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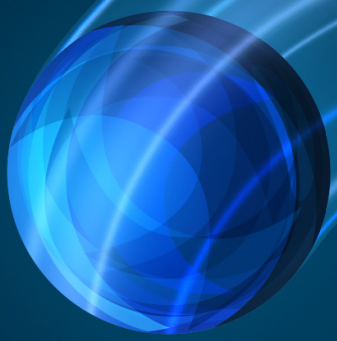
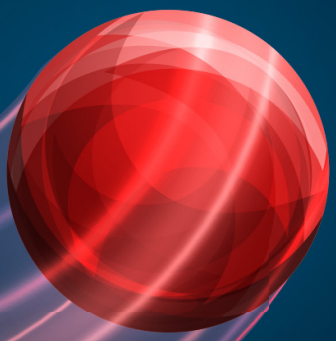
Development Economics

Knowledge into Action

Harnessing the Power of Research, Data and Analytics to Drive Development Impacts





THE KNOWLEDGE FOR CHANGE PROGRAM
2023 ANNUAL REPORT

Knowledge FOR Change

Knowledge for Change Program

2023 Annual Report

KCP Donors (2002–2023)

Finland

United Kingdom

Norway

Sweden

Japan

Australia

European Union

Canada

Korea, Rep.

Denmark

France

Switzerland

The Netherlands

Estonia

China

Singapore

ABN AMRO

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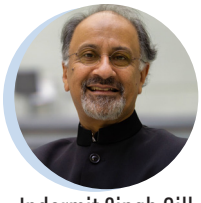
Message from the World Bank Group Chief Economist

In a time of upheaval and uncertainty across the globe, the World Bank's *Knowledge for Change Program* (KCP) delivered an influential body of research and insights to help policymakers navigate the rising challenges of development.



Indermit Singh Gill
CHIEF ECONOMIST OF THE WORLD BANK GROUP AND SENIOR VICE PRESIDENT FOR DEVELOPMENT ECONOMICS

Those insights are creating solutions to many of the central issues of our time. They're helping in the development of a next-generation NASA satellite that will be better equipped to precisely measure greenhouse-gas emissions across the planet. They have led to the creation of a global measure to track the percentage of children unable to read a simple story by age 10. They have introduced a powerful policy framework by which governments can tap the power of global supply chains to accelerate growth and reduce poverty.

That's just a small sample of the ways in which KCP transformed knowledge into action via program activities that were completed between July 2022 through June 2023, the period covered by this report. During the program's third and fourth phases, KCP produced more than 500 journal articles, policy working papers, and research notes. It constructed 200 datasets and analytical tools. It organized and presented research at more than 1,000 conferences and events. It brought into this process the analytical power of hundreds of researchers from developing countries. This work advanced the cause of evidence-based policymaking in developing economies—and it laid the analytical foundation for many World Bank lending programs and advisory services.

In short, the program delivered substantial value for money for the nine donors who supported it during the third and fourth phases: Canada, Estonia, the European Union, Finland, Japan, France, Norway, the United Kingdom, and Sweden, which provided more than $31 million for KCP's third and fourth phases. We think it can deliver even greater value in the coming years. Through the Development Economics Vice Presidency, where the program is housed, we intend to put it at the core of the Bank's knowledge-related efforts to end poverty on a livable planet.

We'll do that in three ways:

First, we will help policymakers in low- and middle-income countries answer the most central questions of development. KCP will allocate greater funding for flagship reports in the priority areas of the World Bank's Evolution Roadmap—including climate adaptation, migration, fragility and conflict, pandemic prevention and preparedness, and food and energy security. This research—even when it is global in scope—will be customized to meet the needs of individual countries: how should country programs be designed and implemented for maximum effectiveness?

Second, we will help ensure that the critical insights derived through KCP are absorbed promptly by policymakers and converted into action. That involves building trust and making it easier for country policymakers to take the necessary actions. Governments often turn to their own think tanks and local institutes for information and advice. We can drive policy action much more effectively by developing joint programs with these institutions and empowering the local research community. In the next year, we will launch a key initiative to achieve such collaboration: the Development Economics Global Institute (DEC Global). Its goal is to ensure that policy insights land on the right policymaker's desk, at the right moment, and in the right format.

DEC Global will also build a global network of development scholars, think tanks, and research and training institutes to identify and close critical gaps in research and data.

Third, we will democratize our data—make it open and accessible to all. Researchers in the Development Economics Vice Presidency hold the keys to an extraordinary trove of data that could revolutionize development. They collect and monitor statistics related to the Sustainable Development Goals (SDGs)—including data on the relative size of economies, price and debt levels, extent of financial inclusion, and the quality of governance and the business environment. They conduct impact evaluations to glean insights that can illuminate better policy pathways. We intend to make this data open to all—and easy for anyone to use.

In the following pages, you'll read about the many ways in which KCP-funded teams transformed knowledge into policy action. They revealed how performance-based financing can help enhance coverage for high-quality healthcare services. They demonstrated the extent to which protectionist trade policies harm gender equality. They showed how job-matching programs can help tackle the challenge of youth unemployment. Their work in the last year offers a tantalizing glimpse into the transformation that could occur if policymakers had access to the right information at the right time.

The world economy today might appear to be fragile. The political landscape may seem gloomy. But we should have no doubt about one thing: knowledge is a beacon that can point out the solutions necessary to tackle the cascade of crises we see today. We must use it to its fullest potential. I invite all our KCP partners to join us in this effort—and may their numbers grow.

Indermit Gill
Chief Economist of the World Bank Group and
Senior Vice President for Development Economics
The World Bank

About the KCP

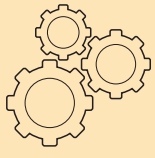
Vision and Mission

The Knowledge for Change Program (KCP) provides crucial support to the World Bank's mission to produce rigorous research addressing urgent knowledge gaps in developing countries; helps catalyze evidence-based policy changes in support of inclusive growth and poverty reduction; and facilitates global knowledge exchange, partnerships, and capacity building in research and data activities.

Main Goals

ORIGINAL RESEARCH

Produce rigorous and relevant fundamental research in support of evidence-based policy making in international development, anticipating future needs and knowledge gaps as well as responding to current policy challenges..



OPERATIONAL RELEVANCE

Support World Bank country operations in the design, implementation, evaluation, and modification of development interventions in an effective and efficient manner.

OPEN KNOWLEDGE

Open access to knowledge through sharing, partnerships, and capacity building.

Main Activities

Housed in the Development Economics Vice Presidency of the World Bank, the KCP is a collaborative endeavor between the World Bank and development partners. It is an Umbrella Multi-Donor Trust Fund with a successful track record in

delivering high-impact, policy-relevant research and knowledge products. The KCP commenced operations in 2002 and has supported more than 410 projects on research, data, and analytics. To date, 18 development partners have provided generous contributions to the KCP, with total funding of US$84.8 million. .

KCP Phase III

During the reporting period, two phases of the KCP program were active and implemented under separate Umbrella trust fund programs: KCP Phase III (TF072304) and KCP Phase IV (TF073632). Phase III of the program—KCP III—started in December 2014 and closed in October 2022. KCP III received US$16.8 million in cash contributions from seven development partners, namely, Finland, Norway, Canada, the United Kingdom, Sweden, Estonia, and France. KCP III supported 98 research and data projects and produced a large body of knowledge products, such as foundational research and analyses, evaluations, flagship reports, synthesis reports, capacity building, global/regional learning and events, global/local partnerships, databases and portals, and policy toolkits. These knowledge products helped to support enhanced policy making in developing countries. Many KCP-supported projects have had direct and indirect impacts on the World Bank's operations and provided the analytical foundation for lending programs and advisory services. Research findings have been actively shared with the wider development community through publications, workshops, and policy conferences, as well as direct collaborations and capacity-building activities with developing country policy makers and researchers.

KCP Phase IV

KCP Phase IV was launched during fall 2020 and was established as an Umbrella 2.0 trust fund in 2021. The priority areas of Phase IV are aligned with the World Bank's special themes and topics of the 19th replenishment of the International Development Association, namely, jobs and economic transformation; fragility, conflict, and violence; climate change; gender and development; governance and institutions; as well as cross-cutting issues in debt and financial fragility, human

capital, and technology. As of June 30, 2023, KCP IV received US$9,256,677 in cash contributions from four development partners, namely, Sweden, France, Japan, and the European Union. Two additional contributions of US$1,748,297 have been received in fiscal year (FY) 2024, bringing the total donor contributions to KCP IV to US$11,004,975. With the available funds, KCP IV has supported 27 research and data projects and financed various knowledge products, including flagship reports, research and analysis, capacity building, and learning events.

About This Report

The 2023 Annual Report features the KCP's progress achieved based on the projects completed during the reporting period of July 2022–June 2023. The report includes (i) a summary of progress and achievements in FY2023; (ii) conclusions from selected projects completed during the reporting period under KCP III; (iii) progress and achievements of ongoing and completed projects during the reporing period under Phase IV; and (iv) a summary of the third round of the call for proposals conducted under KCP IV since its launch in late 2020—the KCP 2023 Call for Proposals—with a summary of the projects selected. The last section of the report provides an overview of the KCP's current financial position and details of the KCP portfolio.

Progress and Achievements

Program Highlights in FY2023 (July 2022–June 2023)

In total, 31 Knowledge for Change Program (KCP) grants were completed in fiscal year (FY) 2023: 28 projects under KCP III and three projects under KCP IV. The outcomes of the completed projects were satisfactory, and the achievements of selected projects are presented in this section of the report. The lists of all the completed and ongoing projects are presented in the Annex to this report.

Implementation of KCP Phase III, which started in 2014, concluded in October 2022. All 97 research and data projects supported under KCP III have been completed, with 28 projects that closed during the reporting period, concluding Phase III of the program.

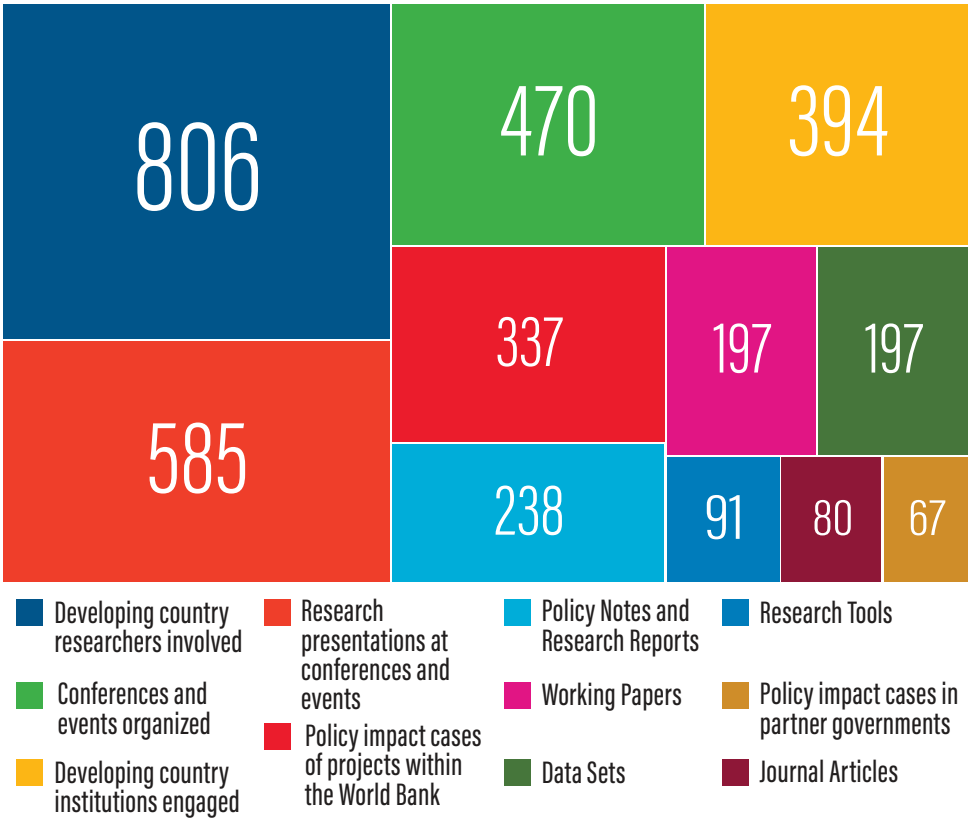
KCP Phase III supported policy-relevant research and data collection and analysis activities within the following themes: fragility and risk management, innovation in data production, international cooperation and global public goods, service delivery and aid effectiveness, growth and job creation, and poverty and shared prosperity. KCP III also funded major policy research reports and World Bank flagship reports, such as World Development Reports and Global Financial Development Reports.

The KCP's current phase (Phase IV) was launched in late 2020. Between July 2022 and June 2023, three projects closed and 24 remained under implementation. Their overall progress is discussed further in this section. This includes 15 new grants that were approved during the second round of the call for proposals (CFP), the FY2022 CFP, which was completed during the reporting period. The FY2022 CFP was conducted under two program windows: Window 1: Advancing KCP's Goals, and Window 2: Subnational Development. Window 1 funds small proposals that advance the KCP's goals in general, prioritizing proposals that address the following four thematic areas: (i) debt and financial fragility, (ii) human capital, (iii) governance and institutions, and (iv) technology. Window 2 funds both programmatic and small

proposals, aiming to advance the KCP's goals through a spatial lens focused on the economic geography of growth and development at the subnational level. During the FY2022 CFP, 11 projects were approved for funding under Window 1, for a total amount of US$1,831,491. The selected projects cover seven broad themes: (i) jobs and economic transformation; (ii) fragility, conflict, and violence; (iii) gender and development; (iv) governance and institutions; (v) debt and financial fragility; (vi) human capital; and (vii) technology. Four projects (including three programmatic grants and one small grant) were approved for funding under Window 2, for a total amount of US$2,396,000.

Thus far, KCP teams have produced a wide range of outputs under KCP III and KCP IV. Outputs from KCP-funded work include research and policy papers published in top academic journals; new data sets, indicators, and survey instruments; non-technical papers, reports, and briefs targeted at government and operational counterparts; presentations and blogposts to highlight key results in a more accessible format for a wider audience; as well as capacity-building workshops and dissemination events to engage stakeholders in local research institutions, think tanks, and civil society organizations.

Cumulative Output Indicators for KCP III and KCP IV



Highlights from KCP III Grants Completed in FY2023

Does Mass Transit Investment Reduce Greenhouse Gas (CO_2) Emissions? An Empirical Test with New Satellite Data

KCP III window: International Cooperation and Global Public Goods

Geographical coverage: Global
Implementation period: September 2021–October 2022
Grant amount: US$ 150,000

The need for rapid reduction of greenhouse gas (GHG) emissions has prompted an urgent discussion of the most effective policy instruments. Directed infrastructure investment, for example, can be a powerful complement to incentive-based measures such as carbon pricing and emissions permit trading. Yet, empirical evidence on the effectiveness of directed public investment on carbon dioxide (CO_2) emissions at a global scale is scarce. The design and performance assessments of policy interventions are significantly restricted by a shortage of consistently measured CO_2 estimates in the global economy. To close the information gap, satellite-based CO_2 measurements have provided new insights. High-resolution observations of CO_2 emissions are now available from several platforms, including NASA's Orbiting Carbon Observatory-2 (OCO-2) and Japan's Greenhouse gases Observing SATellite (GOSAT). However, to make these data useful for policy-relevant research and applications, post-processing of the satellite readings is necessary.

