bolstered by the development of new tools that can be deployed in the primary care setting for accurate measurement of various dimensions of the quality of care, researchers in several institutions have initiated projects to measure the quality of care and understand how it can be improved. This project aims to (1) study the quality of care at critical points in an individual's lifecycle; (2) understand how the quality of care can be improved through systematic interventions, and (3) build a community of practice and sufficient capacity in the countries studied through sustained training, active dissemination, conferences, and workshops.

#### Progress and Early Findings

The project has made considerable progress, and already has some interesting findings. For example, a paper under this project used standardized patients to understand how pharmacies in three Indian cities treated patients presenting with tuberculosis (TB) symptoms or diagnoses, and to determine whether these pharmacies were contributing to the inappropriate use of antibiotics. The study showed that pharmacies frequently dispensed antibiotics to simulated patients who

presented with typical TB symptoms. However, none of the pharmacies dispensed first-line anti-tuberculosis Project Objective and Description Progress and Early Findings drugs. The use of all antibiotics and steroids (which can be harmful to individuals who actually have TB), as well as the total number of medicines given, decreased sharply when the pharmacy staff decided to refer the patient to a doctor, which was far more commonly done when the patient presented with a lab test confirming TB, thus making the diagnosis apparent to the pharmacist. These findings can inform interventions to engage pharmacies in TB control, and initiatives to improve antimicrobial stewardship. Since the publication of the paper, there have been more than 40 media articles and editorials discussing its findings.

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**TF017347:** Improving and Expanding PovcalNet

KCP II Global Public Goods Window

**Task Team Leader:** Shaohua Chen

**KCP II funding:** US\$100,000 Region/country: World

**Timeline:** 07/01/2013 to 12/31/2016

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#### Project Objective and Description

Measuring poverty, especially global poverty, is a huge challenge to the development community. PovcalNet is the source of the World Bank's global poverty estimation. It is also an interactive tool that allows users to replicate the World Bank's official global, regional, and internationally comparable country-level poverty estimates, which are published in the World Development Reports, World Development Indicators, Global Monitoring

Reports, and Global Economic Prospects and International Development Association reports, as well as a great many regional/ sector reports. There has been increasing demand from the development community for international poverty estimates. Many people send the requests to the PovcalNet team and ask for more detailed information about the World Bank's poverty estimates, for better understanding how these numbers are calculated.

### Progress and Early Findings

The team responded to the challenges by making the data and methodology transparent, creating a new version of PovcalNet. The team collaborated closely with regional and country teams and client countries' statistical offices, to deliver reliable poverty measures at the global, regional, and country levels. The new PovcalNet allows users not only to use the same data to replicate the World Bank's most recent global poverty estimations, but also to find (or download) the previous estimates. The new functionalities added to PovcalNet in 2015 can also perform different kinds of simulations and compute the growth rate needed to reach the goal.

In 2015, PovcalNet completed around 34 million analytical computations for its users throughout the world. Without the improvements made on the new version of PovcalNet, the system would not be able to do the massive calculations submitted every day by its users worldwide. PovcalNet provides country-level poverty and inequality estimates, which are used to produce many research papers and reports. PovcalNet has also been used by many organizations to design international development programs. For example, the U.S. Agency for International Development, International Fund for Agricultural Development, and Gates Foundation use PovcalNet for their budget allocations, as do many of the World Bank's client countries.

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**TF0A1281:** WDR 2015 Operationalization  
KCP III World Bank Flagship Reports Window

**Task Team Leader:** Varun Gauri

**KCP III funding:** US\$150,000

**Region/country:** World

**Timeline:** 07/01/2015 to 6/30/2017

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### Project Objective and Description

As part of a broader World Bank Group effort to advance evidence-based development projects, and following up on the well-received World Development Report 2015: Mind, Society, and Behavior, a multidisciplinary team was set up to improve the effectiveness of World Bank projects and programs through the integration of recent insights from the social and behavioral sciences. The grant played an important role in supporting the emergence of the Global Insights Initiative (GINI), which operationalizes the WDR 2015. GINI aims to redesign development policies on the basis of a more realistic understanding of how people think and behave.

### Progress and Early Findings

GINI is accomplishing its objective through two streams of work. First, GINI aims to develop new kinds of development interventions. GINI is collaborating with World Bank teams, governments, and other partners to incorporate behavioral and social insights into project design and evaluate the impact of interventions inspired by those insights. Second, GINI intends to change the "mental model" of policy makers. Because the gatekeepers to public policy tend to be economists or lawyers, public policy mostly consists of changes in prices or rules. The idea is that human behavior arises from choices in which individuals calculate all relevant prices and penalties.

GINI asks four questions when selecting projects. First, is the project targeting a specific behavior, and are there channels of communication or influence, or key decision points, that can be used to change the behavior? Second, does the

project have the potential to improve people's lives significantly? Projects that enhance basic human capabilities and human rights have a high priority. Third, is the operational partner invested in the project? That is important for sustainability. Finally, does the project lend itself to evaluation? Determining which behavioral interventions work and which do not is a public good, and providing that public good is part of GINI's mission.

GINI used these criteria to identify five streams of work. The first three areas target the decisions that individuals make, and how cognitive shortcuts and intention-action divides keep people from achieving important goals. The second two streams focus on social norms and cultural models of behavior, or "thinking socially" and "thinking with mental models." The team is now engaged with more than 20 World Bank project teams and is conducting field interventions in several areas, including education, digital finance, organizational effectiveness, tax compliance, and gender norms.

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**TF0A1756:** Job Quality Framework  
KCP III Growth & Job Creation Window

**Task Team Leader:** Rita Ramalho

**KCP III funding:** US\$150,000

**Region/country:** World

**Timeline:** 07/15/2015 to 06/30/2017

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## Project Objective and Description

The main objective is to provide quantitative measures of the quality of employment, structured into one completely new Job Quality Framework as part of the Doing Business report. The flagship publication of the World Bank Group has been presenting data on labor market regulation for the past decade, but for the first time it will go beyond the concept of efficiency and labor market flexibility and focus on measuring the quality of employment.

## Progress and Early Findings

The Trust Fund enabled the team to organize a consultative workshop on the Doing Business labor market regulation indicator on December 8, 2015, which brought together experts, government officials, and practitioners in the area of labor market regulations. The discussions that took place during the workshop provided critical input in restructuring the indicator. The grant also helped the team to explore the area of labor market regulations focusing on quality of employment and to include some aspects of employment quality in the labor market regulation indicator.

The project has enabled the collection and dissemination of new data on job quality for 189 economies worldwide. The data can be downloaded from the Doing Business website, <http://www.doingbusiness.org/data/exploretopics/labor-market-regulation>, and are used by thousands of researchers and practitioners around the world. The new data allow for comparative analysis of regulations across the world with some core areas of job quality, such as the availability of paid maternity leave and sick leave, provisions on gender nondiscrimination in hiring, and equal pay for work of equal value. The new data were presented at several consultative meetings and nine government workshops, and will be published in the Doing Business 2017 report.

Doing Business labor data have been used by thousands of professionals around the world, as shown by the statistics on the number of visits to the Doing Business Labor Market Regulation webpage. From July 1, 2015, to June 30, 2016, the main labor market regulation webpage, <http://www.doingbusiness.org/data/exploretopics/labor-market-regulation>, received 41,705 page views and 32,533 visits. Webpages containing information on country-specific labor market regulation (for example, for Afghanistan, Germany, or the United States) received 130,843 page views and 87,197 visits.

## KCP II Research Projects in Profile

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**World Development Report 2017:** Governance and the Law

**Task Team Leaders:** Luis-Felipe Lopez-Calva, Yongmei Zhou

**KCP III (TFOA1062) funding:** US\$1,024,256

**Timeline:** 07/15/2015 to 02/28/2017

**Partners:** Governance Global Practice and other World Bank departments

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The world has exhibited enormous progress in socioeconomic indicators in the past decades. The rapid diffusion of technology and greater access to capital and world markets have enabled economic growth rates previously unfathomable, which have helped lift more than one billion people out of poverty in the past 20 years. Yet, at the same time, increased flows have led to rising inequality, within and across borders, and to greater vulnerability to global economic trends and cycles. Although the global spread of capital, technology, ideas, and people has helped many countries and people progress, other places and populations have been seemingly left behind and are still confronted by violence, slow growth, and limited opportunities for advancement.

As ideas and resources spread increasingly rapidly across countries, policy solutions to promote further progress abound. While the development community has focused a great deal of attention on learning what policies and interventions are needed to generate better outcomes, it has spent much less attention on learning why those approaches succeed so well in some contexts, but fail to generate the same results in others.

The WDR 2017 aims to analyze why policies that should be effective in generating positive

development outcomes are often not adopted, are poorly implemented, or end up backfiring over time. To answer these questions, the report proposes a framework to discuss the available literature and evidence. The report assumes that all countries share a set of developmental objectives: minimizing the threat of violence (security), promoting prosperity (growth), and ensuring that prosperity is shared (equity), while also protecting the sustainability of the development process for future generations. But policies do not always translate into these development outcomes in expected ways. Confronting the challenges faced by today's developing countries requires a rethinking the processes by which state and non-state actors interact to design and implement policies, what the report calls governance.

### Main Findings

Policies yield desired development outcomes when institutions effectively perform three core functions: commitment, coordination, and cooperation. Often, when policies and technical solutions fail to achieve the intended outcomes, blame falls on institutional failure, and the proposed solutions are to “improve institutions.” But many types of institutional arrangements can enable development, as examples around the world show, while other “best practices” fail. Since diverse institutional trajectories can enable development, the report draws attention to what the underlying drivers of policy effectiveness are, namely: time consistency and continuity of policies (commitment), alignment of beliefs and preferences (coordination), and voluntary compliance and absence of free-riding (cooperation).

For example, commitment to renounce violence and endow the state with the monopoly on the legitimate use of violence is a basic condition to reach security. Commitment to property rights and protection of an environment where firms and individuals can feel secure to invest is also essential to ensure macroeconomic stability and enable growth. Credible commitment alone, however, may be insufficient. Investment and innovation, for instance, also require that firms and individuals believe that others will also invest. In such cases, institutions can help promote growth by coordinating investment decisions and the expectations of market participants. Finally, policy effectiveness to achieve equitable development requires cooperation, particularly citizens' willingness to contribute to public goods and not free-ride on others, for instance through tax compliance, or environmental concerns related to the overuse of common pool resources.

The balance of power in society may condition what kind of commitment, coordination, and cooperation results come about. The report argues that decision makers—the elites—may have the right objectives and yet still be unable to implement the right policies, because doing so would challenge the existing equilibrium—and the current balance of power. Although power asymmetry can be a means to achieve effectiveness, as in the case of delegated authority, in the presence of transaction costs, it has three harmful manifestations: exclusion, capture, and clientelism.

The exclusion of individuals and groups from the policy arena, often taking the shape of lack of access to state institutions and frequently taking place along identity fault lines, is particularly important for security. The distribution across ethnic groups of access to central state power is indeed a strong predictor of violent conflict at the national level. The second manifestation of power asymmetries, the ability of influential groups to capture policies and make them serve their interest is helpful to understand the effectiveness (or lack thereof) of policies in promoting

long-term growth and growth stagnation in many countries. For instance, when unproductive firms obtain preferential treatment because of political connections, competition is stifled, with a toll on innovation and productivity. Finally, clientelism is helpful to understand why pro-equity policies are often ineffective. In clientelistic settings, the interaction between public officials and citizens is distorted: instead of the case where the official is the agent of the citizen—where the voter can monitor and sanction the agent—the dynamic is turned into a bargain, where the politician “buys” the citizen's vote, for (usually) short-term gains. The poor and the disadvantaged are particularly vulnerable to this sort of exchange

Power asymmetries in the policy arena can be reshaped by redefining contestability, modifying incentives, and changing preferences and beliefs. To design more effective policies, it is necessary to consider how the policy arena, where state and non-state actors bargain, can be reshaped to expand the set of policies that are implementable. The WDR 2017 recognizes three levers for reshaping the power asymmetries in the policy arena: redefining contestability, modifying incentives, and changing preferences and beliefs.