Under the KCP-funded grant, the team processed satellite readings of CO_2 from NASA's OCO-2 to generate emission estimates that are comparable across space and time. As a result, two high-resolution global databases for CO_2—(i) global XCO2 anomalies and mean values and (ii) estimates of changes in CO_2 for functional urban areas—were constructed and made open and universally accessible for all interested global stakeholders. The data have been used to understand CO_2 emission trends in urban areas across the world. These areas account for 70 percent of global emissions. The consistent structure of the data facilitates its integration with other geospatial data. The project also developed and demonstrated the use

of new methods for measuring changes in emissions that can help in designing net zero emission cities and inform mitigation efforts that include carbon credit and offset markets, green bonds, and other instruments that rely on robust monitoring, reporting, and verification systems.

To take the project forward, the team applied the new data in research on estimation and mitigation of CO_2 emissions. It developed two working papers: (i) "Scalable Tracking of CO_2 Emissions: A Global Analysis with Satellite Data," and (ii) "Subways and CO_2 Emissions: A Global Analysis with Satellite Data." The research done under "Scalable Tracking of CO_2 Emissions: A Global Analysis with Satellite Data" closed the information gap on global CO_2 emissions by using multiyear CO_2 estimates derived from the satellite data for monitoring the performance of close to 2,000 urban areas with populations of more than 500,000. The research provided useful information over long periods as well as short-term changes. The resulting emissions-based performance ratings are expected to make urban governments and businesses more accountable to their stakeholders and create incentives for decarbonization as well as investments in low-carbon development in land, energy, and transport. The second research paper, "Subways and CO_2 Emissions: A Global Analysis with Satellite Data," addresses a basic strategic question for global climate policy: can large-scale public investments in mass transit such as subway systems reduce carbon emissions by promoting low-carbon urban development? The results indicate that subway systems have cut CO_2 emissions by about 50 percent in the urban areas where they currently operate and 11 percent globally. The emissions projection conducted by the research furthermore indicates that the construction of subway systems in the 2,000 urban areas can significantly lower emissions. In hundreds of cities, the climate benefits alone warrant the construction of subway systems. The projection results are reported in the database: Candidate urban areas for future subways.

The project was conducted in close collaboration with a leading satellite agency: NASA. The collaboration is ongoing, and the lessons learned from the research will be considered by NASA's OCO-2 and OCO-3 teams while designing their new satellite programs. The impressive body of work has been disseminated at numerous conferences internally and externally.

Learn More

Blogs

Blankespoor, B., S. Dasgupta, S. Lall, N. Rao Harshadeep, and D. Wheeler. 2022. Are nations fulfilling their carbon pledges? Introducing a satellite-based carbon emissions database to enable easy tracking. World Bank Blogs, September 7, 2022.

Dasgupta, S., S. V. Lall, and D. Wheeler. 2021. Deploying 'Sentinel Satellites' to monitor Green House Gas Emissions. Brookings Institution, November 17, 2021.

Dasgupta, S., S. V. Lall, and D. Wheeler. 2022. Cutting Global Carbon Emissions: Where Do Cities Stand? WBG blogsite: Sustainable Cities: Building Inclusive, Resilient and Sustainable Communities. World Bank Blogs, January 5, 2022. Reposted at World Economic Forum, January 13, 2022, https://www.weforum.org/agenda/2022/01/cutting-global-carbon-emissions-cities-climate-change-cop26/.

Databases

- Global XCO2 Anomalies and Mean
- Change Estimates of Carbon Emissions for Functional Urban Areas
- Candidate urban areas for future subways

Events

- Scalable Tracking of CO_2 Emissions: A Global Analysis with Satellite Data. Accepted for presentation at European Association of Environmental and Resource Economists 2023 Conference, Limassol, Cyprus. June 2023.
- Subways and CO_2 Emissions: A Global Analysis with Satellite Data. Presentation at European Association of Environmental and Resource Economists 2023 Conference, Limassol, Cyprus. June 2023.
- Use of GHG Data in World Bank Research. Presentation at NASA Headquarters, Washington, DC. April 2023.
- Use of GHG Data in World Bank Research. Presentation at NASA Jet Propulsion Laboratory, Pasadena, CA. June 2023.
- Use of GHG Data in World Bank Research. Presentation at the meeting of NASA team. October 2023.
- Use of GHG Data in World Bank Research and Comparative Analysis of Data from OCO-2 and TROPOMI. Presentation at NASA Jet Propulsion Laboratory, Pasadena, CA. June 2023.

Publications

Dasgupta, S., S. V. Lall, and D. Wheeler. 2023. Scalable Tracking of CO2 Emissions: A Global Analysis with Satellite Data. Policy Research Working Paper 10297, World Bank, Washington, DC.

Dasgupta, S., S. V. Lall, and D. Wheeler. 2023. Subways and CO2 emissions: A global analysis with satellite data. *Science of the Total Environment* 883: 163691.

Community-Based Organizations and Local Governance in Burkina Faso

KCP III window: Service Delivery and Aid Effectiveness

Geographical coverage: Burkina Faso

Implementation period: October 2018–September 2022

Total grant amount: US$50,000

Local governments are central to the endeavor of broadening access to public services and combating extreme poverty. However, their growing responsibilities sometimes outpace their capacity to cope adequately. It is therefore imperative to develop and implement novel approaches and solutions to bolster the accountability of municipal administrators for the quality of local public services.

Community-based organizations (CBOs) often operate as highly efficient entities at the local level (especially in countries with limited state capacity). However, their primary focus remains on serving their members rather than the community at large, which may result in a lack of direct incentives to intervene should local governments fall short of fulfilling their responsibilities. What if local CBOs were provided incentives to hold their municipal government accountable? Can cash

grants incentivize CBOs to lobby actively for improved quality of municipal service delivery?

The KCP supported research during 2018–22 aimed at harnessing the potential of CBOs by leveraging their local knowledge, influence, and mobilization capacity to engender positive changes in municipal government performance. In close collaboration with the Government of Burkina Faso, the research team conducted a nationwide randomized controlled trial to test this intervention at scale. Well-functioning local CBOs were provided a direct financial stake in the performance of their municipal government in the form of an annual cash grant that was a function of improvements in their respective municipal government's performance. Such an approach is called third-party performance pay (3PPP). The study targeted 170 treatment municipalities and 169 control municipalities, covering almost all of Burkina Faso (outside the two main urban centers of Ouagadougou and Bobo-Dioulasso).

The research findings demonstrate that 3PPP may have effectively encouraged constructive forms of engagement, fostering gentle nudging and collaborative problem-solving between CBOs and municipal authorities. In contrast, confrontational demands for accountability, which could have intensified the perception of accountability pressures on decision makers, seemed less prevalent. Nonetheless, it remains a possibility that the measurement or operationalization of decision makers' perceptions of accountability pressures may have been limited in scope or accuracy.

The experiment showcased the efficacy and scalability of 3PPP in incentivizing grassroots civil society's active involvement in local governance, thereby fostering improvements in local government performance. The results are particularly remarkable considering the adversities under which the experiment took place, marked by political instability, the onset of the COVID-19 pandemic, and escalating armed conflict. The financial incentives offered to CBOs were intentionally modest and further curtailed by exogenous declines in municipal performance. Nonetheless, even within these constraints, a tangible increase in partner CBOs' engagement in municipal governance was observed, and a corresponding enhancement in overall

municipal performance. These findings underline the remarkable cost-effectiveness of 3PPP as a transformative tool for positive change in local communities.

The research was widely disseminated through events and presentations worldwide, including research and policy presentations for the World Bank Group Burkina Faso Country Team in 2023, local implementation partners such as the Association of United Hands of the Sahel (AMUS) (*Association les Mains Unis u Sahel*) and the Center for Economic and Social Studies and Experiments in West Africa (CESAO) (*Centre d'Etudes et d'Experimentations Economiques et Sociales de 'Afrique de l'Puest*) in 2022, and multiple events for the German Institute of Global and Areas Studies. Multiple trainings were also held for AMUS and CESAO on topics such as CBO census and endline data collection.

In a concerted effort to foster evidence-based policy making and develop capacity, this research initiative adopted a hands-on learning approach, constituting a pivotal component of the broader Experimental Research on Local Governance in Burkina Faso (REGLAB) (*Recherche expérimentale sur la gouvernance locale au Burkina Faso*). At its core, REGLAB represents a steadfast, enduring collaboration aimed at propelling research and innovation in municipal governance within Burkina Faso. The collaboration features institutions including the Government of Burkina Faso, with a special focus on its Local Government Support Project (*Programme d'appui aux collectivités territoriales*).

Throughout the course of this research, a high level of coordination was established with both the Governance Global Practice and the Burkina Faso Country Management team, ensuring seamless alignment with sector and country objectives. Notably, the efforts undertaken during the course of this research were directly in line with Burkina Faso's Country Partnership Framework for 2018–23, with a particular emphasis on strengthening governance and promoting citizen engagement. Moreover, this work holds profound relevance for the World Bank's core strategy for other countries within the Country Management Unit, such as Mali, Niger, and Chad. Such concerted endeavors exemplify the synergy achieved in pursuit of shared objectives and transformative impact.

Learn More

Blog

Holmlund, M., and F. Dunsch. 2019. "Think Local, Act Local: Working with Civil Society for Better Development Outcomes in Burkina Faso." *Let's Talk Development,* March 19, 2019. .

Databases

- Municipal performance in 2018 (baseline) from the annual Municipal Performance Monitoring (SUPERMUN) (Suivi de la Performance Municipale) survey.
- Municipal performance in 2020 (endline), from SUPERMUN.
- Endline (2022) data collected from CBOs.
- Endline (2022) data collected from municipal decision makers.
- Potential strategies for CBOs to influence their municipal government, produced as part of the training partner program for <?> CBOs in 2019.

Publication

Lierl, M., and M. Holmlund. 2023. "Unblinded Results: Third-Party Performance Pay to Improve Local Government Accountability: A Field Experiment in Burkina Faso." American Economic Association Randomized Controlled Trials Registry. https://www.socialscienceregistry.org/versions/170734/docs/version/file.

Education for Development—WDR 2018

KCP III window: World Bank Flagship Reports

Geographical coverage: Global

Implementation period: December 2016–October 2022

Total grant amount: US$1,834,119

More than 244 million children and adolescents do not have access to education, and an astounding 617 million are unable to read or perform basic math. It is particularly concerning that in Sub-Saharan Africa, less than 40 percent of girls complete lower secondary school, while around 4 million children and youth refugees remain deprived of educational opportunities. To overcome these challenges, it is imperative to establish inclusive and equitable quality education, providing lifelong opportunities for all. Without such measures, countries will struggle to achieve gender equality and break the cycle of poverty that currently condemns countless children, youth, and adults to be left behind.

From 2016 to 2022, the KCP supported the development, implementation, and dissemination of the first World Development Report (WDR) on education. Titled *World Development Report 2018: Learning to Realize Education's Promise*, the publication presented a unique opportunity to assess existing knowledge and offer direction for broadening the reach and excellence of education. How can schools be made to work for learners? How can systems be made to work for learning? These are just a couple of the questions explored in WDR 2018.

The report puts forth specific policy measures aimed at assisting developing countries in tackling the pressing learning crisis. These measures include enhancing learning assessments to gain a better understanding of the effective educational approaches, and using evidence-based insights to inform decision making in the field of education. In addition, the report calls for the mobilization of a robust social movement advocating for transformative changes in education that prioritize and champion "learning for all."

A background paper prepared for WDR 2018 studies the self-beliefs of teachers in Uganda. Through a survey experiment in public-private partnership schools in the country, the researchers contrasted teacher self-beliefs with their beliefs about other teachers in the same school. The study demonstrated that, on average, teachers tend to rate their ability, effort, and job satisfaction more positively than those of other teachers. This phenomenon is known as high relative self-regard. However, the study did not find systematic evidence of high relative self-regard around perceptions of the quality of student engagement and available support structures. Interestingly, the level of relative self-regard was lower among more experienced teachers, while it was more prevalent among teachers who exhibited low effort. This can be likened to the Dunning-Kruger effect in psychology, with the difference that respondents rate themselves as better than most, not just better than average, and the variation is explored in terms of effort, not cognitive ability. These findings offer suggestive evidence of cognitive biases that enable teachers to justify suboptimal effort in the classroom. Consequently, providing objective feedback to teachers about their effort and performance emerges as a potential approach to enhancing their performance.

Another background paper analyzes gender-based wage discrimination, with specific reference to how and if cognitive and noncognitive skills impact wages. Using data on adults in seven low- and middle-income countries that participated in the STEP Skills Measurement Survey, the researchers conducted a comparative analysis of gender wage gaps. The research results reveal that the discrepancy in years of schooling accounts for the majority of the gender wage gap. In addition, the findings indicate that cognitive and noncognitive skills exert distinct influences on the earnings of men and women—and the effects of such skills vary across the wage distribution and differ between countries.

Learning poverty continues to be a widespread and enduring issue, especially in low- and middle-income countries. A staggering 70 percent of 10-year-olds face difficulties in reading or comprehending a basic written text. While the spotlight has traditionally been on students, there remains limited understanding of the correlation between the capabilities of teachers and the learning achievements

of their students. As nations grapple with the aftermath of the pandemic, directing attention toward ensuring that upcoming generations of teachers are adequately trained and incentivized for effective teaching could significantly enhance student outcomes.

A study conducted as part of the WDR initiative provides robust evidence on how teachers' abilities and behaviors contribute to students' success. During 2015–17, the researchers investigated teacher effort, knowledge, and skills using data from nationally representative surveys from seven Sub-Saharan African countries. The research reveals that a significant number of teachers lack proficiency in the curricula they are teaching, possess limited basic pedagogical knowledge, and rarely employ effective teaching practices. Exploiting within-student, within-teacher variation, the analytical results indicate that teaching content and teachers' pedagogical knowledge have substantial impacts on student achievement. The results of the study emphasize notable deficiencies in teacher quality, which lead to a loss of human capital.

WDR 2018 profoundly influenced how World Bank Group staff engage with client countries. For example, it solidified a strong emphasis on learning as the primary goal of education systems, while also identifying crucial entry points for improvement. WDR 2018 also had a large effect on the strategic direction of the World Bank, laying the foundation for a renewed focus on human capital as a central driver of development. The World Bank's president used WDR 2018 to launch the Human Capital Project, a core element of which is the Human Capital Index, which emerged from the calculations of learning-adjusted years of schooling presented in chapter 1 of the WDR. The World Bank Group's education team also launched a new data-gathering and reporting tool called the *Global Education Policy Dashboard*. It provides policy-relevant information on the key drivers of learning in any system. The dashboard employs the WDR framework to organize data on service delivery in schools, the quality of policies, and the quality and orientation of the education bureaucracy in each country. WDR 2018 continues to have an impact on scholars and practitioners, as it is included on the syllabi of courses in leading universities, including Dartmouth College, the Graduate Institute Geneva, the

United Nations University World Institute for Development Economics Research, and Vanderbilt University.

Numerous country teams organized WDR dissemination events with policy makers to promote the World Bank Group's strategic priorities and foster the advancement of learning agendas. Overall, the WDR was presented at dissemination events in more than 50 countries, in addition to the 21 countries where the team held consultations during preparation. The report was presented to the leadership of the Bill and Melinda Gates Foundation, as well as to bilateral and multilateral aid and development agencies. These events and the report itself were covered in leading newspapers and magazines, such as *The Wall Street Journal, Financial Times,* and *Le Figaro*. WDR 2018 was also featured on television and radio, such as in-depth radio interviews with the lead authors on the BBC and Radio France Internationale. The digital version of WDR 2018 has been downloaded more than 1.1 million times, with approximately 4,500 downloads per month on an ongoing basis.

Learn More

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Understanding the Global Inflation Cycle and Its Drivers

KCP III window: Growth and Job Creation

Geographical coverage: Global
Implementation period: July 2019–October 2022
Total grant amount: US$ 75,000

Numerous emerging markets and developing economies (EMDEs) have faced the challenge of high and volatile inflation. The ramifications of such high inflation include endangering economic growth, eroding financial stability, and negatively impacting distributional equity. Lower-income households are particularly vulnerable in this context as they are confronted with the possibility of witnessing a depreciation in the value of their cash holdings, real wages, and more. Low and stable inflation has been proven to improve the living standards of those in lower income brackets.

Although policy makers in EMDEs have long been concerned about high inflation, inflation has declined to very low levels over the past two decades. However, low inflation (or deflation) is also problematic as it depresses consumption and investment, and the effectiveness of monetary policy may be reduced at the zero lower interest rate bound. Is low inflation in EMDEs driven largely by external developments or domestic shocks and policies? Are inflation expectations in EMDEs

sufficiently anchored so that inflation remains low—even if inflation in advanced economies starts accelerating?

From 2019 to 2022, the KCP financed research that investigated the global inflation cycle and its drivers, with a special focus on the drivers of inflation in EMDEs. The empirical analysis drew on a series of economic models and readily available cross-country data sets. The researchers covered a wide range of issues on inflation, growth, and monetary policy as well as economic modeling.

One study, "Inflation during the Pandemic: What Happened? What Is Next?" examines the evolution and drivers of inflation against the backdrop of the pandemic. The researchers explore the probable trajectory of inflation in the near-term using an event study of inflation around global recessions and a factor-augmented vector autoregression model. The study demonstrates that among the five global recessions witnessed over the past half-century, the decrease in global inflation during the 2020 global recession was the most restrained and transitory. In addition, since May 2020, the upturn in inflation has been the quickest. Notably, the initial decline in global inflation between January and May 2020 was mainly attributable to a convergence of factors, with approximately four-fifths stemming from the downturn in global demand and the remaining one-fifth attributable to the fall in oil prices (with some offsetting inflationary pressures from supply disruptions).

Another study, "One-Stop Source: A Global Database of Inflation," introduces an encompassing global database housing an array of inflation series for various inflation measures, at multiple frequencies spanning an extended period (1970–2022), and for more than 200 countries. In addition to presenting the database itself, the study demonstrates its applicability through important applications. The researchers study inflation since 1970, elucidating a pervasive trend of broad-based disinflation across the globe over the past half-century. From its peak of 16.9 percent in 1974, global consumer price inflation gradually decreased to 2.5 percent in 2020 before experiencing a resurgence to 7.8 percent in 2022. The research describes the influence of common factors driving fluctuations in various inflation measures. While inflation synchronization has witnessed an increase across all measures since the

early 2000s, it has been particularly notable for inflation measures involving a larger share of tradable goods. This finding underscores the significance of common elements in shaping inflationary patterns across the globe.

The team conducted extensive outreach to wide audiences through events such as conferences and seminars, leveraging academic and working papers, policy reports, presentations, blogs, and a new database. These outreach and education events included presentations at the Central Bank of Korea in 2022, the virtual International Food Manufacturers Association conference in 2022, as well as the International Association for Applied Econometrics conference in 2019. The project studies have received a large number of citations (200+) and have been featured in several World Bank Group publications, such as the corporate flagship 2022 Global Economic Prospects report and Global Monthly reports. These reports have been highly recognized by policy circles, including the World Bank president's blog on global stagflation, as well as academics.

Internal and external colleagues have used the Global Database of Inflation extensively. The database includes cross-country inflation and macroeconomic data based on different frequencies depending on the methodologies and topics. This cross-country open database builds the capacity of researchers, policy makers, and others in EMDEs as it enables detailed analyses across country groups.

Learn More

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Interest Rate Ceilings

KCP III window: Growth and Job Creation

Geographical coverage: Chile
Implementation period: March 2017–November 2022
Total grant amount: US$150,000

The global economic repercussions of the coronavirus (COVID-19) pandemic were profound, causing a widespread cessation of economic activity that inflicted harm on firms, driving a significant number to the brink of bankruptcy. Although social distancing and other containment measures helped to save lives, they led to a collapse in economic activity worldwide. Across the globe, policy makers swiftly implemented a diverse array of measures to confront the unavoidable economic recession and mitigate the impacts of the shock. Among these measures, significant emphasis was placed on supporting firms in effectively navigating the crisis.

Due to the constraints of limited resources, governments needed to make thoughtful choices in prioritizing policies aimed at rescuing firms from collapse amid the COVID-19 pandemic. Simultaneously, they needed to assess the trade-offs involved in implementing these policies. What were the optimal policy choices, given the priorities and trade-offs that policy makers faced when trying to save firms from collapsing? What incentives did such policies generate for firms and financial intermediaries?

During 2017–22, KCP-financed research concentrated on answering such questions through discussion of the academic and policy arguments related to financing firms throughout the COVID-19 pandemic. In one study, "Financing Firms in Hibernation during the COVID-19 Pandemic," the researchers devise a comprehensive framework to shed light on the most beneficial policy choices, taking into account the priorities and trade-offs faced by policy makers while safeguarding companies from potential collapse. Further, the researchers analyze the incentives that these policies would generate for both businesses and financial intermediaries.

The research reveals that nations characterized by underdeveloped financial markets, limited fiscal flexibility, and constrained central banks would face significant obstacles in facilitating the flow of credit to firms and preventing ruptures in their economic relationships. Savers and investors tend to show a stronger preference for holding their funds in the local currency, even in the face of challenging economic conditions. Further, enhanced credibility of the central bank empowers the financial sector to extend credit to businesses without triggering currency imbalances. Simultaneously, with improved fiscal viability, the government gains increased access to long-term financing in the global markets, enabling it to secure interest rates similar to those paid by the US Treasury.

Another study, "The Distribution of Crisis Credit: Effects on Firm Indebtedness and Aggregate Risk," examines the credit distribution during times of crisis and its implications for both firm indebtedness and macroeconomic risk. Using unique transaction-level data on the demand for and supply of credit, paired with administrative tax data, the researchers analyze a large-scale program of public credit guarantees in Chile during the pandemic. The program accelerated credit growth significantly and broadly across a wide range of firms. The researchers discovered that the findings were not particular to the pandemic, and instead identified broad insights into circumstances and policy actions that may mitigate risks while also rapidly and extensively improving access to credit. The study demonstrates that the allocation of credit toward riskier firms drives loans equivalent to 4.6 percent of gross domestic product, leading to heightened firm leverage. Nevertheless, increased lending to riskier firms does not significantly elevate macroeconomic risks. Multiple factors act as mitigating forces on aggregate risk: limited exposure to riskier firms, exclusion of the riskiest firms from consideration, diligent bank screening practices, managed expected defaults, and the government's role in absorbing tail risk.

The research findings were widely disseminated both within and outside the World Bank Group, including within the Latin America and Caribbean and East Asia and Pacific regions. For example, an e-seminar was organized jointly with the Latin America and Caribbean region with the participation of the Government of Chile's finance minister. The workshop had 1,700 registered participants and was featured

in *The Economist.* The research findings were also presented at institutes such as the Catholic University of Chile and the Middle East and North Africa Central Bank Conference in Morocco. The research papers were downloaded more than 5,000 times, cited more than 200 times, and used as references for how to save firms from collapse.

The research team held discussions in Chile with both the Chilean Central Bank and the Commission for Financial Markets to support the implementation and monitoring of COVID-19 response policies. Policy makers and researchers in other countries—such as Indonesia—used the research to help to shape policy debates. The research endeavor also resulted in a novel database of the universe of bank transactions, by considering different types of credit to all banked individuals in Chile.

Learn More

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Operationalizing and Measuring Effective Coverage in Health Care

KCP III window: Service Delivery and Aid Effectiveness

Geographical coverage: World
Implementation period: June 2020–October 2022
Total grant amount: US$145,000

Although health coverage has improved significantly in many low- and middle-income countries, health outcomes and coverage for effective or quality health services have not. Effective coverage, a metric that combines simple health coverage with minimum content and quality, is lacking across the developing world, especially for people living in poverty. From maternal and child health to prevention and treatment of noncommunicable diseases, it is important to improve the understanding of how to develop high-quality health systems and address constraints to improve effective coverage. It is especially critical to understand why increases in service utilization may not translate into improved health outcomes. Which interventions

would be best placed to address key bottlenecks in achieving effective coverage? Do financial incentives help? What are the main challenges to measuring effective coverage?

From 2020 to 2022, the KCP supported research that operationalized the concept of effective coverage by measuring it for a broad set of medical conditions using existing household and health facility surveys in a large set of countries. To do so, the researchers first identified existing data sources that were available, with particular emphasis on which measures of coverage and quality of care were available for each of the medical conditions covered. The team then measured coverage and quality of care and calculated effective coverage for a broad set of medical conditions.

The researchers analyzed performance-based financing, which is a package reform that always includes performance pay for frontline health workers and often also provides facility autonomy, transparency, and community engagement. Through performance-based financing, facilities and/or frontline workers receive payments for performance on specific predetermined indicators, as opposed to low-powered incentives like flat salaries and fixed facility budgets. The research team found that performance-based financing projects improved coverage but barely improved the quality of health services delivered. It was found that approximately two-thirds of the determinants of poor quality in primary health care in low- and middle-income countries were not attributed to poor worker effort and that performance pay is not likely to help on its own. Instead, it would be helpful to develop and implement health financing reforms that focus on how and in what sequence financial incentives are implemented (while also pursuing other policy options).

The research was undertaken in collaboration with the Ministries of Health in Angola, Djibouti, Ethiopia, and Mauritania; the National Institute of Public Health of Mexico; the School of Government and Public Policy of Monterrey, Mexico; and the Center for Policy Research, New Delhi, India. The research built the capacity of the partnering organizations as they were involved in the studies included in the project research proposal, including survey preparation, supervision, data analysis,

and report writing. The conclusions and recommendations from the research endeavor are contributing to the design of new health projects in Angola, Djibouti, and Mauritania.

The researchers conducted significant outreach to a wide development audience with knowledge products (such as the Policy Research Report, *Improving Effective Coverage in Health: Do Financial Incentives Work?*), policy notes, workshop and conference presentations, and blog posts. The Policy Research Report was presented at more than 16 events with others planned for the future (the full list is available here). Presentations were given at the World Bank, international organizations such as the Global Fund and the World Health Organization, and academic and research institutions such as the London School of Economics and the University of Zurich.

Learn More

Events

- Harvard School of Public Health (April 27, 2023)
- Ministry of Health, Djibouti (February 15, 2023)
- GAVI (January 24, 2023)
- 7th Zurich Conference on Public Finance in Developing Countries (December 19-20, 2022)
- Centre for Policy Research (December 16, 2022)
- Ministry of Health, Angola (December 2, 2022)
- Bluesquare (November 30, 2022)
- Ministry of Health, Mauritania (November 23, 2022)
- World Bank Health, Nutrition, and Population Global Practice BBL (October 5, 2022)
- Instituto Nacional de Salud Publica (INSP) / The National Institute of Public Health of Mexico (September 21, 2022)
- Escuela de Gobierno y Transformación Pública del Tecnológico de Monterrey (September 20, 2022)
- Ministry of Health of Ethiopia (July 8, 2022)

- Global Fund/WHO/Gavi (June 23, 2022)
- London School of Hygiene and Tropical Medicine (June 22, 2022)
- London School of Economics (June 21, 2022)
- Annual Health Financing Forum (June 14-16, 2022)

Publication

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Trade, Poverty, and Inequality

KCP III window: International Cooperation and Global Public Goods

Geographical coverage: Global

Implementation period: August 2020–October 2022

Total grant amount: US$177,939

Despite being a driver of development over the past three decades, globalization is currently witnessing a surge in protectionism. Although international trade does not operate on a zero-sum basis, as it expands the overall size of the "pie," it alters how the "pie" is distributed, resulting in winners and losers. On the one hand, the losses tend to be concentrated among specific individuals in particular regions. On the other hand, the gains are often spread more widely. How do trade reforms impact households in different parts of the income distribution? How do tariffs impact gender inequality? What are the consequences of war-induced food price hikes on future climate change?

During 2020–22, the KCP financed research that answered such questions by

measuring how the gains from trade are distributed, with a special focus on households in low- and middle-income countries. With the suite of tools the team developed, the researchers analyzed the implications of important agricultural shocks on poverty. An agricultural production, trade, and factor allocation model was developed (with households as the main decision makers) to capture the distributional impacts of external disturbances. The study demonstrated that the food price hike in 2022 caused by the conflict in Ukraine reduced the welfare of low-income households by approximately 1.5 percent globally, and climate change is expected to decrease welfare by approximately 15.1 percent in the long run.

In another study, the project investigated the impact of increasing food prices due to the war in Ukraine starting in February 2022. By using micro-level household survey data from 54 low-income and developing countries and data on food prices, the research demonstrates that average household welfare decreased in 43 of the 53 countries in the sample, with an average real income loss of −1.5 percent.