The law is a powerful instrument to reshape the policy arena. First, the law can play a role in making the policy arena more contestable: a more contestable policy arena is one in which actors or groups who have reason to participate in the decision-making process have ways to express their interests and exert influence. If various actors believe the process is exclusionary, or it reflects only the interests of some groups, they may not comply, or they may outright oppose it. Second, the incentives that actors have to comply with agreements are fundamental to enable commitment in the policy arena. Third, the law can effectively reshape preferences and coordinate beliefs about how others will behave by serving as a focal point.

In the case of exclusion, for instance, mechanisms that redefine contestability by encouraging power

sharing, such as legislatures that guarantee the representation of all factions, can reduce the incentives to engage in violence by raising the benefits of security, motivating actors to cooperate. As long as incentives are balanced through robust public agency design and accountability mechanisms, capture is not an inevitable outcome of close business-state ties. Coordination between actors in these cases can lead to a win-win equilibrium. Finally, providing information and enhancing transparency can enhance equity by controlling clientelism, changing the beliefs of actors about the commitment to long-term objectives in the political arena.

Change can be brought about by elites' bargains, citizens' engagement, and international interventions. Overcoming detrimental power asymmetries by adopting rules that change incentives, reshape preferences, or enhance contestability may be difficult, because those currently in power have incentives not to introduce reforms that would limit their power. However, despite the difficulties, history has shown that change can happen. Political pressure for reform can come from the top down (elite bargains) or from the bottom up (citizen engagement), and in many cases results from coalitions between elites and citizens. Citizens and elites are also influenced by international factors, which can play a role in influencing local bargaining dynamics.

Under certain circumstances, elites may voluntarily agree to limit their influence, in their own self-interest. For instance, to maintain their own power, coalitions of decision makers may have incentives to broaden the policy arena, including adding new actors in formal decision-making bodies of the state and increasing accountability to other elites. Citizens can also organize to bring about change, applying pressure on elites and influencing the outcome of the policy bargaining process. Although individual citizens may not have the power to influence the policy arena on their own, different mechanisms of engagement—such as elections, political parties, social organizations, or public

deliberation—can help to overcome collective action problems and amplify citizens' bargaining power. Moreover, governance does not occur solely within the boundaries of nation-states. Citizens and elites are also influenced by international factors, which can play a role in influencing the local bargaining dynamics by introducing transnational rules, standards, and regulations, and with development assistance. Although international actors cannot engineer domestic development, they can play a role in strengthening (or weakening) the relative power of different actors.

### Guiding Principles for Policy

This report argues that policy effectiveness cannot be understood only from a technical perspective, but rather must consider the process through which the actors bargain over the design and implementation of policies, within a specific institutional setting (governance). Time consistency and continuity of policies (commitment), alignment of beliefs and preferences (coordination), as well as voluntary compliance and the absence of free-riding (cooperation) are the functions behind effectiveness. Development policies are often difficult to introduce and implement because certain groups in society who gain from the status quo may be powerful enough to resist the reforms needed to break the political equilibrium. Successful reforms thus are not just about “best practice.” They require adopting and adjusting institutional forms in ways that solve the specific commitment and collective action problems that stand in the way of pursuing further development.

The WDR 2017 proposes three simple principles to guide those thinking about reform: “think of function, not only form,” “think of power, not only capacity,” and “think of the role of law, not only the rule of law.” First, it is important to think not only about what form institutions should have, but the functions that institutions must perform. Second, while capacity building matters, how to use the capacity and where to invest in capacity depends on the relative bargaining power of the

actors. Third, to achieve the rule of law, countries must first strengthen the different roles of law to change incentives, enhance contestability, and reshape preferences. In particular, the likelihood of effectiveness of policies depends on the clear definition of the objective, and on the identification of well-specified steps, namely: the underlying functional problem (commitment, coordination, and cooperation); the relevant entry point for reforms (contestability, incentives, and preferences/beliefs); the best mechanism for intervention; and the key stakeholders needed to build a coalition for implementation (elites, citizens, and international partners).

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### **Community, Family, and Household Support for the Elderly in the Wake of Rapid Urbanization Task**

**Team Leader:** John Giles

**KCP II (TF015161) funding:** US\$200,000

**Timeline:** 07/01/2012 to 06/15/2016

**Partners:** National School of Development, Peking University; World Bank (Beijing Office)

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### **Population Aging in China**

China is aging at an unprecedented rate. Improvements in life expectancy and a demographic transition reinforced by the One Child policy have led to a rapid increase in the proportion of the elderly in the population. According to the UN World Population Prospects, by 2030 the proportion of senior citizens over age 60 will increase to 25 percent of the population, and by 2050, the aged will rise to 36 percent. Traditionally, care for the frail elderly has been the responsibility of the family, but this modality is increasingly coming under strain. A new “1–2–4” family structure is emerging, where one child would be expected to provide care for two parents and four grandparents. Combined with increased geographic mobility, China is in a situation in which even the very strong tradition of filial piety alone cannot be relied on to serve the needs of the millions of China’s aged.

### **The Well-Being of China’s Rural Elderly**

The project covers three economic dimensions of the lives of the rural elderly. These encompass the labor supply retirement decision, access to financial support from public and private sources, and demand and supply of instrumental support. Access to support and the work decision are affected by the stark demographic events experienced in the countryside: family size has shrunk with fertility controls as young adults have migrated in large numbers to urban areas for work.

Among the younger elderly, the project examines factors that affect labor supply and retirement decisions. It first examines factors explaining differences in retirement patterns across urban and rural China. In rural areas, many older adults will want to work as long as they are physically able to do so, and many researchers across the social sciences and medical professions note the potential cognitive, psychological, and physical benefits of extending working lives. That said, much of the labor involved in agricultural work can be arduous, and the inability to retire may be a source of hardship. A first objective of the project turns on understanding how public and private transfers affect the labor supply decisions of elderly parents. Remittances received on a regular basis from migrant children may have an income effect and facilitate retirement, while absence of sufficient remittance income may lead to extended working lives. In addition to private transfers, China’s government initiated a new pension program for older rural residents in 2011.

The older elderly who have become infirm may require more than financial support. The absence of adult children, who may not have a clear impression of their parents’ needs, may lead to considerable suffering toward the end of life. Those adult children who do return to rural areas to care for their elderly parents may have to give up more lucrative employment and suffer a significant loss of lifetime earnings.

## China Health and Retirement Longitudinal Study

Analytical outputs for the projects were facilitated through collaboration with the China Health and Retirement Longitudinal Study (CHARLS) team. CHARLS, which is modeled on the U.S. Health and Retirement Survey and the Survey of Health and Retirement in Europe, is a nationally representative sample of Chinese residents over age 45 years and their families. The first baseline wave was fielded in 2011, and included 17,500 individuals from 150 counties and 450 villages/neighborhoods across China. This project supported adding a community questionnaire, and questions on family and children to the 2013 and 2014 waves of the survey. This information was critical for analytical work.

### What Has Been Learned So Far

On the poverty and well-being of the elderly, the project finds that depression and health status are influenced by underlying socioeconomic status, especially own and adult child education, which are strongly associated with resources. The average elderly person co-residing with an adult child is somewhat less likely to be poor, unhealthy, and depressed than the elderly who are living alone. The elderly with migrant children tend to receive more private financial transfers than the elderly whose children have not migrated from the home community.

On retirement, the project finds that differences in social security and economic resources explain much of the urban-rural difference in retirement rates. Opportunities for exploiting the human capital of older workers, and fending off the fiscal pressures created by population aging, might encourage longer working lives among the more highly educated and skilled workers living in urban areas.

Among rural residents, receipt of public transfers through the new rural pension leads to a

modest reduction in the probability of working, particularly among the elderly in poorer physical health or reporting minor disabilities. The more consequential benefit of the new rural pension is that it reduces income and consumption poverty among the vulnerable elderly, and it is associated with reduced incidence of depression.

For long-term care, the infirm elderly in China receive care primarily from family members, but reliance on family support is far from ideal, as significant shares of the elderly with disabilities lack assistance. The need for care and support is not distributed equitably: less affluent rural residents are more likely to require assistance with daily living, and are less likely to have support. Further, China's rapid demographic transition will further erode the capacity of family-based arrangements to meet care needs. The consequences of an increase in the long-term care burden could contribute to lower labor force participation among older adults, who must care for aging parents, and, in expectation of possible future needs, contribute to high levels of precautionary saving among younger and middle-aged Chinese.

Providing long-term care to elderly parents may lead to exit from work and reduced labor supply, because of the time burdens associated with care. Alternatively, if the elderly require health care, the presence of an infirm elder may be associated with an "added worker effect."

### Contribution to the Policy Dialogue

Evidence drawn from the CHARLS data has informed discussions of the impact of aging in China, and been central to two operationally-oriented nonlending projects. The projects contributed directly to discussions of the impacts, costs, and benefits of raising the retirement age in China, and documented the well-being and sources of support for urban and rural residents, both of which figured prominently in a well-received World Bank regional report on aging in East Asia (Live Long and Prosper? Aging in East Asia). Further,

work from the project contributed a chapter to a new volume on

Options for Aged Care in China, outlining the current and future long-term care needs in China. This work helped to motivate a significant lending project related to developing new long-term care arrangements in Anhui Province (Anhui Aged Care Project).

### Dissemination

Zhang, Chuanchuan, John Giles, and Yaohui Zhao. 2014. "Policy Evaluation of China's New Rural Pension Program: Income, Poverty, Expenditure, Subjective Wellbeing and Labor Supply." *China Economic Quarterly* 14 (1): 203–30 (in Chinese).

<http://en.nsd.edu.cn/article.asp?articleid=7464>.

Giles, John, Yuqing Hu, and Yang Huang. 2015. "Formal and Informal Retirement in Aging East Asia." Background paper for the EAP Regional Report on Aging in East Asia (February 2015).

Giles, John, and Yang Huang. 2015. "Are the Elderly Left Behind in a Time of Rapid Demographic and Economic Change?" Background paper for the EAP Regional Report on Aging in East Asia (February 2015).

Giles, John, Elena Glinskaya, and Yuqing Hu. 2015. "What Are the Current and Future Long-Term Care Needs of China's Aging Population?" Draft, DECRG (October 2015).

Giles, John, Xiaoyan Lei, Yafeng Wang, and Yaohui Zhao. 2015. "One Country, Two Systems: Evidence on Retirement Patterns in China." DECRG and Peking University, draft (revision requested by China Economic Review).

Chen, Xinxin, John Giles, Elena Glinskaya, and Yaohui Zhao. 2016. "Elder Parent Health, Informal

Long-Term Care Arrangements and the Labor Supply of Adult Children: Evidence from China." DECRG and Peking University, draft.

Lei, Xiaoyan, Kathleen McGarry, Xiaoting Sun, and Yaohui Zhao. 2016. "Gender Differences in Parental Investments and Intergenerational Transfers in China." Peking University, draft (March 2016).

Giles, John, Yang Huang, and Yaohui Zhao. 2016. "Rural to Urban Migration and the Labor Supply and Well-Being of China's Rural Elderly." In process.

### Book Chapter

Giles, John, Elena Glinskaya, Yaohui Zhao, Xinxin Chen, and Yuqing Hu. 2016. "Population Aging and Long-Term Care Needs." Chapter 1 in *Options for Aged Care in China*. An analytical edited volume supporting project work on long-term care options in China (P143713).