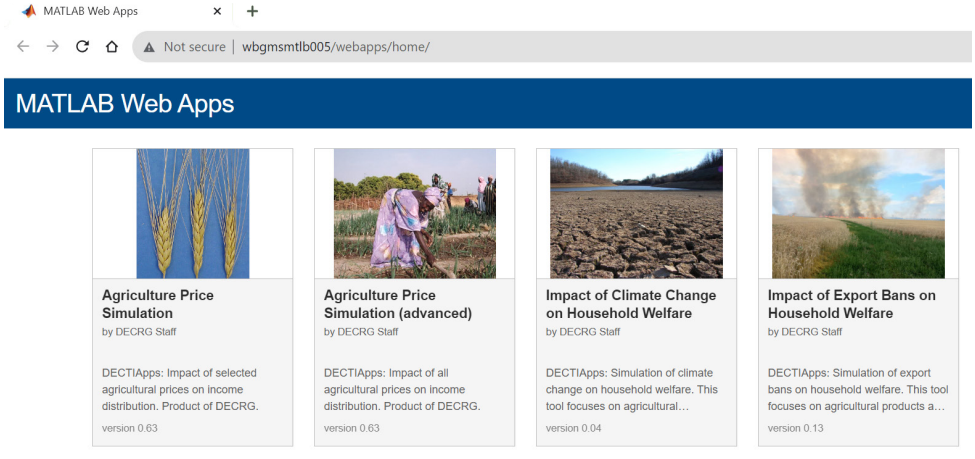
The results of another study shed light on the relationship between protectionism and gender inequality. The research reveals that protectionist policies have an adverse effect on female-headed households, with tariffs resulting in a 0.6 percentage point reduction in their real incomes compared to male-headed households. The disproportionate impact on women can be attributed to their higher reliance on agricultural products, which often face higher tariffs in developing nations. Notably, countries with a lower share of female-headed households in agricultural production, greater dependence on remittances, and higher food expenditures experience a stronger anti-female bias due to tariffs. Overall, this study provides valuable insights into the gendered implications of protectionism and underscores the need for targeted policy interventions to address the resulting inequality in developing countries.

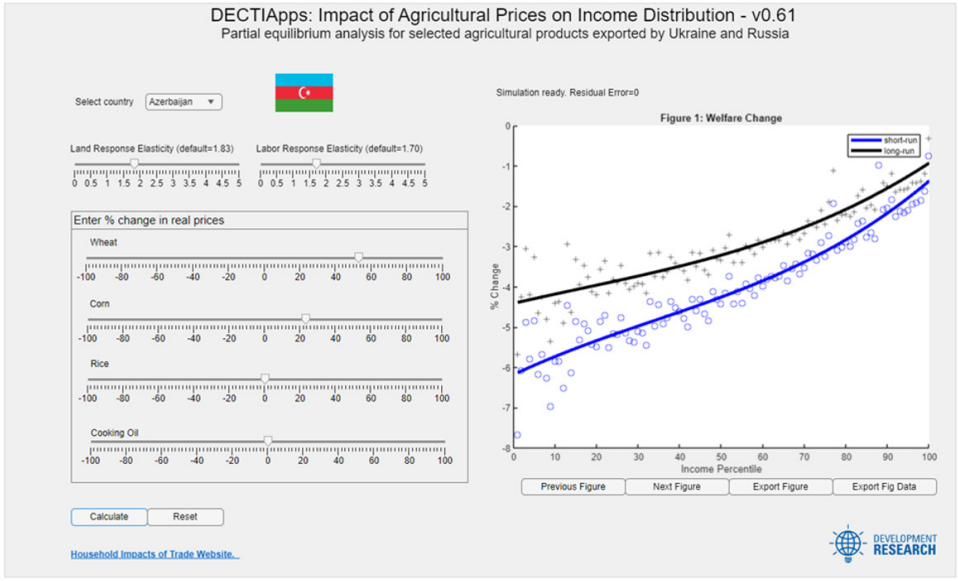
Another innovative study by the research team analyzes the intricate relationship between trade reforms and households across various income brackets. The researchers present and use the new Household Impacts of Tariffs database, which contains data that cover highly disaggregated information on, for example, wage

labor income and spending on manufacturing and services. Using a stylized model to assess the initial effects of import tariffs on household real income, the study quantifies the potential benefits of unilateral elimination of agricultural tariffs, revealing an average increase in household incomes of 2.50 percentage points. Moreover, the research uncovers substantial heterogeneity in the effects of import tariffs, both across countries and within countries among different households, consumers, and income earners. The study highlights the nuanced dynamics of the gains from trade within a given country and offers guidance related to navigating the landscape of trade reforms while considering their differential impacts on households and the income distribution.

The project built the capacity of researchers and junior colleagues from developing countries, as they co-authored many of the knowledge products. The project researchers also created the Household Impacts of Tariffs Simulation Tool, using Matlab Apps, for policy simulations, source codes, offline installers, a brief user manual, and a Tableau tool (see figure 1). These resources can be used by researchers, policy makers, or other stakeholders to assess the impact of any policy change or economic shock insofar as it can be formulated as a change in productivity or transportation costs on the entire income distribution. The project's toolkit was used, for example, for the Uganda Country Economic Memorandum report on growth, trade, and transformation. The project's database was also used in a project based in Nigeria on trade policy and trade facilitation.

Figure 1. Simulation Toolkit Hosted on the Server





The researchers conducted outreach and awareness building, leveraging project knowledge products such as papers, a book, policy reports, presentations, and blogs. From learning events held at the World Bank to workshop presentations at academic institutions, the project's findings reached a wide audience. The findings were, for example, spread via the following:

- Featured in a podcast by CEPR/VoxEU, with a complementary column on the VoxEU website.

- Highlighted in a report prepared for the 2022 United Nations (UN) High-Level Political Forum on Sustainable Development, *Addressing the Cost-of-Living Crisis in Developing Countries: Poverty and Vulnerability Projections and Policy Responses.*

- Included in a publication by the UN global crisis response group on food energy and finance.

Learn More

Blog

Featured in a podcast by CEPR/VoxEU, with a complementary column on the VoxEU website.

Data platform

World Bank. Household Impacts of Tariffs (HIT) Simulation Tool. Open data platform. https://www.worldbank.org/en/research/brief/hit.

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World Development Report 2020: Trading for Development in the Age of Global Value Chains

KCP III window: World Bank Flagship Reports

Geographical coverage: Global
Implementation period: July 2019–October 2022
Total grant amount: US$ 309,675

International trade and the rise of global value chains (GVCs) have contributed to economic growth and poverty reduction more than any other development over the past 30 years. The extent of convergence since 1990, with poor countries growing faster and catching up with rich countries, is unprecedented. As a result, more than 1 billion people have pulled themselves out of poverty. It is a great concern that this engine of growth may be coming to a halt. While trade grew at more than twice the rate of income in the run-up to the 2008–09 financial crisis, it has barely kept pace with income growth over the past decade. Further, participation in global or even regional value chains continues to differ significantly across regions and sectors, with many people and firms still on the margins.

From 2019 to 2022, the KCP supported the development, implementation, and dissemination of *World Development Report 2020: Trading for Development in the Age of Global Value Chains,* the World Bank's first flagship report focused on trade in 30 years. The report analyzes the rise of GVCs across the world and the main drivers of participation in GVCs and the consequences for sustainable development.

The report sets out various policy options for governments, including those that foster participation in GVCs, build linkages with local suppliers, encourage upgrading, improve labor standards, promote enhanced female participation, and mitigate the environmental costs. The report also explored areas for international cooperation to ensure that GVCs continue to be a source of economic growth and prosperity rather than divergence.

The 2020 World Development Report (WDR) led to significant achievements in

terms of novel insights, innovations, and guidance for policy making as well as influence on World Bank Group operations. The key analytical insights include the following:

Trade and GVCs still offer a growth path for developing countries. The report provides an extensive analysis of country, sector, and firm-level data and a policy agenda.

Based on current evidence, technological change is likely to benefit trade and GVCs, and imported inputs from developing countries increase in an automated world. GVCs can continue to boost growth, create better jobs, and reduce poverty, provided that developing countries undertake deeper reforms and industrial countries pursue an open, predictable trade policy.

GVC participation can be enhanced by setting a national policy agenda that focuses on improving connectivity, attracting foreign direct investment, enhancing skills, strengthening institutions, and reducing trade barriers. Given the long-term nature of these policies, the report also examines the track record of special economic zones, as a potential "shortcut" to GVC participation.

To ensure that GVCs are inclusive and sustainable, the report examines the feasibility and potential effectiveness of expanded labor market policies to help workers with structural change, targeted skills training, and increased environmental protection.

Deeper international cooperation, both within traditional areas of trade policy (on topics such as subsidies and state-owned enterprises) and beyond trade (in areas such as competition, taxation, data flows, and infrastructure), plays an important role in enabling the developmental outcomes.

As part of the dissemination efforts for WDR 2020, an accompanying paper was developed and discussed at the World Bank Development Committee Annual Meetings in 2019. The paper expands the scope of the report by exploring the World Bank's operations in the GVC and trade area. The paper suggests ways to increase

the impact and relevance of World Bank operations. It recommends that the World Bank should do the following: (i) improve in encouraging governments to reduce trade barriers and expand trade in World Bank lending operations; (ii) incorporate policies to enhance the inclusion and sustainability of GVCs in World Bank frameworks for identifying countries' priorities; (iii) consider multi-country interventions in some cases given the cross-border nature of many GVC-related challenges; and (iv) implement the new and more granular data collection agenda proposed in the paper, to ensure that the World Bank Group can deliver evidence-based policy advice.

The activities around WDR 2020 provided a comprehensive analysis of GVCs, and the findings and recommendations of the report aim to inform both research on the developmental outcomes of international engagement as well as to provide a conceptual framework to guide and support World Bank operations, policy makers' regulatory efforts, and other practitioners' decisions. Finally, WDR 2020 informed the academic and policy debate on the evolving nature of globalization and the potential opportunities and challenges it presents.

The research efforts that started with WDR 2020 have continued beyond the report's completion and expanded to new areas of research that have emerged since the COVID-19 pandemic. Notably, the issues of uncertainty of GVC engagement, resilience, and dependency on concentrated sources of inputs and technology have become more central to both academic research and policy debate. The team that led WDR 2020 is working actively on all these areas, leveraging the conceptual framework of WDR 2020 where applicable.

Throughout FY2019–FY2023, the report team convened, co-organized, and participated in various workshops, seminars, and presentations online and in-person events around the world, to engage with stakeholders, solicit feedback, disseminate results, discuss policy implications, and identify new challenges and research gaps.

The WDR 2020 team organized in-person visits to countries in Europe and Asia before the COVID-19 pandemic halted international travel. The countries that were

visited included Ethiopia, Great Britain, Indonesia, Malaysia, the Republic of Korea, Vietnam, and various locations in the European Union. The team ensured that the private sector and civil society organizations were involved in country engagement activities. It conducted brownbag lunches with think tanks, international organizations, academia, and internal World Bank colleagues. The team drafted newsletters targeting industry associations and academia and released media interviews and press packages in different languages, ran a social media campaign across the globe, and conducted workshops with other stakeholders. Starting in March 2020 and throughout FY2023, the team ran 173 online dissemination events across the globe, supported by media campaigns across all regions of the world.

Learn More

Databases

- World Bank's WITS platform. World Integrated Trade Solution, World Bank.
- WDR 2020 webpage. World Development Report 2020, World Bank.
- DECTI/DECRG webpage. Trade and International Integration Research Program and Development Research Group, World Bank.

Publications

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Can the Private Provision of Employment Services Improve Employment Outcomes? Evidence from Bosnia and Herzegovina

KCP III window: Growth and Job Creation

Geographical coverage: Bosnia and Herzegovina
Implementation period: November 2018–October 2022
Total grant amount: US$90,000

At the time the research was conducted, Bosnia and Herzegovina was characterized by high unemployment (20.5 percent in April 2017). The two governing entities of the country, the Federation of Bosnia and Herzegovina and the Republika Srpska, were concerned that those most affected, young adults with low skills (high school education or less), might face a lifetime of weak attachment to the labor force and consequent low earnings relative to their more skilled peers. Traditional active labor market policies, which focus on job counseling at public employment service centers and wage subsidies provided to firms, have fallen short in providing sustained employment to workers who are difficult to employ.

The research under the KCP grant was to conduct an evaluation of an innovative program that contracts out employment services to private providers tasked with helping unemployed young adults to find jobs and providing business development

services (comprehensive management training, including human resources training) to employers. The purpose of evaluating these twin interventions was to fill the gap in research knowledge on the effectiveness of using private provision of employment services, relative to public providers. The evaluation was also to examine whether small and medium-size employers are more likely to hire if they have received potentially complementary management and human resources training.

Given the impact of the COVID-19 pandemic, which led to both delays in the program's rollout and less demand for private employment services, the team modified the design of the project and focused on studying the effectiveness of the various services offered by the private employment service provider and examining the decisions of job counselors. To that end, the job seekers were randomly assigned to two treatments: (i) counseling alone and (ii) counseling with matching. The study focused on determining whether being in the second treatment yielded different (better) employment outcomes for job seekers, and within this treatment, whether the private providers focused on more "employable" job seekers.

Based on the data from all the program participants, the research indicated that counseling with matching contributed to significantly higher rates of employment in the short term, with 27.6 percent of the program participants more likely to be employed than those who received counseling alone. In the medium term (21 to 24 months), the share of participants fell to a marginally significant estimate, suggesting that those receiving counseling and matching services were 24 percent more likely to be employed.

The study confirmed that in both short and medium terms, matching is particularly beneficial for subgroups that are less likely to be able to find employment on their own. Job seekers with less than high school education benefitted significantly from matching, while those with more education did not. Job seekers who were younger than 30, and with less experience, benefited more than older workers. Notably, even as the impacts faded in the medium term, matching services remained economically significant for less skilled and younger workers. Job seekers who had experienced long-term unemployment benefitted from allocation to matching in the short term, although these effects faded over the medium term.

Overall, the research found that outsourcing employment intermediation to the private sector potentially offers more flexibility and can have positive effects, but the design of the program and payment arrangements determine the efficiency of the program. Contracting the provision of employment services may potentially offer multiple benefits, including increased flexibility to expand coverage in line with unemployment, more cost-effective services, and services that are better tailored in terms of content and through specialized service providers. In the context of Bosnia and Herzegovina, outsourcing intermediation to the private sector seems to have had positive effects on employment outcomes, driven largely by matching. However, the researchers highlighted that it is important to pay close attention to the design of such outsourcing arrangements. In the treatment arm with counseling and matching, only 22 percent of job seekers received matching services, and there is evidence that the counselor's assessment of employability was a key determinant of who received these and that job seekers who were classified as "highly employable" or "employable" had a higher probability of being given specific matching. Therefore, if the payments to the private firm are largely contingent on job placement without a premium on less-employable job seekers, there is a risk of cream skimming behavior, by focusing efforts on those who are relatively easy to employ.

The findings of the research have been used to support the World Bank's analytical and advisory pilot project titled "Developing Private Employment Services in Bosnia and Herzegovina." The pilot project's development objective is to close knowledge gaps, foster regional knowledge exchange, and provide just-in-time support on specific needs to Western Balkan governments in the area of jobs and employment policies. In this respect, a policy note, "Job-Matching through a Private Provider of Employment Services in Bosnia and Herzegovina," has been drafted and is being finalized, and a Policy Research Working Paper with the same title is being developed.

The project involved close collaboration with two research institutions, the University of Sarajevo (Department of Economics) and the Research Center for Development Evaluation and Social Science Research, as well as a government policy

research group, the Federal Employment Institute in Bosnia and Herzegovina. The concept and results of the research have been consulted and disseminated on the ground at various events. After the completion of the policy note and working paper, the team will present the results at a few conferences planned for 2023 to gather feedback and present the final versions of the documents for publication.

Learn More

Events

- "An Introduction to Impact Evaluation," Presentation to Public Employment Services, October 21, 2019.
- "Methods of Evaluating Active Labor Market Programs," Presentation to Public Employment Services and Federal Employment Services, March 5, 2020.
- "Developing Private Employment Services in Bosnia and Herzegovina," Seminar on Public-Private Partnerships for Employment Promotion, November 3, 2022.

Publication

"Job-Matching through a Private Provider of Employment Services in Bosnia and Herzegovina." Forthcoming.

Highlights from Ongoing and Completed KCP IV Grants in FY2023

Progress of Ongoing KCP IV Grants

Currently, there are 24 KCP IV grants under implementation, which are in various stages of with a wide range of outputs produced so far. Many have generated intermediate outputs, such as collecting baseline data, including using innovative methods, as well as conducting preliminary analysis and constructing databases.

Informing the Design and Implementation of World Bank Projects

The impacts of knowledge products take a long time to materialize, yet ongoing projects reported that they have started informing the design and preparation of World Bank lending operations and advisory services. This refers to the KCP grant *Improving Skills Development and Employability through Traditional Apprenticeships: Evidence from Senegal* (TF0B9652), which focuses on improving skills transfer to traditional apprentices (a group of adolescents and young adults) with relatively low levels of formal schooling and literacy. This grant is studying how an International Development Association-funded project, *Improving Youth Employability through Informal Apprenticeship* (P167681; US$53 million; Board approval: FY2019), contributes to improvements in adolescents' and young adults' skills, productivity, and subsequent employment. Currently, the team is analyzing the baseline data and implementing a midline survey. Another KCP grant, *Understanding How Public Officials Learn through In-Service Training* (TF0B7857), has supported the initiation of a follow-up to a World Bank analytical project in Ethiopia. The project, *Ethiopia Governance Advisory and Technical Support* (P179405), focuses on supporting the Government of Ethiopia's endeavors toward more capable and sustainable institutions for better service delivery, transparency, and accountability. The purpose of the grant is to design and implement, in close cooperation with the Ethiopian Management Institute, a training program reform evolution in Ethiopia. So far, the

team has completed pilot data collection and delivered training materials for civil servants at the Ethiopian Management Institute and Civil Service University.

Producing High-Quality Research and Knowledge Products

The KCP grant *Optimal Design of Consumption Taxes* (TF0B6646) aims to inform policy debates on ways to raise tax revenues without negatively impacting growth and vulnerable households in India. The funding under the grant allowed for developing a policy paper on taxing consumption and the role of the informal sector. The paper has been published as part of a regional report on informality by the World Bank's Chief Economist for South Asia (*Hidden Potential: Rethinking Informality in South Asia*). The funding under this grant also enabled the team to draft an academic paper on the efficiency and equity cost of multiple tax rates. The development of the paper is in progress and initial findings have been presented at the Paris School of Economics.

Under the grant *Cross-Country Sources of Variation in CO_2 Emissions (TF0B9111),* which resulted from the previous KCP grant, *Does Mass Transit Investment Reduce Greenhouse Gas (CO_2) Emissions? An Empirical Test with New Satellite Data,* the team has developed four data sets on global methane emissions and two Policy Research Working Papers:

1. Tracking Methane Emissions by Satellite: A New World Bank Database and Case Study for Irrigated Rice Production

2. Identifying and Monitoring Priority Areas for Methane Emissions Reduction.

The data on methane derived from the European Satellite Agency's TROPOMI satellite readings were compared with sector-based estimates of methane emissions, which are commonly used for tracking methane emissions. This comparison confirmed the value added of satellite readings for estimating methane emissions. Subsequently, the data were used to identify "hot spots" of methane emissions by geographic area and sector. It is expected that the data sets and research papers

will be useful for defining the location-specific baselines of methane emissions and tracking the progress of the more than 100 nations that are currently committed to reducing methane emissions in the global methane pledge.

The team implementing the KCP grant *Recording Small Receipts: Digital Technology Adoption at the Margin of Formalization* (TF0B7195) delivered a working paper, "A Few Good Masks: Evidence from Mask Manufacturing," during the COVID-19 pandemic, which was published in 2022. The work was disseminated at a knowledge-sharing event organized by the World Bank's Development Impact Evaluation (DIME) team in June 2022 in Kigali (Rwanda). The paper was also presented to the Chief Economist of the Ministry of Finance; the Chief Economist of the National Bank of Rwanda; the Deputy Governor of the Central Bank of Rwanda; and the Assistant Commissioner for Research, Planning and M&E at the Rwanda Revenue Authority, together with other attendees at the Central Bank's Research Conference in Kigali in July 2022.

Through the research conducted under the grant Subnational Fiscal Multipliers in Developing Countries (TF0B9918), the team envisages supporting the governments of the targeted countries to understand the impact of their spending policies for better design of these policies and to use them to boost or stabilize growth in disadvantaged regions. The research focuses on three areas related to subnational fiscal multipliers: (i) investigation of the subnational fiscal multiplier for Bolsa Familia transfers; (ii) investigation of the multipliers for EU funds; and (iii) collection of a new database on subnational transfers as a share of gross domestic product (GDP). So far, substantial progress has been made in all three areas. On the Bolsa Familia transfers, a paper was presented at seminars during the reporting period (San Francisco Federal Reserve, Goethe University, Hamburg University, Bank of France, De Nederlandsche Bank, Hong Kong University, and HKU-UCL-ESRC Summer Workshop). Further, the team has developed a paper on the multipliers for EU funds and presented it to the European Commission. The team has also made progress on creating a cross-country database of subnational transfers as a share of GDP, with data collected for China, Bolivia, Mexico, Peru, and South Africa. Data collection for other countries is in progress.

Strengthening Local Analytical and Data Capacity, Forging Partnerships, and Reaching the Last Mile of Knowledge Dissemination

The knowledge developed under the ongoing grants has also been used to build and strengthen local capacity as is the case with the grant *Understanding the Determinants of Public Procurement Efficiency: Evidence from Administrative and Survey Data from Brazil* (TF0B9752). The project seeks to advance existing knowledge and evidence on effective strategies to increase efficiency in public procurement in Brazil. The work is being implemented through close collaboration between DIME, researchers from local and international universities (Luis Meloni, Universidad de São Paulo; Alexsandros Cavgias, and Ghent University), and the Federal Court of Accounts (Tribunal de Contas da União), which is the Brazilian federal government authority responsible for overseeing and conducting external audits of all federal public organizations. The team also engaged with public procurement specialists across various federal agencies and the Ministry of Management and Innovation in Public Services (Ministério da Gestão e da Inovação em Serviços Públicos), which is the Brazilian federal government authority responsible for setting guidelines, norms, and procedures. The partner organizations have actively participated in various critical activities of the research, including co-designing the survey, providing administrative data sets and contact information for survey respondents, as well as offering valuable insights in suggesting questions to explore. The grant implementation and findings will further contribute to capacity building in several areas, including best practices in surveying public officials, development of monitoring tools to oversee tender efficacy, and impact evaluation methodologies.

Similarly, the KCP impact evaluation grant *Promoting Economic Inclusion at Scale through Self and Wage Employment Support in Tanzania* (TF0B6635), which will generate experimental evidence on the effectiveness of government-led economic inclusion programs, is being implemented with strong collaboration between DIME, the World Bank operational team in the Social Protection and Jobs Global Practice, the Tanzania Country Management Unit, the Tanzania Social Fund, and the European Union. The DIME team, the Social Protection and Jobs team, and a focal point from the Tanzania Country Management Unit meet weekly or bi-weekly to discuss

the progress of the implementation of the programs and to share any updates on the analysis. In this process, the team also collaborates with local institutions such as the National Bureau of Statistics and the Office of the Chief Government Statistician on data collection and quality checks. The collaboration provides learning opportunities for these agencies, and it has enhanced the capacity of their analytical skills through collaborative experiences on joint data collection and joint drafting of the baseline report.

Further, the above-mentioned grant, Promoting Economic Inclusion at Scale through Self and Wage Employment Support in Tanzania (TF0B6635), and the grant *Measuring the Cost of Digital Transactions* (TF0B9649) developed reports and their findings have been shared and presented both internally, within the World Bank, and externally, with the grant partners. The former grant developed a baseline report covering the large-scale baseline data collection from 434 villages across all regions of Tanzania. The report has been published and disseminated to the Tanzanian government, the Tanzania Social Action Fund, and the European Union. Under the latter grant, which aims to capture and report systematically the cost of digital financial service transactions by constructing a transaction pricing index, to support the development of thriving and competitive digital financial service markets, the team developed a comparative report. This is an extensive document that details the methodology and findings from the local mystery shopping and desk review components of the Transaction Cost Index Study. In addition, the team developed country briefs for Bangladesh, Tanzania, and Uganda, focusing on key results for each country, with some cross-country comparisons.

Preliminary results from the project have already revealed valuable insights. The team found that in terms of official prices, the average transaction fee for mobile money differs greatly based on the country and the nature of the transaction. In addition, countries that boast higher mobile money penetration usually have steeper mobile money prices compared to those with lesser adoption. The study also shows that where the mobile money market is densely concentrated, prices tend to be lower compared to more competitive markets, and that within a given country, providers generally adopt similar pricing models, indicating a trend toward market

convergence. The report indicates that government-led interoperability infrastructure leads to lower prices. In terms of costs, when using mobile money agents, the researchers found that mobile money transactions display significant reliability issues across countries, with about one-third of the transactions failing due to agent unavailability. In addition, the researchers confirmed that liquidity constraints are a leading cause of failed transactions, and self-reported data suggest that liquidity is a greater concern for urban agents than rural agents, and overcharging is most common for cash-out transactions. It was also found out that in all three countries, time costs outweigh the direct monetary costs of transactions, largely due to unreliable agent availability and limited transaction reliability. Lastly, the researchers concluded that price lists are commonly displayed at agent locations, although agents seldom verbally inform consumers of transaction costs.

Putting the Spotlight on Growth and Welfare Differences from a Spatial Perspective

More investments are needed in the essential building blocks of sound policy advice at the subnational level—rigorous, empirically based research, data, and analytical efforts. This is particularly urgent against the backdrop of the uncertain and turbulent economic landscape the world is currently facing due to the COVID-19 pandemic. Knowledge, innovation, and learning shape financing and policy advice and are central to scaling up impact. Places that are lagging their higher-growth counterparts within the same country or area are not receiving sufficient policy support and resources. For example, economic development issues are often discussed in a national framework, including using research models, measurements, and indicators designed specifically for national contexts, so policy makers at the subnational level are not necessarily equipped with evidence and data to inform their policy decisions for a particular locality.

In addition, actionable, innovative, and comprehensive measures and data sets and analytical tools are required for sound policy advice. Dedicated data systems and infrastructure covering issues related to cities and urbanization are still lacking, and the spatial dimension of economic growth is not integrated into many data

collection efforts. For policy makers in some of the lowest income cities, the lack of a quality, open, up-to-date, and maintained data infrastructure undermines their ability to make informed policy choices, manage assets, and invest efficiently and effectively in amenities and service delivery.

Moreover, the need for more research at the subnational level is accentuated when lagging places are inadequately resourced and supported, since the off-the-shelf policy advice developed for different purposes may mislead or negatively influence policy interventions for a specific area. In addition, within-country income disparities are still rampant despite national policies to stimulate growth across the board. More analyses, policy debates, and data innovation efforts are required to examine the extent to which urbanization and industrialization may widen or narrow inequality, and there is an urgent need for better understanding the scale, changing patterns, drivers, and potential mitigation measures for spatial disparities.

The KCP launched a call for proposals in FY2022 with a dedicated window to advance the KCP's goals through a spatial lens. 25 main projects are currently ongoing and this section describes a few highlights from their implementation.

The first project, entitled *Data and Evidence on Subnational Production, Trade, and Infrastructure* (TF0B9875), focuses on estimating the impacts of intranational trade on economic activity in Rwanda and examines trade networks in Honduras and Rwanda. The team is implementing and collecting data for a randomized controlled trial (RCT) that is to measure the impact of improved road infrastructure on agricultural value chains in Rwanda. The research team has constructed a unique data infrastructure, linking together geocoded firm-to-firm transaction-level tax data, land registrations, subdivisions and sales, population and establishment censuses, market price surveys, and detailed household survey data. The findings of this program have been disseminated not only through peer reviewed journals, but also through ongoing engagement with government officials. This has included the development of dashboards to facilitate access to data and data analytics, and training of government officials in a continuing effort to strengthen their monitoring and evaluation function. This system informs policy makers on the impacts of

policies at scale, helps operational partners to coordinate evidence-based policy actions, and allows fast response in times of crisis such as the COVID-19 pandemic. The research team has made capacity building a key priority under this project by actively engaging with the Rwandan government. Several capacity-building exercises were conducted with the Rwanda Transport Development Agency and other local partners, including a training on data analysis in Rwanda in November 2022 and two trainings on data collection and managing research, conducted in April 2022 and April 2023, respectively. As part of this grant, the team has also created a database of value-added tax firm-to-firm transaction data in Honduras and Rwanda, which will serve as the basis for drafting an outline for the policy note focused on the trade networks of firms in export-oriented special economic zones. The note will describe trade networks in Honduras and Rwanda.

Through the research into prosperity and inclusion conducted under the grant *Economic Development through a Spatial Lens* (TF0B9797), the team envisages providing the international research community, civil society, and policy makers a better informational basis to guide poverty reduction efforts. A two-pronged approach is being pursued: (i) define and refine methods for measuring and tracking well-being and its distribution (including poverty and inequality) over time and space; and (ii) conduct continued research on longstanding, and fundamental, questions on the drivers and consequences of poverty and the impact of policies to combat poverty and inequality, including for example work on social protection, financial inclusion, agricultural productivity, rural infrastructure, and access to services. So far, several of the nine planned research projects have made significant progress in collecting and analyzing data. This includes Component 1 of the project *Growth in the African Urban Hierarchy,* under which a transport survey is being conducted in collaboration with the planning department of the Lagos Metropolitan Area Transport Authority (LAMATA). The data collection for this study has been completed and data analysis has been undertaken in collaboration with LAMATA. Further, under this component, the research team working on the study on African cities recruited and trained students from Peking University to conduct the GIS analysis. Under Component 2 of the project *The Effects of Place-Based Interventions on Structural Transformation: An Assessment of Egypt's New Cities and Industrial Zone Policies,*

the team conducted data analysis for a study on place-based interventions in the Arab Republic of Egypt, involving a McNamara fellow in the process. Further, the preliminary findings from the sea level rise study on Bangladesh, conducted under Component 7 on rising sea levels and the disruption of road transportation, were incorporated into the recent World Bank Country Economic Memorandum for Bangladesh. Finally, under Component 9, *Natural Hazard Vulnerability in Growing Cities and Formal and Informal Transport Network: Evidence from Lagos,* the team has completed the data collection and data analysis, mapping the informal transit network for the project, and is developing a report on the interplay of public and private transit, which is expected to be completed in 2024.