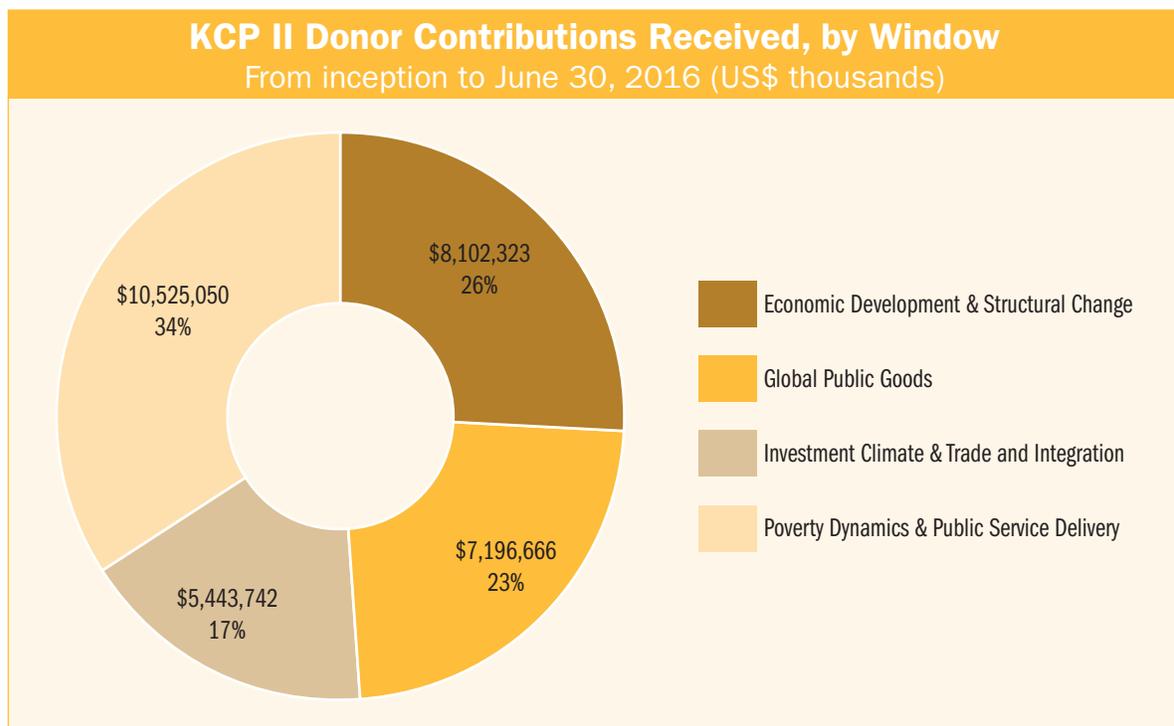
### Flagship Report

East Asia Aging Report, *Aging in East Asia and the Pacific* (Philip O'Keefe, TTL). Prepared background papers (noted above) and co-authored chapter 2 (The Welfare and Labor Market Behavior of Older People in East Asia and the Pacific).

## KCP II and KCP III Projects Portfolio

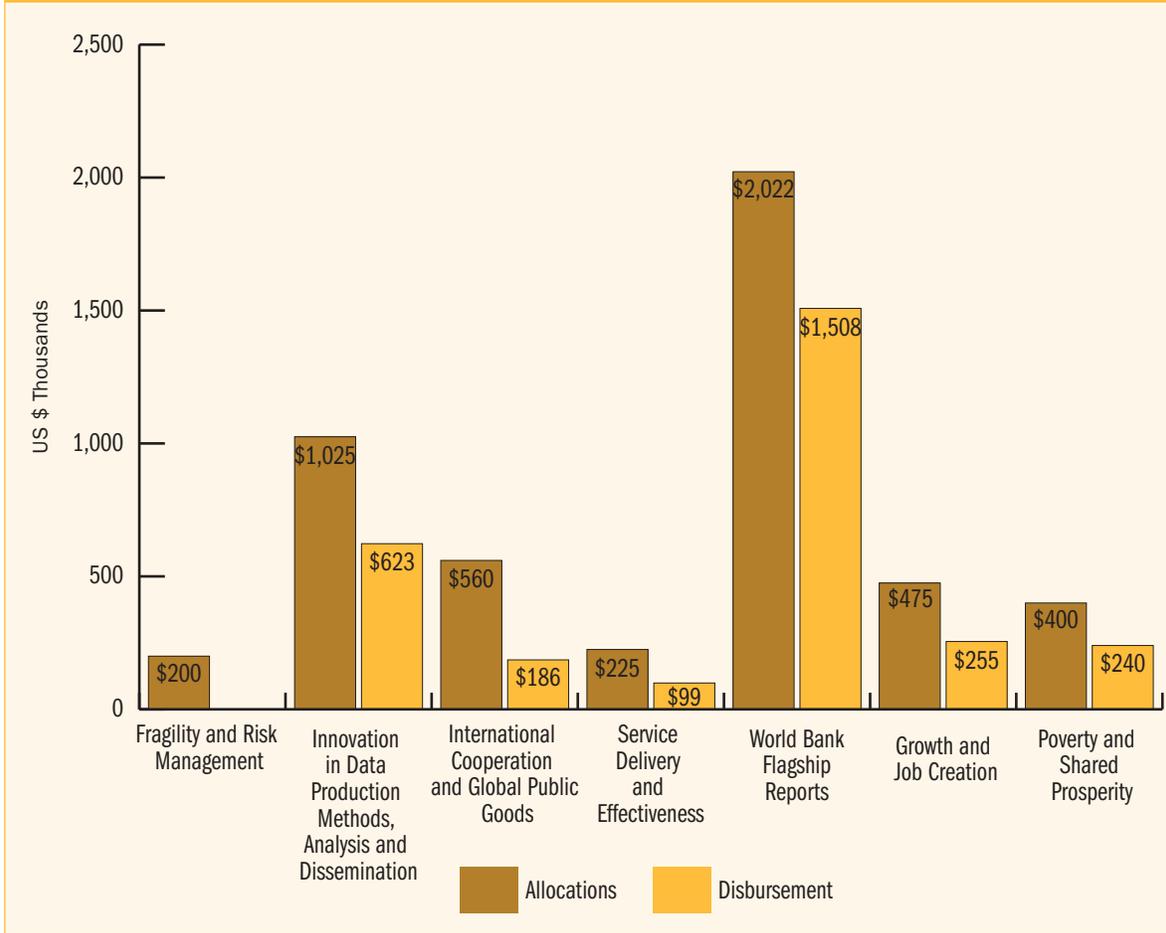
The annual KCP Call for Proposals is open to the World Bank’s Development Economics (DEC) staff and other World Bank staff in collaboration with DEC. The yearly process typically commences in the spring and culminates in a decision meeting by the Internal Management Committee chaired by the DEC Senior Vice President and Chief Economist or his designee.

There continues to be strong demand for research funding that is over and above the available funding, resulting in award rejections and reductions of proposal amounts. KCP proposals are comprehensive (particularly on methodology and data) to allow proper assessment by the external technical review panel and the Internal Management Committee.



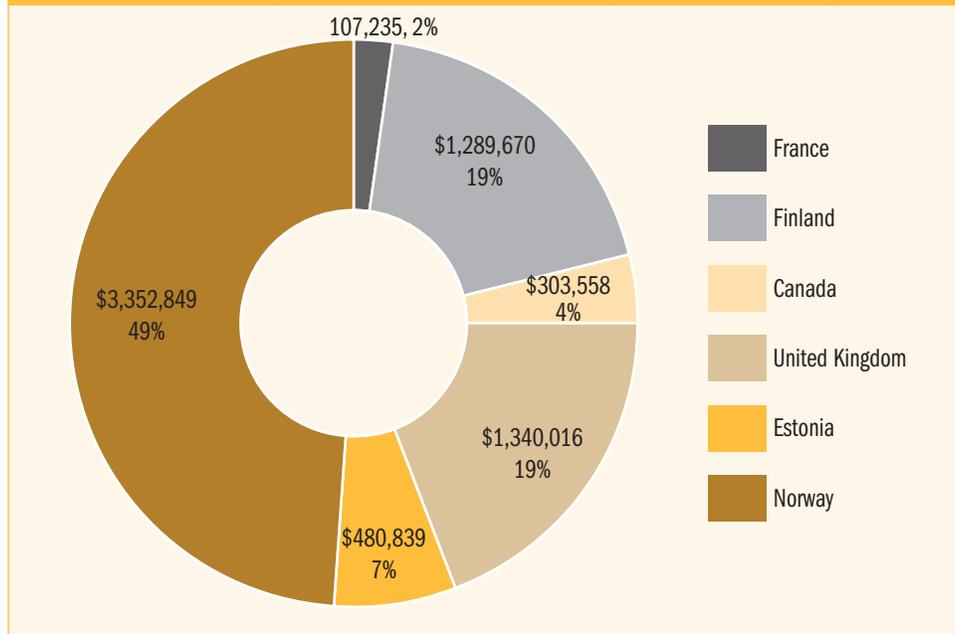
### KCP III Allocations and Disbursements

From inception to June 30, 2016 (US\$ thousands)



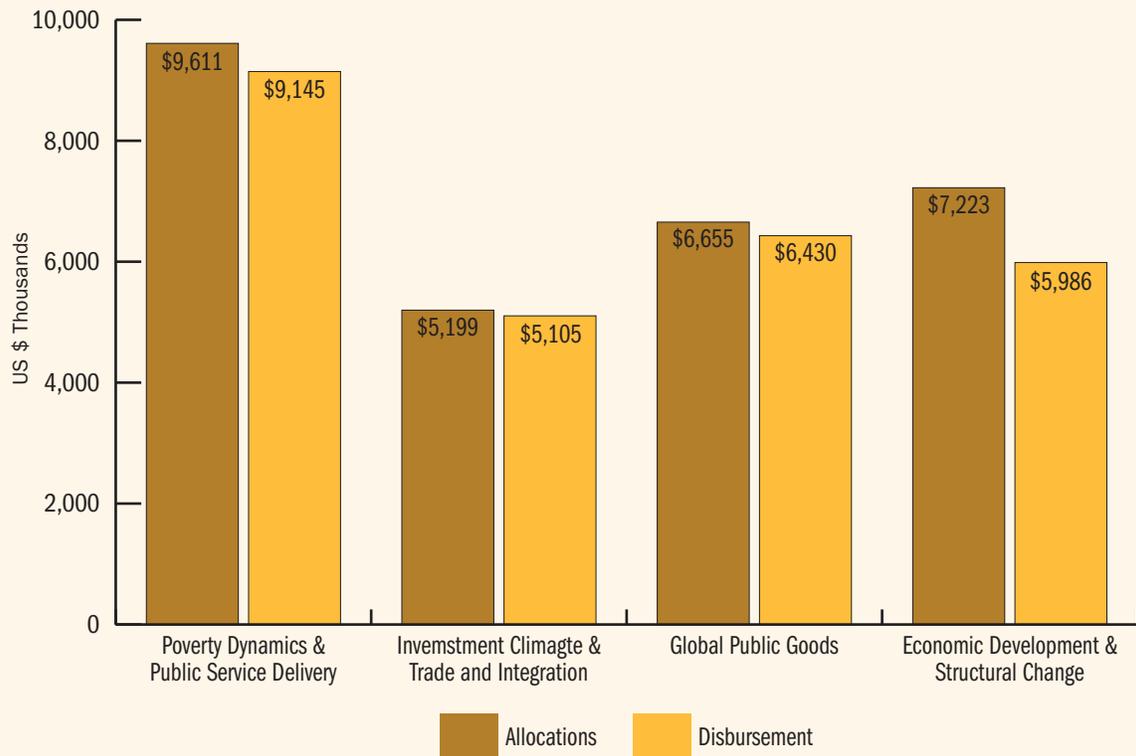
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From inception to June 30, 2016 (US\$ thousands)