Early Results from Completed KCP IV Grants

Since the inception of KCP IV in 2020, three projects have been completed with satisfactory results achieved so far. The results for two of these projects are presented here.

Project name: Enhancing Apprenticeship Programs for Youths and Firms

KCP III window: Jobs and Economic Transformation
Geographical coverage: Nigeria
Implementation period: 09/01/2021–30/06/2023
Total grant amount: US$146,000

Apprenticeships are one of the main sources of skill training for low-skilled youths as well as micro and small firms in low-income and lower-middle-income economies. Upgrading apprenticeship systems has become an important objective to improve productivity among vulnerable youths and employment prospects in small and informal firms where most jobs are concentrated. In this context, policy makers would benefit from evidence on how to improve vulnerable youths' skills, earnings, and employability, as well as the best ways to increase the productivity of micro and small firms, which are the most likely to employ these youths. More

importantly, it is important to address the effectiveness of supply-side interventions in upgrading youths' skills and increasing workers' earnings, while improving firms' productivity to expand employment opportunities from the demand side.

What is the impact of the intervention package for firms/master craftspeople (MCPs), which includes skills upgrading and cluster formation? What is the impact of modernizing informal apprenticeships on youths, including technical and theoretical skills training? What is the value added of integrating the two elements (training for youths and support to firms/MCPs), rather than just doing one or the other?

To enhance traditional apprenticeships in Nigeria, the KCP financed research that aims to generate new experimental evidence of the effectiveness of a government-led program entitled *Innovation Development and Effectiveness in the Acquisition of Skills in Nigeria.* The evidence would inform the World Bank's implementation plans for the Innovation Development and Effectiveness in the Acquisition of Skills (IDEAS) project. This is a large-scale, multi-stakeholder project that aims to enhance the capacity of the Nigerian skills development system to produce relevant skills for the formal and informal sectors. Through embedding the RCT in the IDEAS operation, the research would generate new experimental evidence of the effectiveness of policy interventions to enhance traditional apprenticeships in Nigeria. The RCT will ultimately provide evidence on the relative cost and effectiveness of improving the training of MCP trainers in firms; their ability to certify apprentices' skills; and the provision of dual, center-based training in foundational, technical, and soft skills for youths/apprentices.

Although the RCT is still ongoing, the team has already collected two rounds of baseline data, which help to highlight the key characteristics of the firms by the specific trade, which are a critical component in the design of overall training packages. The focus of the implementation support provided to the operation was threefold. First it conducted a mapping and listing of firms and MCPs in Kano state (a pilot state) and identified eligible traditional apprentices for the selected trade clusters. Then it developed a listing questionnaire and field implementation

protocol, enumerator recruitment and training, piloting of the MCPs listing questionnaire and field strategy, and listing data collection and analysis. The process was replicated in five other focal states spread across the six geopolitical zones of Nigeria—Gombe, Edo, Ekiti, Abia, and Benue. Second, the program developed an impact evaluation design in close collaboration with the operational team and government counterparts, the National Board of Technical Education and state representatives. Third, the program conducted baseline data collection activities, including finalizing the terms of reference and scope of work, and developed data collection tools, including the questionnaire and study protocol development, and piloting of the survey instrument.

The baseline data collection allowed the team to glean critical information, which provides valuable insights for the implementation of the IDEAS program. The information includes sociodemographic characteristics of MCPs and apprentices, the state of materials currently available in firms, the quality of training of MCPs, the state of technical and behavioral skills of apprentices, the work environment within firms, MCPs' attitudes toward gender roles, the profit and revenue of firms, and income and consumption patterns of MCPs and apprentices, among other factors.

The overall preliminary baseline results of the research (with wide variation in outcomes across trades) indicate that:

- Only 13 percent of the MCPs follow any training curriculum and less than 10 percent of the apprentices receive any theoretical training outside the workshop.

- The equipment and training knowledge in firms present opportunities for significant improvements given that 73 percent of the MCPs consider that their supervised apprentices have achieved limited skill acquisition due to the lack of equipment/tools, the quality of which was assessed at 6/10. Further, 50 percent of the MCPs consider that there are skills that cannot be taught because of the lack knowledge. The findings were supported by the fact that about 20 percent of the sample of MCPs has any post-secondary degree.

- Although most of the apprentices are training for physically demanding jobs, they can also sharpen their analytical skills for work, as 13 percent of the apprentices read an operating manual, 23 percent read a design plan, and about 50 percent perform mathematical calculations at least once a week. However, the apprentices' self-perception of their skills is relatively high given the self-ranking of mastery of equipment/tools was 7.35/10.

- On the relationship between the MCPs and apprentices, the results suggest that apprentices tend to perceive that their supervisors are qualified and skilled. Yet, on average, the MCPs devote fewer than four hours per week to teaching apprentices.

Further, a cornerstone of this research project is to enhance the human and institutional capacities of local governments and partnerships in evidence-driven program and policy design, and evidence generation through policy experiments. The intervention went beyond typical implementation protocols and data collection processes in a scientific research setting; it added a component of building project management skills, which had wider applications outside the context of the research.

The research project has provided local capacity building and analytical services to the government and implementing partners (the National Board of Technical Education) on the design and operationalization of the apprenticeship intervention component and impact evaluation. It has also provided direct implementation support to the World Bank operational teams and counterparts managing apprenticeship programs as part of the World Bank IDEAS operation in Nigeria. This includes providing several innovations for strengthening the data collection and management processes and in the design of core intervention components. The research has also contributed to building government teams' capacity through the development of monitoring systems to track implementation.

The project disseminated and communicated the research outputs and findings in an accessible manner, to reach a wide range of government counterparts and

policy makers. The findings of the research supported several internal discussions and consultations as well as two technical workshops with counterparts at the federal and state levels. Further, as part of the Social Protection and Jobs Global Practice's research seminar series, "Improving Apprenticeships for Youth and Firms in Africa," the results were shared with the World Bank operations teams. Given the regional relevance of the research, since many countries in Africa are delivering similar apprenticeship programs to improve skills acquisition for entry into the labor market, the results were presented to the Government of Benin and development partners, through a workshop in Cotonou.

Overall, the project has generated an impressive set of insights through two rounds of data collection across six geopolitical zones in Nigeria—Kano, Gombe, Edo, Ekiti, Abia, and Benue. The analyses produced so far are not only informing the World Bank's operations in Nigeria, but also directly supporting the government in its overall policy design around youth employment and firm productivity. Capacity building and dissemination activities also further enhanced the Nigerian government's ability to implement evidence-based policy actions. The next steps for the project include completing the RCT implementation and providing analysis that would shed light on apprenticeship programs to improve skills acquisition for entry into the labor market in Nigeria and other countries in Africa.

Learn More

Blog

Premand, P., and K. Pela. 2023. "What We're Reading about Enhancing Apprenticeship for Youth and Firms." *World Bank Blogs,* February 22, 2023. Apprenticeship blog.

Publication

Premand, P., and N. Khan. 2023. Enhancing Apprenticeships for Youths and Firms. Brief, World Bank, Washington, DC. Apprenticeship brief.

Project name: Childcare Indicators and Research

KCP III window: Gender and Development

Geographical coverage: World

Implementation period: 07/01/2021–30/06/2023

Total grant amount: US$130,000

Access to childcare is essential for women's participation in the labor market. It is a critical determinant in women's decision-making process of whether to work and the type of work in which they engage. Lack of childcare limits both the quality of employment and income earning opportunities for women. Further, as the COVID-19 pandemic unfolded, many women found that their childcare responsibilities increased at the expense of paid work and were driven out of the labor force.

Expanding access to childcare has positive impacts in terms of not only female labor force participation and child development, but also family welfare. Given the existing global childcare gaps, public intervention is necessary to make childcare accessible, especially for the most vulnerable families. Childcare provision needs to be informed by three main variables. First, childcare needs to be made available. Second, childcare needs to be affordable. Third, childcare needs to be of good quality.

To investigate the role of legal and regulatory frameworks in the provision of childcare around the three pillars—availability, affordability and quality—the Women, Business and the Law (WBL) team at the World Bank conducted a new data collection in 95 countries (table 1). This KCP-financed grant has aimed to generate and promote knowledge on legal and regulatory frameworks for childcare provision services among lawmakers, policy makers, and World Bank task teams and to create tools that can be used in the design of childcare policies aiming at boosting women's labor force participation through World Bank projects.

Table 1. Sample Questions Measuring Legal Frameworks for Childcare Provision

AVAILABILITY	AFFORDABILITY	QUALITY
Does the law mandate the following to provide childcare services: ▪ Government? ▪ Employer? ▪ Other? For how many hours a day does the law mandate provision of any of the following childcare services: ▪ Publicly provided childcare ▪ Employer provided or supported childcare ▪ Other	Where the law mandates the government to provide childcare services, is co-payment from parents requires? ▪ Yes ▪ No Does the government provide parents with any of the following for the use of childcare services: ▪ Vouchers? ▪ Allowances? ▪ One-time payments?	Does the law mandate a child-to-teacher ratio? ▪ Yes ▪ No Does the law require caregiving staff to hold any of the following qualifications: ▪ College? ▪ Vocational? ▪ Other degrees?

The research focused on three main activities: (i) mapping legal and regulatory frameworks on the provision of childcare services in 95 economies; (ii) analyzing childcare data for 95 economies: economic and legal perspectives; and (iii) sharing knowledge and building capacity.

Based on the work that has been conducted, the team has achieved the following outcomes:

It developed a unique and novel childcare data set that did not previously exist at the global level, which serves as a tool to identify good practices and provides reliable and comparable measures of the legal environment for the provision of childcare. The data set allows comparing countries on how conducive their legal frameworks are for the provision of affordable and quality childcare services. Policy makers can use these data to identify where the gaps lie and make more informed decisions around investment in childcare services.

Further, the WBL childcare data set provides the analytical underpinnings for operational teams that focus their projects on boosting women's economic participation. The WBL childcare data set, indicators, and analysis provide analytical underpinnings that can help unearth gaps, underlying constraints, and their root causes, highlighting major entry points for reform. The analytical knowledge outputs illustrate the importance of incorporating the childcare component into World Bank operations that target the establishment of quality, sustainable infrastructure for childcare services to improve employment and labor outcomes.

World Bank teams and outside stakeholders are increasingly using and citing the WBL childcare data and knowledge products in their work. (See the section on Other achievements below.)

The findings of the research have been shared with both external and internal audiences. The WBL team organized a series of seminars and capacity-building events to disseminate the project's findings and outputs to its target audience, externally to lawmakers, policy makers, civil society organizations, academics, and gender advocacy groups, and internally to World Bank Group task teams. Internal counterparts across the World Bank participated in and encouraged the WBL dissemination efforts, including the Gender Group, the Social Protection and Jobs Global Practice, the Education Global Practice, and the International Finance Corporation. External partners, including the United Nations Educational, Scientific and Cultural Organization and the United Nations Children's Fund, equally collaborated on disseminating the project's findings among the key institutional and country stakeholders.

In addition, the outcome of the research served as a basis for both external and internal capacity building. The former was possible through six missions to developing countries (Botswana, Kenya, Tanzania, Thailand, Uzbekistan, and Vietnam) during which the team disseminated the project's findings to country management units and relevant country partners in the field. The team also leveraged these opportunities to familiarize the country teams and other country stakeholders, including governments and civil society organizations, with the new data and region- and

country-specific findings on promising practices in the space of affordable and quality childcare. The latter, internal capacity building, took the form of blog posts; a podcast; and a webinar on the Open Learning Campus, a Word Bank-wide learning platform. The purpose of the Open Learning Campus training is to build World Bank task team leaders' capacity and knowledge on WBL childcare data and how it can be used in designing projects targeting women's economic empowerment.

Going forward, the WBL team will continue to leverage and foster relationships with relevant task team leaders to provide the analytical underpinnings and data to inform projects on existing good practices. More time is required for the project to establish its full influence on the World Bank's operations and support engagements with client countries. The team expects that in the next two years the data set and indicators will feed into World Bank projects. The team will also include childcare as a fully developed indicator in the WBL index by 2025 to establish greater influence on the World Bank's operations and have task team leaders act on these indicators.

To keep the data up to date, the team will conduct an annual update of the data through a shorter list of childcare questions to keep future data collection cycles manageable and make the process more efficient and targeted.

Learn More

Blogs and podcast

- Can the law promote provision and uptake of childcare? (published in May 2021; 564 page views, as of July 31, 2023).
- Childcare regulation and women's participation in the labor force (published in June 2023; 426 page views, as of July 31, 2023).
- Filling the gaps: childcare laws for women's economic participation (published in June 2022; 1,359 page views, as of July 31, 2023).
- Link to the presentation: "Toward Available, Affordable, and Quality Childcare Services: What Does Data Show?"
- Presentation at the World Bank Group Gender Leads meeting in February 2023

titled "Leveraging DPOs to Accelerate Care Policies" (internal World Bank recording available).

- Three ways how governments can support affordable childcare (published in December 2022; 1,251 page views, as of July 31, 2023).
- Podcast (Foreign Policy, Episode 5, January 2023).

Database

- WBL childcare data for 95 economies: https://wbl.worldbank.org/content/dam/sites/wbl/documents/2021/02/WBL2022%20Data_Toward%20Available%2c%20Affordable%2c%20and%20Quality%20Childcare%20Services.xlsx.

Events

- Open Learning Campus seminar titled "Toward Available, Affordable, and Quality Childcare Services" (recorded in June 2023; two people enrolled and completed the course as of July 31, 2023).
- Technical workshop on Global Childcare organized by the Center for Global Development in June 2022 (event internal, no recording available; PowerPoint attached).
- Webinar co-organized with Women' Economic Empowerment Community of Practice Kenya (WEE CoP Kenya) in May 2022.
- Participation in The World Conference on Early Childhood Care and Education, Uzbekistan; parallel session titled "Designing Innovative Learning Practices and Spaces" on November 14, 2022 (no recording available, concept note and PowerPoint of the session attached).

Publication

WBL Childcare Data Notes with the methodology used for analysis: https://wbl.worldbank.org/content/dam/sites/wbl/documents/2021/02/WBL2022_Methodology_Toward%20Available%2c%20Affordable%2c%20and%20Quality%20Childcare%20Services.docx.

Other

- Citation in *The Economist* (Economist Impact).
- Hope Policy Institute.
- Korean Institute for International Economic Policy.
- World Bank's South Asia Gender Innovation Lab.
- Invest in Childcare Initiative run by the World Bank's Education Global Practice.