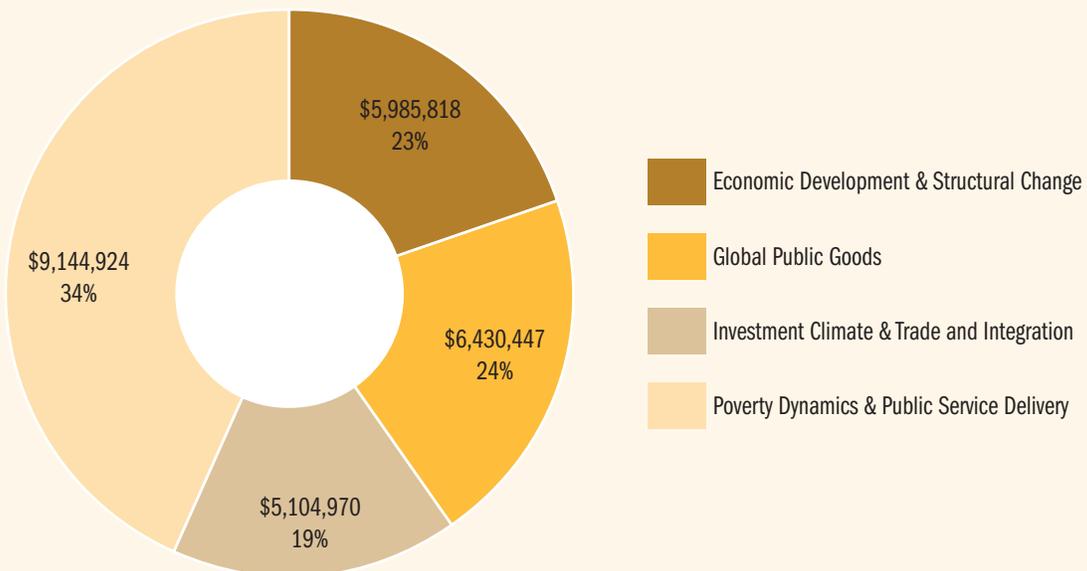
## KCP II Allocations and Disbursements

From inception to June 30, 2016 (US\$ thousands)



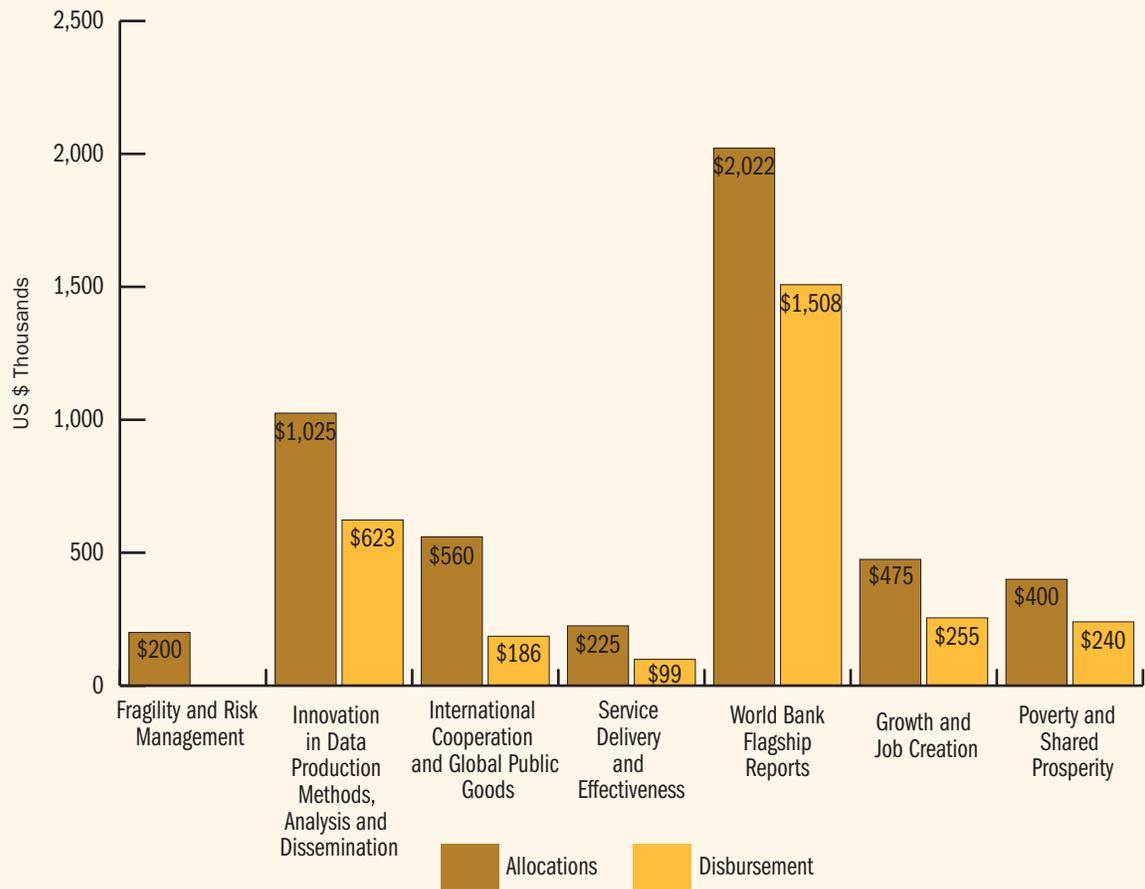
## KCP II Disbursements, by Window

From inception to June 30, 2016 (US\$ thousands)



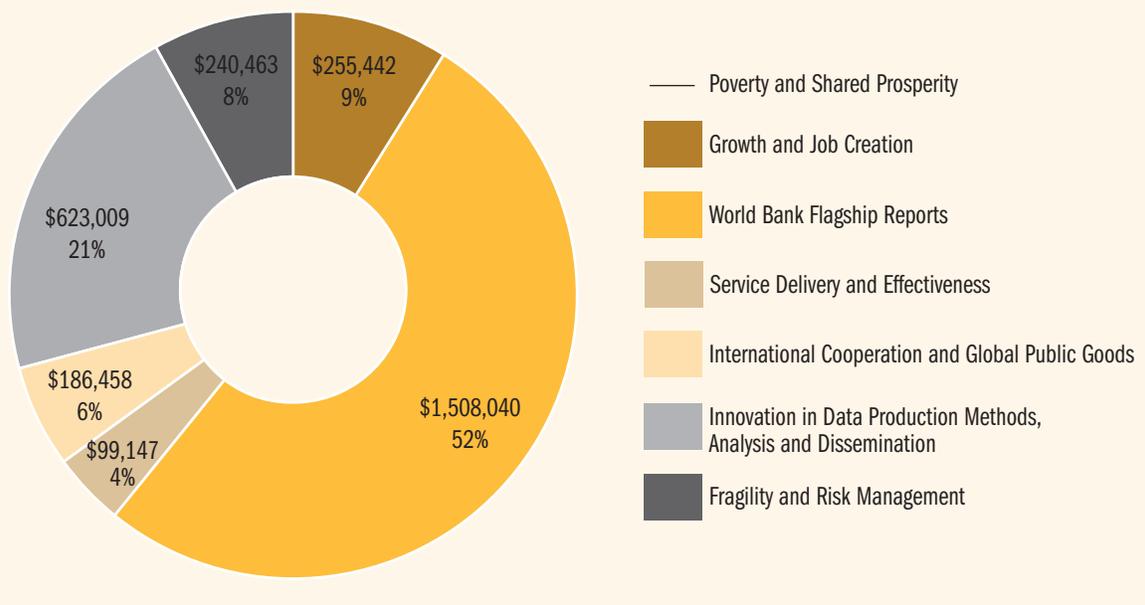
## KCP III Allocations and Disbursements

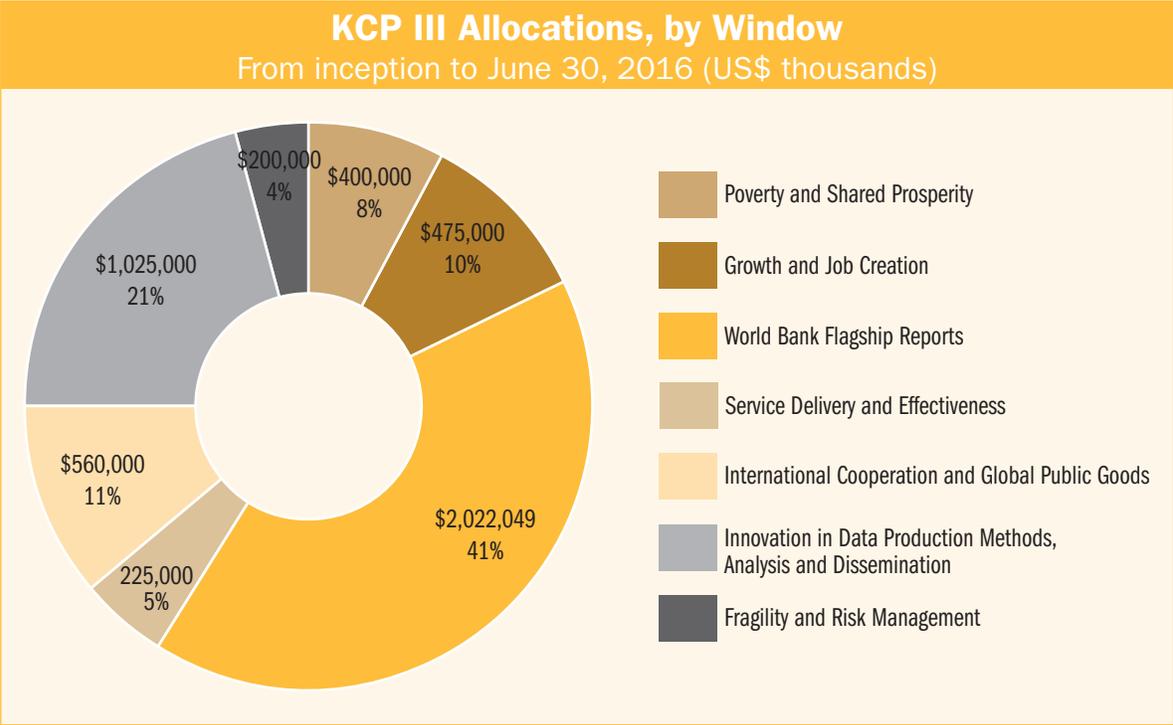
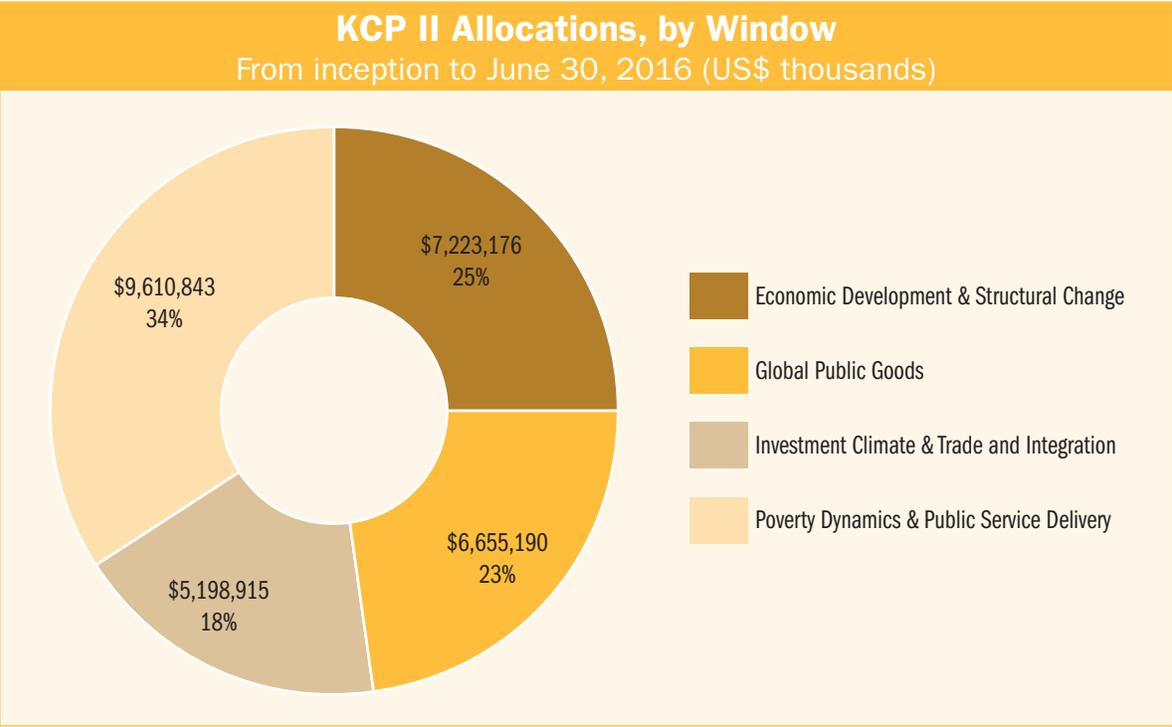
From inception to June 30, 2016 (US\$ thousands)



## KCP III Disbursements, by Window

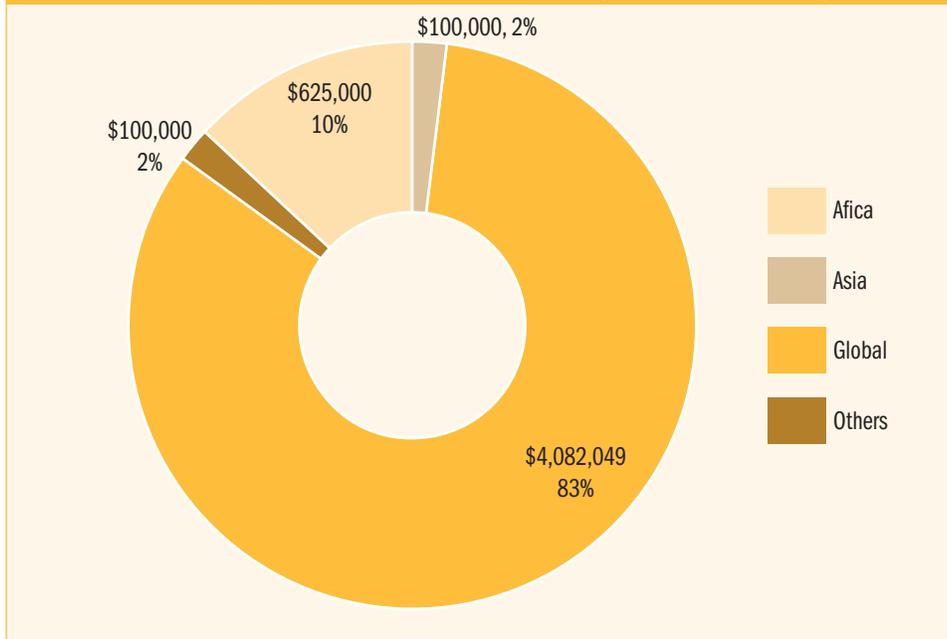
From inception to June 30, 2016 (US\$ thousands)





### KCP III Allocations, by Region

From inception to June 30, 2016 (US\$ thousands)



**Table A.1. KCP II Allocations and Disbursements as of June 30, 2016 (US dollars)**

## KCP II Allocations and Disbursements

As of June 30, 2016

In US dollars

#	Fund	TTL	Project Name	Allocations	Disbursements	Available
<b>POVERTY DYNAMICS and PUBLIC SERVICE DELIVERY (TF071173)</b>						
1	TF094157	Legovini	Impact Evaluation of Youth-Friendly Services on Voluntary Counseling and Testing among the Youth aged 15-24 years in Kenya	99,658.91	99,658.91	0.00
2	TF094625	Das	Learning and Educational Achievements in Pakistan (LEAPS): Continuation	173,219.65	173,219.65	0.00
3	TF094626	Goldstein	The Effects of Home Based HIV Counselling & Testing: IE of a Program in Kenya	83,010.37	83,010.37	0.00
4	TF094627	de Walque	HIV/AIDS Treatment and Prevention	99,999.40	99,999.40	0.00
5	TF094628	Beegle	Kagera Health and Development Survey 2010: Long-Run Patterns of Growth and Poverty in Africa	162,386.05	162,386.05	0.00
6	TF094629	Lanjouw	Economic Growth and Crisis in Africa: Improving Methods for Measuring Poverty	119,956.36	119,956.36	0.00
7	TF094650	Goldstein	The impact of providing land titles in Ghana	69,991.00	69,991.00	0.00
8	TF094652	Goldstein	Impact of Urban Land Titling: Evidence from Land Lottery in Burkina Faso	0.00	0.00	0.00
9	TF095034	Chen	Poverty mapping in China	24,077.69	24,077.69	0.00
10	TF096467	Milante	WDR 2011 "Conflict and Development"	1,276,491.78	1,276,491.78	0.00
11	TF097370	Revenga, Shetty	World Development Report 2012 - Gender Equity and Development	817,388.29	817,388.29	0.00
12	TF097381	Giles	Policy, Governance and the Private Sector in the Provision of Public Services: Evidence from Indonesia's Health Sector	224,507.01	224,507.01	0.00
13	TF098362	Chen	Correcting the sampling bias of China urban household survey	54,967.71	54,967.71	0.00
14	TF098792	Ozler	TASAF R3 Survey Support	130,000.00	130,000.00	0.00
15	TF098797	Beegle	LSMS: Improving the Quality and Comparability of Income Data Through Research and Dissemination	147,976.54	147,976.54	0.00
16	TF098893	Carletto	Measuring Development Indicators for Pastoralist Populations	94,999.09	94,999.09	0.00
17	TF098991	Galasso	Learning from Interventions to Improve Parenting Skills in Chile	79,999.82	79,999.82	0.00
18	TF099007	Kondylis	Measuring Inequality and Inequality of Opportunity using DIME Microdata	27,848.09	27,848.09	0.00
19	TF099270	Martin	Implications for Poverty of Productivity Growth in Agriculture & Non-Agriculture	99,127.93	99,127.93	0.00
20	TF010642	Galasso	A 10-Year Follow-up of a Community-Level Nutrition Program in Madagascar	82,086.18	82,086.18	0.00

#	Fund	TTL	Project Name	Allocations	Disbursements	Available
21	TF010644	Kondylis	Implementing a Multi-Disciplinary Tool for Social Capital Measurement	99,747.69	99,747.69	0.00
22	TF010746	Das	Quality of Care in Health Markets: Supply- and Demand-Side Perspectives	334,951.56	334,951.56	0.00
23	TF010841	Deiningering	Gendered impacts of low-cost land titling in a post-conflict environment: The case of Rwanda	149,939.45	149,939.45	0.00
24	TF010842	Deiningering	Economic and gender impacts of peri-urban land titling: The case of Dar es Salaam	99,760.79	99,760.79	0.00
25	TF010972	Kondylis	Governing Water for Agriculture: What Institutions for Which Contexts?	149,935.47	149,935.47	0.00
26	TF012967	Chen	How to Improve the World Bank's Global Poverty Monitoring	150,000.00	149,900.96	99.04
27	TF012968	Lanjouw	Changeable inequalities: facts, perceptions and policies	223,872.79	223,872.79	0.00
28	TF012991	Giles	Early Childhood Nutrition, Availability of Health Service Providers and Life Outcomes as Young Adults: Evidence from Indonesia	160,000.00	159,488.74	511.26
29	TF013050	van de Walle	Welfare Impacts of Marital Status Shocks in Senegal and the Implications for Social Protection Policy	90,000.00	90,000.00	0.00
30	TF013078	Piza	Can a formal address do the job? Favela pacification in Rio de Janeiro	99,889.88	99,889.88	0.00
31	TF013079	Beegle/Galasso	The Role of Public Works Programs in Enhancing Food Security: The Malawi Social Action Fund	210,898.00	210,898.00	0.00
32	TF014986	Gauri	WDR 2015 "The Behavioral and Social Foundations of Economic Development"	679,624.00	679,567.96	56.04
33	TF015397	Khemani	Uganda: Building Institutions for Government Accountability	199,997.13	199,997.13	0.00
34	TF015400	de Walque	An Evaluation of Long-Term Impacts of an Integrated Early Childhood Intervention for Low-Income Families in Rio de Janeiro, Brazil	125,000.00	124,999.86	0.14
35	TF015097	Rao	Using Behavioral Economics to Measure and Improve CDD Operations	100,000.00	43,533.14	56,466.86
36	TF015194	di Maro	Behavioral Economics for Better Public Service Management	125,000.00	124,123.39	876.61
37	TF016848	Kraay	How do we motivate public sector workers in developing countries?	149,647.68	149,647.68	0.00
38	TF015451	Lanjouw	Global Poverty and Inequality Monitoring in the 21st Century	429,106.22	429,106.22	0.00
39	TF015742	Gauri	WDR 2015 Building an Evidence Base for the World Development Report"	375,000.00	374,069.13	930.87
40	TF018342	Wagstaff	Improving Data on Population Health and Skills Using Tablet-Compatible Household Survey Diagnostic Instruments	150,000.00	26,807.55	123,192.45
41	TF018228	Do	Demand Curve for Clean Water and Its Determinants in a Low-Income Context	199,999.52	199,999.52	0.00

#	Fund	TTL	Project Name	Allocations	Disbursements	Available
42	TF017729	Beegle	Harmonized Microdata for Enhanced Global Poverty Monitoring: The International Income Distribution Database (I2D2)	87,569.32	87,569.32	0.00
43	TF018343	Jacoby	Decentralizing Irrigation Management: Evidence from the Indus Basin of Pakistan	150,000.00	95,565.48	54,434.52
44	TF018344	Das	Quality of Care, Its Determinants and How It Can Be Improved	150,000.00	42,804.84	107,195.16
45	TF018647	Ozler	Weekend Special: A Sports-Based Intervention to Encourage Uptake of Voluntary Medical Male Circumcision in Zimbabwe	0.00	0.00	0.00
46	TF017875	Chen	Assessing the Impact of 2011 ICP PPPs on Global Poverty Estimates	135,000.00	52,023.76	82,976.24
47	TF018042	Saliola	Equality of Opportunity in Global Prosperity	200,000.00	199,627.94	372.06
48	TF018077	Serajuddin	National Account vs Survey Based Welfare	150,000.00	121,605.52	28,394.48
49	TF018112	Goldstein	Gender, Insurance and Agricultural Productivity	68,571.74	68,571.74	0.00
50	TF018345	Carletto	Census Independent Sampling Strategy using Satellite Imagery: Validating and Improving a Proposed Methodology in Myanmar	50,000.00	49,564.40	435.60
51	TF018041	Carletto	Improving Poverty and Shared Prosperity Measurement: An Experiment to Measure Purchases of Food Away from Home	99,639.55	99,639.55	0.00
52	TF018996	Chandra	GMR 2015-2017 "Monitoring and Reporting the Twin Goals"	250,000.00	245,065.13	4,934.87
53	TF017980	Larson	What Happens in Rural Areas when Food Prices Spike?	100,000.00	94,954.75	5,045.25
TOTAL - POVERTY DYNAMICS AND PUBLIC SERVICE DELIVERY				9,610,842.66	9,144,921.21	465,921.45
<b>INVESTMENT CLIMATE &amp; TRADE AND INTEGRATION (TF071177)</b>						
54	TF094158	Legovini	Strengthening agricultural production systems and facilitating access to markets: Impact Evaluation of Nigeria's Commercial Agriculture Development	91,519.32	91,519.32	0.00
55	TF094551	McKenzie	How much do management practices matter? A randomized experiment in India	49,999.00	49,999.00	0.00
56	TF094563	McKenzie	Employment creation in large and small firms	44,367.72	44,367.72	0.00
57	TF094565	Schmukler	Globalization, Risk, and Crises	69,795.00	69,795.00	0.00
58	TF094566	Hall-Driemeier	Comparable Disaggregated Census Data Across Developing Countries	69,828.10	69,828.10	0.00
59	TF094567	Ozler	An Experimental Study Of 'Poverty Traps' Among Micro-Entrepreneur Groups	128,000.00	128,000.00	0.00
60	TF094568	Giles	Labor Markets and Impacts of the Financial Crisis: Evidence from China and India	224,999.60	224,999.60	0.00
61	TF094570	Dupriez	Modeling and Analysis of Consumption Patterns	148,829.72	148,829.72	0.00