Looking Forward:

Summaries of Newly Approved Projects

KCP 2023 Call for Proposals

With financial contributions to KCP IV from Japan, Sweden, and the European Union represented by the Directorate-General for Regional and Urban Policy and the Directorate-General for International Partnerships, the KCP launched its 2023 call for proposals (CFP) in spring 2023. The CFP process ran for six weeks from April 12 to June 15, 2023, and 49 proposals were submitted requesting US$10.12 million in total in research funds. All the proposals submitted before the deadline went through a rigorous process of blind review. Each proposal was sent for anonymous review by three reviewers (two external and one internal). The final funding decisions were made by the KCP Internal Management Committee (IMC), consisting of a management team from the Development Economics Vice Presidency of the World Bank and senior representatives from relevant Global Practices and Region/Country Management Units. The funding allocation process was successfully completed in September 2023. Upon thorough deliberation, the IMC decided to award funding to 20 projects for a total amount of US$2,250,000. This section provides a brief introduction to these 20 newly selected projects and the list of the projects is attached in the Annex to this report.

Unpacking the Household Headship Concept—Implications for Survey Design, Implementation, and Analysis

LED BY: Heather Moylan, DEC Data Group

INTERNAL PARTNERS: Poverty Global Practice; Gender Group

EXTERNAL PARTNERS: National Statistical Offices

AWARDED AMOUNT: US$140,000

GEOGRAPHICAL COVERAGE: Sub-Saharan Africa

DURATION: November 2023–May 2025

PRIORITY AREA: Gender and Development

Advancing gender equality and empowerment is critical for ending extreme poverty and promoting shared prosperity. Yet, progress toward these goals has often been slow and reversible. Restrictive social norms and collective mindsets are emerging as a persistent barrier to advancing gender equality and empowerment. This includes the household headship concept. In many national household surveys in low- and middle-income countries, the current practice for starting an interview and engaging with household members centers around a self-identified head of household or most knowledgeable person. This reinforces a hierarchical view of the household that is often linked to patriarchal gender norms, and it may lead to less accurate survey data through imperfect information and priming effects. The study aims to design, implement, and analyze a randomized household survey experiment for assessing the relative accuracy, cost effectiveness, and scale-up feasibility of approaches that: (i) list household members, (b) map intra-household familial relationships, and (c) identify and target the appropriate respondents for subsequent survey modules, vis-à-vis a new gold standard approach. This will allow moving away from heavy reliance on the arbitrary and patriarchal approach of relying on data collection from self-reported household heads and instead increase inclusivity and accuracy in data collection.

The Venezuelan Refugee Life Panel Study for Kids (VenRePS-Kids)

LED BY: Sandra V. Rozo, DEC Research Group

EXTERNAL PARTNERS: iQuartil; Hilton Foundation

AWARDED AMOUNT: US$100,000

GEOGRAPHICAL COVERAGE: Colombia and global

DURATION: November 2023–May 2025

PRIORITY AREA: Fragility, Conflict, and Violence

The world is currently facing the highest ever global levels of displacement, with more than 100 million people forcibly displaced, of which 41 percent are children younger than 18 years. Forcibly displaced children are particularly vulnerable populations as they often face conflict, forced migration, a unfamiliar environment, legal rights limitations at destination, and xenophobic sentiments at crucial moments in the process of child development. Yet, little research has been produced on the challenges faced by forcibly displaced children and how to support them effectively. One of the main barriers is the absence of systematic longitudinal data to identify the human development gaps between forcibly displaced and host children at destination. This project aims to fill this gap by collecting representative longitudinal data on refugee and host children (representative of Venezuelan child migrants in Medellín, Colombia). The project is conceived as a multiphase program that will use the first wave of data to create a diagnosis of the gaps between refugees and hosts and subsequent waves of data collection to design, implement, and evaluate interventions to address the gaps identified in the first phase of the study. The VenRePS-Kids study is a pilot case the potential of this approach for addressing the issues faced by forcibly displaced children, and to be replicated in other contexts with a high incidence of forced displacement.

Mechanisms to Improve the Effectiveness of an Online Teacher Professional Development Program for Early Literacy

LED BY: Lelys Dinarte-Diaz, DEC Research Group

INTERNAL PARTNER: Education Global Practice

EXTERNAL PARTNERS: Ministry of Education of El Salvador; Office of the First Lady of El Salvador; Salvadoran Foundation for Health and Human Development; Georgetown University; Center for Global Development

AWARDED AMOUNT: US$100,000

GEOGRAPHICAL COVERAGE: El Salvador

DURATION: January 2023–December 2025 (ongoing project)

PRIORITY AREA: Human Capital

The world is currently experiencing the most meaningful education crisis to date. The COVID-19 pandemic disrupted education systems worldwide, and students lost months and in some cases years of learning as schools closed or went remote or hybrid. Despite efforts to keep children in school and provide them materials and alternatives to in-person schooling, the COVID-19 crisis led to many students falling behind in their learning. Learning poverty, defined as the percentage of 10-year-olds unable to read a simple sentence, was already at 53 percent in low- and middle-income countries before the pandemic, and estimates show that it has now reached 70 percent. In Latin America, pre-pandemic data showed that 50 percent of third grade students and 75 percent of sixth grade students lacked the minimum skills for their level. In El Salvador, the situation is particularly challenging: empirical evidence shows that learning outcomes are below international and regional comparisons. In this context, implementing high-quality interventions in El Salvador aiming to help students to recover and accelerate their learning is crucial. This project aims to conduct an innovative and large-scale impact evaluation that will estimate the effects of mechanisms that can improve the effectiveness of a teacher professional development program on early reading and writing skills in a setting that lacks institutional capacity and skilled staff to conduct the training program.

Evaluating Interventions to Ensure Women's Safety in Public Transport: Experimental Evidence from Training Service Providers

LED BY: Girija Borker, DEC Impact Evaluation Group

INTERNAL PARTNERS: South Asia Gender Innovation Lab; Bangladesh Gender Equality and Social Inclusion Platform

EXTERNAL PARTNERS: Bangladesh Road Transport Authority; Bangladesh Road Transport Corporation; Bangladesh Directorate General of Health Services; Bangladesh Police; Dar es Salaam Rapid Transit Agency (Tanzania)

AWARDED AMOUNT: US$140,000

GEOGRAPHICAL COVERAGE: Bangladesh and Tanzania

DURATION: November 2023–September 2025

PRIORITY AREA: Gender and Development

Violence against women in public spaces is a problem across the world. Nine out of 10 women in Dhaka, Bangladesh, have faced sexual harassment in public spaces, including inside public transport vehicles. In Dar es Salaam, Tanzania, 89 percent of women are harassed while traveling around the city. Such violence impedes women's rights to live in freedom and safety and negatively affects their health and well-being. It also constrains women's mobility using public transport systems—to commute, look for jobs, and access health care and education—and hence their occupational choices and socioeconomic outcomes. Little is known about the nature of such harassment and what works to make women feel safer. Poor data, weak reporting systems, absence of analytics, and the lack of policy experimentation constrain the ability of governments and other stakeholders to develop policies and interventions for effectively monitoring and ensuring women's safety in public spaces. The project aims to expand the scope of evidence-based policy design on this topic. Specifically, it will (i) develop and operationalize digital tools that enable the collection of high-frequency data on women's experiences of sexual harassment and perceptions of safety in public spaces; (ii) develop and adapt a tailored curriculum on sexual harassment prevention targeting bystander norms and behaviors to train bus service providers and commuters (men and women) in Bangladesh and service providers, conductors, and commuters in Dar es Salaam; and (iii) estimate the causal impact of a change in women's safety on their labor force participation, their mobility choices, and other measures of women's economic empowerment.

Long Term Growth Model Extensions: Climate Change and Human Capital

LED BY: Steven Pennings, DEC Research Group

AWARDED AMOUNT: US$130,000

GEOGRAPHICAL COVERAGE: World

DURATION: November 2023–October 2025

PRIORITY AREA: Climate Change

Although there are many models of how climate change and human capital affect long-run economic growth in developing countries, there is much less understanding of: (i) the relative sizes of the impacts in different countries, (ii) the strengths of different channels, and (iii) the timing of the impacts. The project will develop extensions to the World Bank's Long Term Growth Model in two areas—climate change damages/agriculture and human capital. The development of these extensions will allow for new knowledge on the size of different impacts, channels, and dynamics—and much simpler and more accessible communication of the models. These will be synthesized in several applications: (i) the climate change extensions will be used to assess the relative sizes of various damage channels, and in the case of agriculture-dependent countries, the importance of structural change for climate resilience; and (ii) the human capital extension will be used to provide new estimates of the effect of COVID-19 school closures on long-run economic growth.

Greener Transportation for African Cities: The Case of Lagos

LED BY: Alice Duhaut, DEC Impact Evaluation Group

EXTERNAL PARTNERS: Lagos Metropolitan Area Transport Authority; EU delegation in Nigeria

AWARDED AMOUNT: US$90,000

GEOGRAPHICAL COVERAGE: Nigeria

DURATION: November 2023–May 2025

PRIORITY AREA: Climate Change

The goal of the project is to support the Lagos Transit Authority in planning for a more resilient and inclusive Lagos via an improved transport system. The study will fill a knowledge gap by studying commuters' preferences for time savings and willingness-to-pay for cleaner, improved public transit and the scope for promoting a different business model or a switch in coverage among paratransit owners and drivers. The project focuses on understanding how the government of Nigeria can regulate the polluting paratransit industry and whether any new, expensive, and centralized transit systems to reduce car dependence need to be pursued. Based on the rollout of new public buses, including a fleet of e-buses, the project will study the impact on commuters of new public, safer, and cleaner options. It will recover the value of time and preference for lower wait times of typical commuters in Lagos and their intention to switch to private cars, and estimate the willingness-to-pay for cleaner public transit for various income level and gender groups. Based on the responses of the paratransit sector and the preferences of commuters, the project will explore options to tailor the public transit offers and mitigate the movement toward car ownership. It will also study the willingness of paratransit operators to change their level of service or upgrade their cars.

Environmental Impact of a Green Credit Line

LED BY: Federica Zeni, DEC Research Group

EXTERNAL PARTNER: Banco do Brasil

AWARDED AMOUNT: US$110,000

GEOGRAPHICAL COVERAGE: Brazil

DURATION: November 2023–October 2025

PRIORITY AREA: Climate Change

Limited access to external financing is one of the most pressing issues in developing countries, where it is estimated that about 40 percent of formal small and-medium-size enterprises (SMEs) have an unmet financial need. This happens because traditional lending policies usually perceive SMEs as inherently high-risk borrowers, restricting their access to credit. Since green investments are inherently riskier than business-as-usual alternatives, external financing for SMEs planning a green transition may be even tighter, unless appropriate financial instruments are designed to enable such transition. This project aims to study, in partnership with Banco do Brasil, the impact of a sustainability-linked credit line on SMEs' adoption and effective implementation of an emissions reduction plan. The study will help to shed light on the main drivers that motivate SMEs to reduce their environmental impact and assess whether the lack of financial incentives is a relevant barrier to the adoption of green technologies. The study is part of the Brazil Climate Finance Project, which is a collaboration between Banco do Brasil and the World Bank. The World Bank has committed to disbursing US$500 million, of which US$400 million will support the development of the new credit line.

Electrifying the First and Last Mile: Experimental and Quasi-Experimental Evidence from Rwanda

LED BY: John Ashton Loeser, DEC Impact Evaluation Group
INTERNAL PARTNER: Energy and Extractives Global Practice
AWARDED AMOUNT: US$100,000
GEOGRAPHICAL COVERAGE: Rwanda
DURATION: November 2023–November 2025
PRIORITY AREA: Climate Change

Over the past decade, more than 450 million individuals have received electricity access for the first time, which is remarkable progress toward the goal of universal electrification under Sustainable Development Goal 7.1. Rwanda's strides have been particularly noteworthy, with a mix of public expansion of the electric grid and subsidized private off-grid solar companies enabling the expansion of electricity access from 6 percent in 2008 to 51 percent in 2022. A growing and substantial body of research exists on the impacts of electrification, and there is broad agreement on the importance of expansion of access to electrification—as an end, but also as an enabler of broader development outcomes, including substitution away from more polluting and carbon-intensive energy sources. Despite this, there is limited empirical evidence on the right mix of policies to achieve universal electrification: do grid and off-grid electrification complement or substitute, within and across households, in electrifying the last mile? The project will evaluate the impacts of expanding community access to grid electrification, off-grid solar electrification, and both, in the context of the Rwanda Energy Access and Quality Improvement Project.

Did the Arab Spring Promote Competition? Evidence from Tunisia

LED BY: Bob Rijkers, DEC Research Group

INTERNAL PARTNER: Tunisia Country Management Unit

EXTERNAL PARTNER: Tunisian Institute of Statistics

AWARDED AMOUNT: US$75,000

GEOGRAPHICAL COVERAGE: Tunisia

DURATION: November 2023–November 2025

PRIORITY AREA: Jobs and Economic Transformation

The project will examine the extent to which democratization and regime change curb elite capture. It will assess to what extent the downfall of the Ben Ali family in Tunisia promoted competition and job creation in sectors that had been dominated by his family. By isolating differences in changes in competition across sectors and relating them to regulatory barriers, the project also aims to aid the identification of reform priorities to catalyze job creation and growth. This analysis will be complemented by an assessment of the effectiveness of reforms to the tax system and business registration undertaken in the aftermath of the Arab Spring. In addition, the project, which is being conducted jointly with the Tunisian Institute of Statistics (INS), has a strong capacity-building component. The project builds on a longstanding World Bank engagement with the INS that started right after the Arab Spring and enables researchers to work with Tunisian administrative data.

Social and Economic Integration of Refugees in Jordanian Communities

LED BY: Chloë Fernandez, DEC Impact Evaluation Group

INTERNAL PARTNER: Urban, Disaster Risk Management, Resilience, and Land Global Practice

EXTERNAL PARTNERS: Ministry of Local Administration, Jordan; United Nations Educational, Scientific, and Cultural Organization; International Labour Organization

AWARDED AMOUNT: US$90,000

GEOGRAPHICAL COVERAGE: Jordan

DURATION: November 2023–August 2025

PRIORITY AREA: Fragility, Conflict and Violence

The project aims to generate knowledge on effective strategies for the social and economic integration of refugees in host communities. Forced displacement crises are becoming both more numerous and protracted. Further, the current global context is one of poly-crisis due to increasing climate-related disasters, conflict, debt distress, and lingering effects of the COVID-19 pandemic. With limited donor fiscal space, it is increasingly urgent to develop effective, cost-effective, and scalable solutions to challenges faced by forcibly displaced persons and their host communities. The project builds on a standard policy instrument, cash-for-work (CfW), to test whether designing this to target economic and social objectives can improve the integration of refugee and host populations and whether this has downstream effects on productivity and economic outcomes, such as employability. The study is the first to test a CfW program designed explicitly for social cohesion objectives and whether this impacts productivity and employment prospects.