#	Fund	TTL	Project Name	Allocations	Disbursements	Available
62	TF094573	Demirguc-Kunt	Regulation and Bank Stability	249,684.17	249,684.17	0.00
63	TF094600	Jacoby	Transport Costs and Development: Evidence from China's Infrastructure Boom	40,000.00	40,000.00	0.00
64	TF094784	Peria	The Financial Crisis and Foreign Bank Participation in Developing Countries	39,930.00	39,930.00	0.00
65	TF094947	Fernandes	Services, FDI and Endogenous Productivity Effects in the European Neighborhood Policy—A quantitative assessment for Georgia	89,825.68	89,825.68	0.00
66	TF095040	Ozden	Migration of Turkey's Top Students - Brain Drain and Brain Gain	0.00	0.00	0.00
67	TF095146	Hevia	FDI and Macroeconomic Stability	39,910.00	39,910.00	0.00
68	TF095266	Dailami	Analyzing the impact of financial crisis on international bank lending to developing countries	98,529.64	98,529.64	0.00
69	TF095859	Kraay	The growth effects of fiscal policy in developing countries	44,940.00	44,940.00	0.00
70	TF095860	Kraay	Reticent Respondents and Cross-Country Survey Data on Corruption	74,860.00	74,860.00	0.00
71	TF097625	Peria	Bank competition and access to finance	56,215.32	56,215.32	0.00
72	TF097641	McKenzie	Can Microfinance Foster Entrepreneurship in Poor Communities?	73,118.58	73,118.58	0.00
73	TF097808	Maloney	Innovation and Growth	65,576.10	65,576.10	0.00
74	TF097838	Legovini	Reducing informality among firms in Minas Gerais, Brazil	79,463.93	79,463.93	0.00
75	TF097841	Klapper	Private Sector Dynamics in Cote D'Ivoire	30,489.39	30,489.39	0.00
76	TF097855	Keefer/Kraay	Worldwide Governance Indicators	95,950.00	95,950.00	0.00
77	TF097976	Demirguc-Kunt	Will there be a Phoenix Miracle? Firm-level evidence from financial crises	49,912.00	49,912.00	0.00
78	TF098583	Schmukler	On the use of domestic and international debt markets	99,988.86	99,988.86	0.00
79	TF098652	Kee	On FDI Spillovers	34,974.42	34,974.42	0.00
80	TF099120	Loayza	Fiscal multipliers and the state of the economy	30,000.00	30,000.00	0.00
81	TF099249	Anginer	Bank Bailouts & Moral Hazard	47,300.00	47,300.00	0.00
82	TF010230	Martin	Storage and Trade Policies for Improving Food Security	129,929.38	129,929.38	0.00
83	TF010373	Bown	Least Developed Countries and the Externality Impact of WTO Dispute Settlement	75,472.39	75,472.39	0.00
84	TF010545	Kraay	Macroeconomic Impacts of Aid and Public Spending	50,000.00	50,000.00	0.00
85	TF010688	Schmukler	Understanding Capital Flows to Developing Countries	89,998.76	89,998.76	0.00
86	TF010695	Ozden	Database of Emigration Laws and Policies in Developing Countries	39,893.46	39,893.46	0.00

#	Fund	TTL	Project Name	Allocations	Disbursements	Available
87	TF010705	Klapper	Global Financial Inclusion Indicators	40,000.00	40,000.00	0.00
88	TF010706	Shilpi	Food Prices, Middlemen, and Marketing Institutions: Evidence from Bangladesh	123,142.35	123,142.35	0.00
89	TF010782	Kondylis	How does the Speed of Justice Affect Firms? Experimental Evidence from Senegal.	97,822.24	97,822.24	0.00
90	TF011089	Nguyen	Currency Wars	31,875.00	31,875.00	0.00
91	TF012954	Loayza	WDR 2014 “ Managing Risk for Development”	596,305.58	596,305.58	0.00
92	TF012955	Deininger	Land tenure regularization in Nigeria: Potential benefits and implementation modalities	109,684.95	109,684.95	0.00
93	TF012976	Kraay	Macro and Micro Lessons from Project Data	49,584.00	49,584.00	0.00
94	TF013049	McKenzie	Generating Job Matches between Firms and Young Women in Jordan	115,000.00	115,000.00	0.00
95	TF014284	Anginer	Bank Capital and Systemic Stability: A Cross-country Analyses	39,783.00	39,783.00	0.00
96	TF014313	Vashakdmadze	Enhanced global macro/financial model for developing countries	134,972.00	134,972.00	0.00
97	TF015398	Klapper	Salary Susu Plus: The Impact of Formal Savings on Spending and Borrowing	49,410.38	49,410.38	0.00
98	TF015098	Kraay	Worldwide Governance Indicators 2014-15	48,341.00	48,341.00	0.00
99	TF015108	Schmukler	Firm Financing from Capital Markets	75,000.00	63,619.83	11,380.17
100	TF015136	McKenzie	Improving the Management and Profits of Small Businesses and Their Measurement	149,939.21	149,939.21	0.00
101	TF015145	Gine	Behaviorally Informed Mystery Shopping Tools for Consumer Protection Policymakers	100,000.00	81,404.75	18,595.25
102	TF015344	Peria	Global Financial Development Report	199,990.21	199,990.21	0.00
103	TF015212	Ahmed	The Gains from International Migration Revisited	125,000.00	125,000.00	0.00
104	TF018346	Ozden	Demographic Change and International Integration	200,000.00	136,760.20	63,239.80
105	TF018326	Saliola	Benchmarking Public Procurement	149,998.97	149,998.97	0.00
106	TF017899	Ruiz-Ortega	Credit Bureau in Mexico	50,000.00	49,996.00	4.00
107	TF018347	Schmukler	Capital Flows: Geography, Drivers and Implications	110,000.00	109,274.00	726.00
108	TF017867	Peria	Corporate Governance and Debt Maturity	49,766.00	49,766.00	0.00
	TOTAL - INVESTMENT CLIMATE & TRADE and INTEGRATION			5,198,915.43	5,104,970.21	93,945.22
<b>GLOBAL PUBLIC GOODS (TF071178)</b>						
109	TF094962	Toman	Improving Governance of African River Basins-Determinants of Successes and Failures in Past Reforms	120,000.00	120,000.00	0.00
110	TF094963	Toman	Economic Impacts of Low Carbon Growth Scenarios in Selected Developing Countries	178,800.29	178,800.29	0.00

#	Fund	TTL	Project Name	Allocations	Disbursements	Available
111	TF094964	Kessides	Improving Efficiency and Climate Change Mitigation—Electricity Market Competition and Low-Carbon Generation Technologies	49,508.00	49,508.00	0.00
112	TF094965	Timilsina	Economics of Biofuels and Potential Impacts on Biodiversity	120,545.60	120,545.60	0.00
113	TF097048	de Walque	Research on HIV/AIDS Prevention and Treatment	51,734.35	51,734.35	0.00
114	TF097696	Toman	Green Growth Opportunities in Developing Countries	384,422.84	384,422.84	0.00
115	TF097836	Mistiaen	Survey Data Repository and Management Toolkit	218,463.62	218,463.62	0.00
116	TF098661	Timilsina	Quantifying the Transaction Costs of Selected Energy Efficiency Measures to Reduce GHG Emissions	74,029.76	74,029.76	0.00
117	TF099394	Van Rensburg	Enhanced global macro/financial model for developing countries	81,939.03	81,939.03	0.00
118	TF099603	Lederman	International Survey on Intellectual Property Enforcement Agencies	17,724.32	17,724.32	0.00
119	TF099762	Toman	The Electricity/Groundwater Nexus for Indian Farmers: Implications of Electricity Subsidy Reform for Efficiency and Distribution	0.00	0.00	0.00
120	TF010218	Dasgupta	Mobilizing Spatial Economics and Information for Tiger Habitat Conservation	297,445.60	297,445.60	0.00
121	TF010291	Fantom	Data Resource Center for Structural Economic Analysis	159,836.82	159,836.82	0.00
122	TF010390	Toman	Economic valuation of losses due to “Amazon dieback”	275,724.39	275,724.39	0.00
123	TF010467	Toman	Community Forestry and Pro-Poor Carbon Sequestration in Nepal	377,062.13	377,062.13	0.00
124	TF010503	Bussolo/Go	Global Demand System for Consumer Behaviour	99,890.20	99,890.20	0.00
125	TF010600	Toman	International Cooperation and Conflict Over Water	47,949.00	47,949.00	0.00
126	TF010730	Veerappan	Open Metadata and Methods Application	363,599.76	363,599.76	0.00
127	TF012673	Veerappan	Visualization and Analysis Application	182,683.05	182,683.05	0.00
128	TF012675	Dasgupta	The Economics of Adaptation to Salinity Intrusion: The Case of Coastal Bangladesh	139,663.18	139,663.18	0.00
129	TF012996	Timilsina	Linking bottom-up and top-down models for assessing economy-wide impacts of discrete climate change mitigation measures	69,782.65	69,782.65	0.00
130	TF013210	Zhao	Online Data Analysis Toolkit (ODAT)	56,794.01	56,794.01	0.00
131	TF014304	Lokshin	Development of innovative tools and technologies for the global research community.	300,000.00	291,627.52	8,372.48
132	TF015043	Welch	A microdata dissemination challenge: Balancing data protection and data utility	86,579.00	86,579.00	0.00
133	TF015149	Hamadeh	Improving PPP Time Series”	99,220.00	99,220.00	0.00

#	Fund	TTL	Project Name	Allocations	Disbursements	Available
134	TF015186	Toman	Hands-On Capacity Building in Environmental Economics: A Proposed Collaboration with the Environment for Development Initiative	164,345.26	164,345.26	0.00
135	TF015268	Toman	Supporting Ethiopia's Push for 9 Million Improved Cooking Stoves to Improve Health and Combat Climate Change	125,000.00	125,000.00	0.00
136	TF017347	Chen	Improving and Expanding PovcalNet	100,000.00	94,624.15	5,375.85
137	TF016340	Veerappan	Data Version Management and Linked Data	93,796.16	93,796.16	0.00
138	TF015238	Toman/Strand	Economy-wide Valuation of Local/Regional Ecosystem Services from Amazon Forest Area	99,531.33	99,531.33	0.00
139	TF017449	Toman	Economic Valuation of Changes in Amazon Forest Area	1,713,309.97	1,601,184.49	112,125.48
140	TF017934	Ahmed	Sustainable Poverty Reduction and Shared Prosperity under a Changing Climate	150,000.00	142,423.65	7,576.35
141	TF017654	Sajaia	Functionality to conduct complex household and agricultural surveys with CAPI	55,810.00	55,810.00	0.00
142	TF017777	Feng	UNICEF-WHO-The World Bank Joint Child Malnutrition Dataset Expansion	150,000.00	90,111.80	59,888.20
143	TF017687	Dasgupta	Ecologically Cost-Effective Road Investment in Tropical Forests	150,000.00	118,595.02	31,404.98
	TOTAL - GLOBAL PUBLIC GOODS			6,655,190.32	6,430,446.98	224,743.34
<b>ECONOMIC DEVELOPMENT AND STRUCTURAL CHANGE (TF071393)</b>						
144	TF097645	Goldstein	Stimulating Industrial Upgrading in Sub-Saharan Africa	192,991.78	192,991.78	0.00
145	TF097765	Sepulveda	Research Agenda in New Structural Economics	144,552.65	144,552.65	0.00
146	TF097766	Sepulveda	Structural Transformation, Enterprise Policies, and Economic Growth	118,156.27	118,156.27	0.00
147	TF097767	Sepulveda	Country case studies on structural change and industrial policies	297,841.97	297,841.97	0.00
148	TF098053	Loayza	Industrial Policy in an Uncertain Environment	72,697.53	72,697.53	0.00
149	TF098106	Fernandes	Export Transaction Database	148,793.89	148,793.89	0.00
150	TF098764	Giles	Structural Transformation and Rural Social Protection Policies: Evidence from China	250,000.00	250,000.00	0.00
151	TF099128	Fernandes	Upgrading the Networking and Technological Capacity of Suppliers in South Africa	172,533.33	172,533.33	0.00
152	TF099198	Deichmann	Moving to Density: A research program on the rural-urban transformation in developing countries	498,172.94	498,172.94	0.00
153	TF099203	Deichmann	Testing the Robustness of the Energy Intensity Kuznets Curve	29,996.00	29,996.00	0.00
154	TF099604	Lederman	Commodity Prices, Household Adjustments, and Structural Transformation	42,146.00	42,146.00	0.00

#	Fund	TTL	Project Name	Allocations	Disbursements	Available
155	TF010008	Hallward-Driemeier	Industrial structure, productivity, growth and welfare	148,527.00	148,527.00	0.00
156	TF010181	Giles	Early Work Experiences and the Skills of Young Adults: Evidence from Senegal	140,985.23	140,985.23	0.00
157	TF010228	Beegle	WDR 2013 "Jobs"	701,926.59	701,926.59	0.00
158	TF010795	Hon	Structural Transformation, Macroeconomic Behaviors and Industrial Policies	65,410.20	65,410.20	0.00
159	TF012590	Fernandes	Global Analysis of the Impact of Policies and Firm Dynamics in Trade	159,990.15	159,990.15	0.00
160	TF013183	Go	Structural Change in a Dynamic World	200,000.00	200,000.00	0.00
161	TF013506	Deichmann	Understanding the broader impacts of transport infrastructure investments	259,258.70	259,258.70	0.00
162	TF014272	Lofgren	Structural Transformation Analysis with MAMS	139,999.05	139,999.05	0.00
163	TF014655	Hallward-Driemeier	MENA Job Creation, Structural Change and Economic Development	1,485,000.00	510,878.54	974,121.46
164	TF015211	Lofgren	Simple Global Analysis with R23 Model and Database for 200+ Countries	99,999.08	99,999.08	0.00
165	TF015022	Schmukler	Institutional Investors	49,994.73	49,994.73	0.00
166	TF015048	Deiningner	Promoting rural-urban integration in China	100,000.00	100,000.00	0.00
167	TF015161	Giles	Community, Family and Household Support for the Elderly in the Wake of Rapid Urbanization: Evidence from Rural China	200,000.00	199,923.47	76.53
168	TF015202	Maliszewska	Aging: the changing nature of intergenerational flows in developing countries	150,000.00	150,000.00	0.00
169	TF015375	Maliszewska	The coming wave of educated workers: size and impact on global inequality and poverty	150,000.00	140,600.96	9,399.04
170	TF015374	Peria	Corporate Governance and Systemic Risk	44,326.50	44,326.50	0.00
171	TF017655	Kanz, Klapper	The Impact of Wage Frequency on Employee Performance: A Field Experiment with Factory Workers Receiving Electronic Wage Payments in Bangladesh	99,932.42	99,932.42	0.00
172	TF017704	McKenzie	Upgrading Management Technology in Colombia: A Randomized Experiment	100,000.00	100,000.00	0.00
173	TF017688	Peria	GFDR	250,000.00	3,378.81	246,621.19
174				449,943.77	449,943.77	0.00
175				60,000.00	52,860.00	7,140.00
176				200,000.00	200,000.00	0.00
<b>TOTAL - ECONOMIC DEV'T. AND STRUCTURAL CHANGE</b>				<b>7,223,175.78</b>	<b>5,985,817.56</b>	<b>1,237,358.22</b>
<b>KCPII TOTAL ALLOCATIONS &amp; DISBURSEMENTS, June 30, 2016</b>				<b>28,688,124.19</b>	<b>26,666,155.96</b>	<b>2,021,968.23</b>

**Table A.2. KCP III Allocations and Disbursements as of June 30, 2016 (US dollars)**

KCP III Allocations by Fiscal Year  
As of June 30, 2016  
In US dollars

	Fund	TTL	Project Name	Allocations	Disbursements	Available
<b>FRAGILITY AND RISK MANAGEMENT</b>						
1	TFOA1273	Cull	Global Financial Development Report 2016 - Global Banking	200,000.00	0.00	200,000.00
	TOTAL - FRAGILITY AND RISK MANAGEMENT			200,000.00		200,000.00
<b>INNOVATION IN DATA PRODUCTION METHODS, ANALYSIS AND DISSEMINATION</b>						
2	TFOA1274	Khokhar	Producing, analyzing and visualizing global income distributions	60,000.00	0.00	60,000.00
3	TFOA1077	Dupriez	Calibration in sample survey estimation: improving the quality of socio-economic indicators by using auxiliary information	75,000.00	74,355.57	644.43
4	TFOA1095	Dupriez	Generation of synthetic data for ex-ante impact assessments	90,000.00	82,572.86	7,427.14
5	TFOA1094	Kraay	Worldwide Governance Indicators 2016- 2018	100,000.00	29,573.26	70,426.74
6	TFOA1275	Cull	2016 World Bank Survey of Bank Regulation and Supervision	200,000.00	45,275.00	154,725.00
7	TFOA2733	Dang	Poverty Imputation Handbook and Research	100,000.00	8,176.80	91,823.20
8	TFOA1202	Filmer	Measuring and Analyzing Teacher Knowledge and Behavior	100,000.00	99,989.00	11.00
9	TFOA1388	Muzi	Benchmarking the Private Sector in Sub- Saharan Africa	300,000.00	283,066.99	16,933.01
	TOTAL - INNOVATION IN DATA PRODUCTION METHODS, ANALYSIS AND DISSEMINATION			1,025,000.00	623,009.48	401,990.52
<b>INTERNATIONAL COOPERATION AND GLOBAL PUBLIC GOODS</b>						
10	TFOA1661	Vashakmadze	Mega-Regional Trade Agreements: Implications for Developing Countries	100,000.00	0.00	100,000.00
11	TFOA1422	Huidrom	The Role of Confidence in the Cross-Border Transmission and Propagation of Shocks	210,000.00	69,855.14	140,144.86
12	TFOA1423	Timilsina	China Climate Policy Modeling	50,000.00	40,229.36	9,770.64
13	TFOA1277	Ozden	Migration and Labor Market Implications in the South	100,000.00	68,824.89	31,175.11
14	TFOA1278	Mattoo	Trade Policy, Poverty and Shared Prosperity	100,000.00	7,548.50	92,451.50
	TOTAL - INTERNATIONAL COOPERATION AND GLOBAL PUBLIC GOODS			560,000.00	186,457.89	373,542.11
<b>SERVICE DELIVERY AND EFFECTIVENESS</b>						
15	TFOA1279	Das	Kenya Patient Safety Impact Evaluation	150,000.00	99,147.02	50,852.98
16	TFOA1280	de Walque	Extension of the RESPECT study in Tanzania to the population of commercial sex workers and women at high risk in Dar-es-Salaam	75,000.00	0.00	75,000.00
	TOTAL - SERVICE DELIVERY AND EFFECTIVENESS			225,000.00	99,147.02	125,852.98

	Fund	TTL	Project Name	Allocations	Disbursements	Available
WORLD BANK FLAGSHIP REPORTS						
17	TFOA0073	Deichmann	WDR 2016 - Internet for Development	607,793.40	382,152.87	225,640.53
18	TFOA1662	Lofgren / Huidrom	Economic Spillovers in an Era of Globalization: Facts, Channels and Implications	120,000.00	29,830.36	90,169.64
19	TFOA1663	Schellekens	Global Monitoring Report	120,000.00	72,290.00	47,710.00
20	TFOA1062	Lopez-Calva	World Development Report 2017: Governance and the Law	1,024,255.75	1,009,341.33	14,914.42
21	TFOA1281	Gauri	WDR 2015 Operationalization	150,000.00	14,425.00	135,575.00
TOTAL - WORLD BANK FLAGSHIP REPORTS				2,022,049.15	1,508,039.56	514,009.59
GROWTH AND JOB CREATION						
22	TFOA1756	Ramalho	Job Quality Framework	150,000.00	73,635.68	76,364.32
23	TFOA1542	Loayza	International Benchmarking for Country Diagnostics	50,000.00	14,475.00	35,525.00
24	TFOA2603	McKenzie	Micro and Small Firm Death in Developing Countries	75,000.00	47,658.00	27,342.00
25	TFOA1665	Toman	Economy-wide effects of expanded electricity access and impacts of household electricity tariff changes in Ethiopia	100,000.00	96,509.53	3,490.47
26	TFOA0815	Fuster	Getting water and sewerage connections in 31 Mexican states and Mexican City	100,000.00	23,164.06	76,835.94
TOTAL - GROWTH AND JOB CREATION				475,000.00	255,442.27	219,557.73
POVERTY AND SHARED PROSPERITY						
27	TFOA1890	Hasan	Equality of Opportunity in Global Prosperity	150,000.00	90,350.83	59,649.17
28	TFOA1666	Toman	The Effect of Improved Biomass Cookstoves on Indoor Air Quality and Respiratory Health in Rural Ethiopia	100,000.00	98,946.09	1,053.91
29	TFOA1737	Perotti	Living Life	100,000.00	51,166.26	48,833.74
30	TFOA1541	Kanz	What Drives the Demand for Islamic Finance? Evidence from Field Experiments with Low-Income Households in Indonesia	50,000.00	0.00	50,000.00
TOTAL - POVERTY AND SHARED PROSPERITY				400,000.00	240,463.18	159,536.82
<b>KCPIII TOTAL ALLOCATIONS &amp; DISBURSEMENTS , June 30, 2016</b>				<b>4,907,049.15</b>	<b>2,912,559.40</b>	<b>1,994,489.75</b>

**Table A.3. Completed KCP II Projects in FY2016 (US Dollars)**

#	Fund	Project Name	Task Leader	Commitment
<b>Poverty Dynamics and Public Service Delivery</b>				
1	TF010746	Quality of Care in Health Markets: Supply- and Demand-Side Perspectives	Jishnu Das	334,951.56
2	TF013078	Can a formal address do the job? Favela pacification in Rio de Janeiro	Caio Piza	99,889.88
3	TF012991	Early Childhood Nutrition, Availability of Health Service Providers and Life Outcomes as Young Adults: Evidence from Indonesia	John T. Giles	159,488.74
4	TF013050	Welfare Impacts of Marital Status Shocks in Senegal and the Implications for Social Protection Policy	Dominique Van De Walle	90,000.00
5	TF014986	World Development Report 2015: The Behavioral and Social Foundations of Economic Development	Varun Gauri	679,567.96
6	TF015397	Uganda: Building Institutions for Government Accountability	Stuti Khemani	199,997.13
7	TF015400	An Evaluation of Long-Term Impacts of an Integrated Early Childhood Intervention for Low-Income Families in Rio de Janeiro, Brazil	Damien de Walque	124,999.86
8	TF015194	Behavioral Economics for Better Public Service Management	Vincenzo Di Maro	124,123.39
9	TF016848	How do we motivate public sector workers in developing countries?	Aart C. Kraay	149,647.68
10	TF015742	WDR 2015 Building an Evidence Base for the World Development Report	Gauri/Hoff	374,069.13
11	TF018228	Demand Curve for Clean Water and Its Determinants in a Low-Income Context	Quy-Toan Do/Hanan Jacoby	199,999.52
12	TF017729	Harmonized Microdata for Enhanced Global Poverty Monitoring: The International Income Distribution Database (I2D2)	Kathleen Beegle	87,569.32
13	TF018112	Gender, Insurance and Agricultural Productivity	Markus Goldstein	68,571.74
14	TF018345	Census Independent Sampling Strategy using Satellite Imagery: Validating and Improving a Proposed Methodology in Myanmar	Espen Prydz/ Calogero Carletto	49,564.40
15	TF018041	Improving Poverty and Shared Prosperity Measurement: An Experiment to Measure Purchases of Food Away from Home	Renos Vakis/ Calogero Carletto	99,639.55
16	TF017980	What Happens in Rural Areas when Food Prices Spike?	Donald Larson	94,954.75
Total - Poverty Dynamics and Public Service Delivery				2,937,034.61
<b>Investment Climate &amp; Trade and Integration</b>				
17	TF015398	Salary Susu Plus: The Impact of Formal Savings on Spending and Borrowing	Leora Klapper	49,410.38
18	TF015136	Improving the Management and Profits of Small Businesses and Their Measurement	David McKenzie	149,939.21
19	TF015098	Worldwide Governance Indicators 2014-15	Aart C. Kraay	48,341.00
20	TF015145	Behaviorally Informed Mystery Shopping Tools for Consumer Protection Policymakers	Xavier Gine	81,404.75
21	TF015212	The Gains from International Migration Revisited	S. Amer Ahmed	125,000.00

#	Fund	Project Name	Task Leader	Commitment
22	TF018326	Benchmarking Public Procurement	Federica Saliola	149,998.97
23	TF017867	Corporate Governance and Debt Maturity	Soledad Martinez Peria / Deniz Anginer	49,766.00
Total - Investment Climate & Trade and Integration				653,860.31
<b>Global Public Goods</b>				
24	TF014304	Development of innovative tools and technologies for the global research community.	Michael M. Lokshin	291,627.52
25	TF016340	Data Version Management and Linked Data	Malarvizhi Veerappan	93,796.16
Total - Global Public Goods				385,423.68
<b>Economic Development and Structural Change</b>				
26	TF013183	Structural Change in a Dynamic World	Maryla Maliszewska	200,000.00
27	TF013506	Understanding the broader impacts of transport infrastructure investments	Uwe Deichmann	259,258.70
28	TF015211	Simple Global Analysis with R23 Model and Database for 200+ Countries	Maryla Maliszewska	99,999.08
29	TF015048	Promoting rural-urban integration in China	Klaus Deininger	100,000.00
30	TF015161	Community, Family and Household Support for the Elderly in the Wake of Rapid Urbanization: Evidence from Rural China	John Giles	199,923.47
31	TF015202	Aging: the changing nature of intergenerational flows in developing countries	Maryla Maliszewska	50,000.00
32	TF015022	Institutional Investors	Sergio Schmukler	49,994.73
33	TF017704	Upgrading Management Technology in Colombia: A Randomized Experiment	William Maloney/ David McKenzie	100,000.00
34	TF017690	WDR 2016: "The Internet and Development"	Deepak Mishra/ Uwe Deichmann	449,943.77
35	TF018348	Global Economic Prospects Flagship	Ekaterine Vashakmadze	200,000.00
Total - Economic Development and Structural Change				1,809,119.75
<b>DROPPED PROJECT</b>				
1	TF018647	Weekend Special: A Sports-Based Intervention to Encourage Uptake of Voluntary Medical Male Circumcision in Zimbabwe	Berk Ozler/ Jed Friedman	-

**Table A.4 Ongoing KCP II Projects in FY2016**

	Project Name	Trust Fund	Allocation (USD)	Team Leader
<b>POVERTY DYNAMICS and PUBLIC SERVICE DELIVERY</b>				
1.	Using Behavioral Economics to Measure and Improve CDD Operations	TF015097	100,000	Vijayendra Rao
2.	Improving Data on Population Health and Skills Using Tablet-Compatible Household Survey Diagnostic Instruments	TF018342	150,000	Adam Wagstaff/ Deon Filmer/ Michael Lokshin
3.	Decentralizing Irrigation Management: Evidence from the Indus Basin of Pakistan	TF018343	150,000	Hanan Jacoby/ Ghazala Mansuri
4.	Quality of Care, Its Determinants and How It Can Be Improved	TF018344	150,000	Jishnu Das
5.	Assessing the Impact of 2011 ICP PPPs on Global Poverty Estimates	TF017875	135,000	Shaohua Chen
6.	Equality of Opportunity in Global Prosperity	TF018042	200,000	Federica Saliola
7.	National Account vs Survey Based Welfare	TF018077	150,000	Umar Serajuddin
8.	GMR 2015-2017 "Monitoring and Reporting the Twin Goals"	TF018996	250,000	Jamus Lim/ Vandana Chandra
<b>INVESTMENT CLIMATE &amp; TRADE AND INTEGRATION</b>				
9.	Firm Financing from Capital Markets	TF015108	75,000	Sergio Schmukler
10.	Demographic Change and International Integration	TF018346	200,000	Caglar Ozden/ Aaditya Mattoo
11.	Credit Bureau in Mexico	TF017899	50,000	Claudia Ruiz Ortega
12.	Capital Flows: Geography, Drivers and Implications	TF018347	110,000	Sergio Schmukler
<b>GLOBAL PUBLIC GOODS</b>				
13.	Improving and Expanding PovcalNet	TF017347	100,000	Shaohua Chen
14.	Economic valuation of losses due to "Amazon dieback"	TF017449	1,980,000	Michael Toman/ Jon Strand
15.	Sustainable Poverty Reduction and Shared Prosperity under a Changing Climate	TF017934	150,000	S. Amer Ahmed
16.	UNICEF-WHO-The World Bank Joint Child Malnutrition Dataset Expansion	TF017777	150,000	Juan Feng/ Umar Serajuddin
17.	Ecologically Cost-Effective Road Investment in Tropical Forest	TF017687	150,000	Susmita Dasgupta
<b>ECONOMIC DEVELOPMENT AND STRUCTURAL CHANGE</b>				
18.	Job Creation, Structural Change, and Economic Development in MENA with Lessons from East Asia	TF014655	1,485,000	Mary Hallward-Driemeier
19.	The coming wave of educated workers: size and impact on global inequality and poverty	TF015375	150,000	Maryla Maliszewska
20.	GFDR 2015: Long-Term Finance	TF017688	250,000	Soledad Martinez Peria/ Thierry Tresselt
21.	Training to MFIs in Mexico	TF017711	60,000	Claudia Ruiz Ortega

**Table A. 5. Ongoing KCP III Projects in FY2016**

	Project Name	Trust Fund	Allocation (USD)	Team Leader
<b>FRAGILITY &amp; RISK MANAGEMENT</b>				
1.	Global Finance Development Report 2016 - Global Banking	TFOA1273	200,000	Robert Cull
<b>INNOVATION IN DATA PRODUCTION METHODS</b>				
2.	Producing, analyzing and visualizing global income distributions	TFOA1274	60,000	Tariq Afzal Khokhar, Espen Beer Prydz
3.	Calibration in sample survey estimation: improving the quality of socio-economic indicators by using auxiliary information	TFOA1077	75,000	Olivier Dupriez
4.	Generation of synthetic data for ex-ante impact assessments	TFOA1095	90,000	Olivier Dupriez
5.	Worldwide Governance Indicators 2016-2018	TFOA1094	100,000	Aart Kraay
6.	2016 World Bank Survey of Bank Regulation and Supervision	TFOA1275	200,000	Robert Cull
7.	Poverty Imputation Handbook and Research	TFOA2733	100,000	Hai-Anh Dang
8.	Measuring and Analyzing Teacher Knowledge and Behavior	TFOA1202	100,000	Deon Filmer
9.	Benchmarking the Private Sector in Sub-Saharan Africa	TFOA1388	300,000	Silvia Muzi
<b>INTERNATIONAL COOPERATION &amp; GLOBAL PUBLIC GOODS</b>				
10.	Mega-Regional Trade Agreements: Implications for Developing Countries	TFOA1661	100,000	Ekaterine Vashakmadze
11.	The Role of Confidence in the Cross-Border Transmission and Propagation of Shocks	TFOA1422	210,000	Raju Huidrom
12.	China Climate Policy Modeling	TFOA1423	50,000	Govinda Timilsina
13.	Migration and Labor Market Implications in the South	TFOA1277	100,000	Caglar Ozden
14.	Trade Policy, Poverty and Shared Prosperity	TFOA1278	100,000	Aaditya Mattoo
<b>SERVICE DELIVERY &amp; AID EFFECTIVENESS</b>				
15.	Kenya Patient Safety Impact Evaluation	TFOA1279	150,000	Jishnu Das
16.	Extension of the RESPECT study in Tanzania to the population of commercial sex workers and women at high risk in Dar-es-Salaam	TFOA1280	75,000	Damien de Walque
<b>WORLD BANK FLAGSHIP REPORTS</b>				
17.	Economic Spillovers in an Era of Globalization: Facts, Channels and Implications	TFOA1662	120,000	Raju Huidrom
18.	Global Monitoring Report	TFOA1663	120,000	Philip Schellekens
19.	World Development Report 2017: Governance and the Law	TFOA1062	1,024,256	Luis-Felipe Lopez-Calva
20.	WDR 2015 Operationalization	TFOA1281	150,000	Varun Gauri
21.	WDR 2016 Internet for Development	TFOA0073	607,793	Uwe Deichmann
<b>GROWTH &amp; JOB CREATION</b>				
22.	Job Quality Framework	TFOA1756	150,000	Rita Ramalho
23.	International Benchmarking for Country Diagnostics	TFOA1542	50,000	Norman Loayza
24.	Micro and Small Firm Death in Developing Countries	TFOA2603	75,000	David McKenzie
25.	Economy-wide effects of expanded electricity access and impacts of household electricity tariff changes in Ethiopia	TFOA1665	100,000	Michael Toman

26.	Getting water and sewerage connections in 31 Mexican states and Mexican City	TF0A0815	100,000	Julio Fuster
<b>POVERTY &amp; SHARED PROSPERITY</b>				
27.	Equality of Opportunity in Global Prosperity	TF0A1890	150,000	Tazeen Hasan
28.	The Effect of Improved Biomass Cookstoves on Indoor Air Quality and Respiratory Health in Rural Ethiopia	TF0A1666	100,000	Michael Toman
29.	Living Life	TF0A1737	100,000	Valeria Perotti, Laura Altinger

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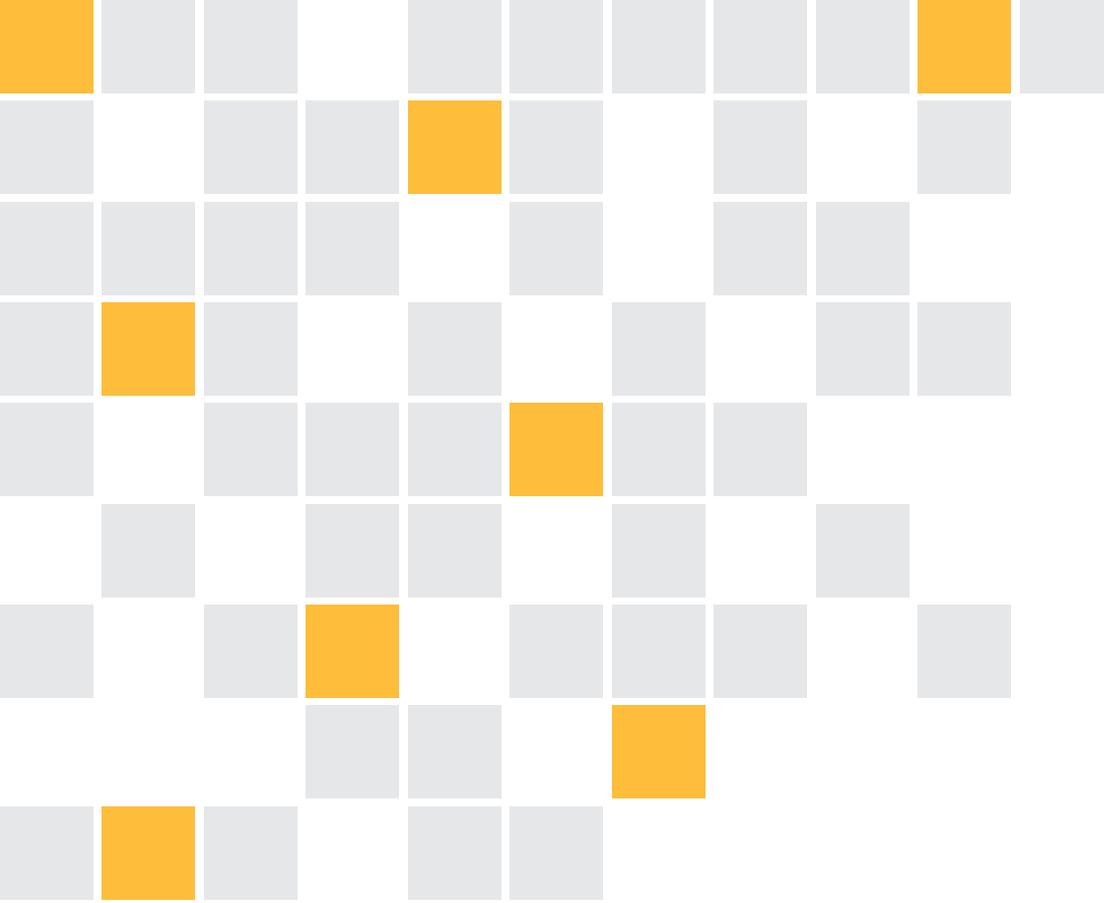
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