Impact Evaluation of Childcare Services for Kampala Market Women

LED BY: Sylvan Herskowitz, DEC Impact Evaluation Group

INTERNAL PARTNER: Urban, Disaster Risk Management, Resilience, and Land Global Practice

EXTERNAL PARTNER: Ace Policy Research Institute (Uganda)

AWARDED AMOUNT: US$80,000

GEOGRAPHICAL COVERAGE: Uganda

DURATION: January 2024–December 2025

PRIORITY AREA: Gender and Development

Women, especially those in developing countries, face disproportionate burdens of unpaid household and care work, with childcare as one of the primary contributors. These responsibilities can be especially pronounced in low-income countries where women's childcare duties impede their labor market participation and autonomy. In Uganda, a recent survey of market workers found that 37 percent of female business owners bring small children to work, compared with 0 percent of men, and businesses where children are present earn 48 percent lower profits than even other female-owned businesses without a child present. Recent research has shown that access to childcare services can improve women's economic and psychosocial outcomes and even those of their children. However, the evidence to date has provided little guidance on how best to provide this support. This project will test two models of childcare provision side by side: community-based private childcare and workplace-based publicly styled childcare. The contrast of these two models will offer new insights on who is able to take up different forms of services, what differential outcomes they may cause, and the relative cost-benefit and sustainability of these differing models.

Unveiling the Data Landscape and Bridging Gaps: Exploring Data Use in the Development Economics Literature using Large Language Models (LLMs)

LED BY: Aivin V. Solatorio, DEC Research Group

AWARDED AMOUNT: US$140,000

GEOGRAPHICAL COVERAGE: World

DURATION: November 2023–October 2025

PRIORITY AREA: Technology

World Development Report 2021: Data for Better Lives emphasizes the crucial role of data utilization and reuse. The project aims to explore the scope of data utilization and reuse in development papers by extracting the parts of the papers that mention the use of data. It will then identify the category of data to which it belongs, for example, surveys, census, geospatial, time series, administrative data, and others. As data sets may be referred to differently in the papers, the extracted data sets will be harmonized. Additional information about the papers will also be extracted, including the geographical, topical or thematic, and policy dimensions influenced by the use of data. This entire process will generate the Database of Data Use. Leveraging this database, the study will answer questions surrounding the use and reuse of various types of data and specific data sets. With the recent advancements in artificial intelligence, particularly the emergence of large language models, the project will provide new opportunities to contribute to answering inquiries that previously were not possible. The novelty of this project is that it will provide an opportunity both to measure and understand the scope of data use.

Monitoring Near-Time Changes in Urban Space Usage after Climate Shocks: ECA Urban Resilience

LED BY: Holly Krambeck, DEC Research Group

INTERNAL PARTNER: Sustainable Development Global Practice

EXTERNAL PARTNERS: Tomorrow.io; Outlogic

AWARDED AMOUNT: US$150,000

GEOGRAPHICAL COVERAGE: Albania, Bosnia, North Macedonia, Romania, Serbia, and Türkiye

DURATION: November 2023–April 2025

PRIORITY AREA: Climate Change

The project comprises two interconnected components: (1) methodological research to measure urban space usage and (2) urban climate shock response analysis. The first component will develop a novel methodology for processing and analyzing mobility data to generate near-time urban space activity-level indicators, supporting informed climate resilience planning and design decisions. The second component will employ these methodologies to answer research questions around climate-driven shifts in urban space usage and their implications. The findings will be disseminated in policy research working papers, supporting policy and planning decisions related to urban climate resilience.

Transactional Governance Structures: A Comprehensive Analysis of the Underpinnings of Firm-to-Firm Agreements

LED BY: Nona Karalashvili, DEC Indicators Group
EXTERNAL PARTNER: University of Maryland, College Park
AWARDED AMOUNT: US$130,000
GEOGRAPHICAL COVERAGE: World
DURATION: November 2023–July 2025
PRIORITY AREA: Governance and Institutions

The private sector is a crucial driver of economic development as it underlies productivity growth, expansion of job opportunities, provision of a steady source of income for workers, and contributions to tax revenues, which are essential for appropriate social safety nets for the poor. The functioning of the private sector is dependent on the effectiveness of institutions, particularly in enabling enforceable agreements. Without this capacity, the existence of firms' mutual interest to transact, and thus to increase the welfare of both parties involved, is often insufficient to implement this transaction, forgoing the potential welfare gains. The project aims to deepen the understanding of how firms use their institutional and business environment to enable their transactions with other firms. It will fill an important gap in knowledge on how firms handle their relationships with other firms, and how firm-to-firm agreements are shaped by the institutional and business environments across and within countries.

Climate Adaptation: Evidence from Well Failures in South India

LED BY: Xavier Giné, DEC Research Group

AWARDED AMOUNT: US$90,000

GEOGRAPHICAL COVERAGE: India

DURATION: November 2023–January 2025

PRIORITY AREA: Climate Change

Groundwater depletion threatens farmers in many parts of the world, especially in India. Well failures may lead to the collapse of irrigated farming and long-term loss of income. Alternatively, they may lead to adaptation enabling farmers to sustain cultivation by drilling deeper wells and/or by shifting to more efficient forms of water use or nonfarm employment. Yet, little is known about whether smallholder farmers can adapt in the face of groundwater scarcity and, if so, how. The project will exploit a panel data set collected from 2004 until 2017 in South India and a new round of data collection to answer how farmers and their offspring adapt to well failure. The project has the potential to inform future policies aimed toward increasing adaptation and resilience preparedness, and to contribute to the institutional priority of helping India and other countries adapt to shocks and threats.

Navigating Fragility and Environmental Sustainability: Evaluating the Impact of Private Sector Conservation in Conflict Zones on Wildlife Preservation and Local Development

LED BY: Gabriel Englander, DEC Research Group

INTERNAL PARTNER: Sustainable Development Global Practice

EXTERNAL PARTNERS: University of California, Santa Barbara; Chapman University

AWARDED AMOUNT: US$45,000

GEOGRAPHICAL COVERAGE: Sub-Saharan Africa

DURATION: November 2023–March 2025

PRIORITY AREA: Governance and Institutions

The objective of the project is to provide evidence on the comparative effectiveness of private sector and government management of protected areas, aiming to inform policy decisions that promote sustainable development, wildlife conservation, and economic growth in fragile and conflict-affected regions. The project seeks to evaluate the impact of private sector management, specifically by the nongovernmental organization African Parks, on wildlife conservation, armed conflict reduction, and local economic development, as compared to government-managed protected areas. The project aims to answer the following research questions: (i) How does private sector management of protected areas affect wildlife abundance and poaching rates? (ii) What is the impact of private sector management on the occurrence of conflict events in the vicinity of protected areas? (iii) How does private sector management influence local economic development, including asset wealth, crop production, and consumption expenditures, in nearby communities?

Strengthening Health Care Systems' Governance and Institutions to Improve Access to Quality Health Care in Low-Capacity Settings

LED BY: Guadalupe Bedoya, DEC Impact Evaluation Group

EXTERNAL PARTNER: Georgetown University

AWARDED AMOUNT: US$60,000

GEOGRAPHICAL COVERAGE: Kenya

DURATION: November 2023–March 2025

PRIORITY AREA: Governance and Institutions

The pandemic exposed multi-dimensional weaknesses of health care systems, especially in low- and middle-income countries (LMICs), highlighting the need for strengthening them and investing in their resilience. This means not only better preparing them to face health emergencies, but also boosting their ability to improve service delivery of quality health care for their populations, particularly for the most vulnerable. Even before the pandemic, more than half a billion people were pushed into or further into extreme poverty due to health care costs, and this situation was likely exacerbated by the COVID-19 pandemic. In contexts where governments in LMICs face significant gaps between resources and needs for public spending, evidence on how to strengthen health care systems is essential. This could be done through the mechanisms the projects will examine. The project will study two interventions implemented in the past decade in Kenya: (i) a successful pilot to strengthen the government's regulatory implementation and enforcement functions on minimum quality of health care standards, and (ii) a large expansion of Kenya's National Health Insurance Scheme (NHIS). The project will leverage data collected as part of the Kenya Patient Safety Impact Evaluation and administrative data from the NHIS.

Macro- and Micro-Economic Implications of Sovereign Debt Reduction

LED BY: Hayley Pallan, DEC Prospects Group
INTERNAL PARTNER: South Asia Region
AWARDED AMOUNT: US$180,000
GEOGRAPHICAL COVERAGE: World
DURATION: November 2023–November 2025
PRIORITY AREA: Debt and Financial Fragility

The project aims to strengthen and extend understanding of sovereign debt patterns and implications. There is a broad literature on the link between sovereign debt and growth, while the link between sovereign debt and investment is somewhat less understood. The objective of the project is to provide an assessment of the implications of sovereign debt reduction, for both aggregate country-level investment and firm-level investment. There are various ways a country can reduce the size of its public debt, through higher growth, fiscal austerity, or sovereign default, among others. An in-depth understanding of investment consequences will contribute to a better understanding of the implications of sovereign debt.

Drivers and Trends for the Legal Equality of Opportunity for Sexual and Gender Minorities: A Panel Approach

LED BY: Julia Braunmiller, DEC Indicators Group

INTERNAL PARTNERS: Social Sustainability & Inclusion Global Practice

EXTERNAL PARTNERS: Global Affairs Canada; Asian Development Bank

AWARDED AMOUNT: US$170,000

GEOGRAPHICAL COVERAGE: World

DURATION: November 2023–July 2025

PRIORITY AREA: Gender and Development

The project will assess changes in laws and regulations to identify the drivers and trends affecting the lives of lesbian, gay, bisexual, transgender, and intersex (LGBTI) people since 1963 in 64 countries around the world. The project builds on the World Bank's Equality of Opportunity for Sexual and Gender Minorities initiative, which adapts the established World Bank methodology (from the Development Economic Vice Presidency's Women, Business and the Law project) to issues related to sexual orientation, gender identity, gender expression, and sex characteristics. The objective of this project is to gain and promote knowledge of the legal and institutional frameworks for the promotion of equality of opportunities for LGBTI populations. Improving the understanding of these frameworks will lead to concrete tools that can be used for designing LGBTI-inclusive policies aimed at improving social inclusion, resilience, social cohesion, and process legitimacy of these populations in World Bank projects.

Commodity Prices, Inflation, and Climate Change

LED BY: Hamza Zahid, DEC Prospects Group

INTERNAL PARTNER: South Asia Region

AWARDED AMOUNT: US$130,000

GEOGRAPHICAL COVERAGE: World

DURATION: January 2024–January 2026

PRIORITY AREA: Climate Change

This study will investigate the consequences of global commodity price fluctuations on both domestic and international inflation, focusing especially on developing and low-income countries where commodities constitute a substantial share of the consumption basket. Changes in commodity prices, intensified by climate variability, can significantly influence living costs, poverty levels, and income inequality as households in lower income brackets tend to be more heavily exposed to commodity prices than those in higher income brackets. This, in turn, can worsen food and energy insecurity and potentially exacerbate financial fragility. A deeper understanding of commodity price shocks, their inflationary pass-through, and the added complexity of climate-induced price fluctuations is crucial to enable policy makers in these countries to develop effective strategies and enhance resilience to such shocks. This can mitigate the risk of commodity price-related poverty and promote economic growth—two key aspects of the World Bank's twin objectives. The research aims to investigate the pass-through of commodity price shocks to domestic inflation, employing granular commodity quantities and prices along with various inflation measures across an array of countries.

KCP Finances

Donor Contributions

KCP Phase III, from its inception in December 2014 to June 30, 2022, received US$16.8 million in cash contributions from seven donors, namely, Norway, Estonia, Canada, the United Kingdom, Finland, France, and Sweden.

KCP Phase IV was launched in FY2021. As of the end of FY2023 (June 2023), KCP Phase IV has an accumulated signed contributions totaling US$14.4 million from three donors: Sweden, France, and Japan. In the early part of FY2023, one additional donor, the European Union, joined the KCP family. Discussions are ongoing with prospective partners to expand and diversify KCP's donor base.

Sweden (through the Swedish International Development Cooperation Agency, Sida) was the first donor to contribute to KCP IV, with a commitment of SEK 28 million payable over four tranches. As of June 30, 2023, the first tranche of SEK 14 million, and second tranche of SEK 4 million contributions have been were received. In addition, the third tranche which was reduced from SEK 34 million to SEK 1 million was received in early FY2024. Sida's decrease in contribution to KCP results from unexpected political reasons.

France, represented by the Agence Francaise de Developpement (AFD), contributed and disbursed €100,000 to KCP IV in FY2021.

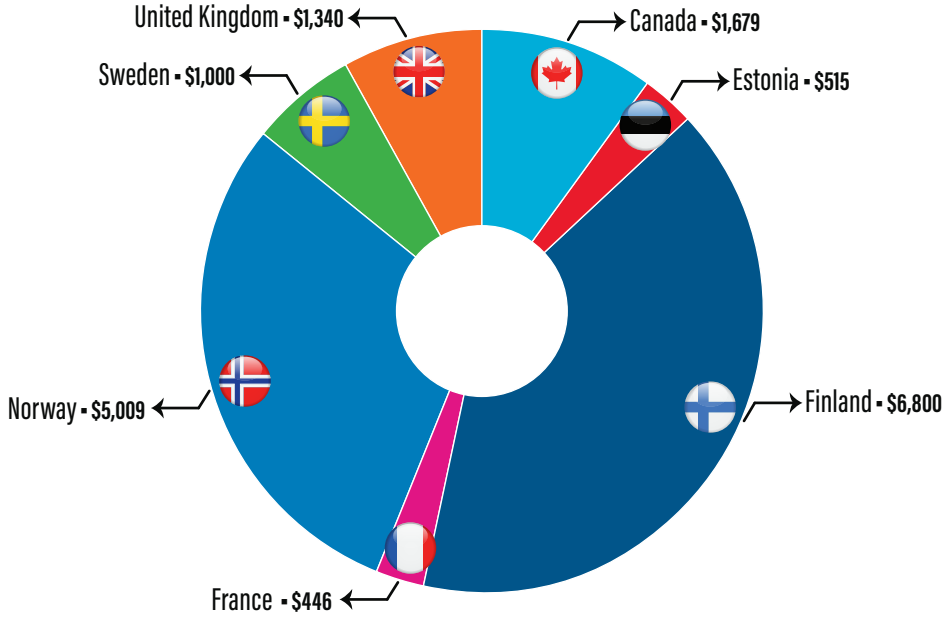
Japan, a former donor to KCP I and KCP II, re-joined the KCP Family in FY2022 and became an official contributor to KCP IV, with a signed amount of USD 3 million, disbursed in one tranche. In FY2023, Japan replenished its contribution for USD 2 million, and disbursed it in one tranche.

In FY2023, the European Union, also a former donor to KCP I, through the European Commission Directorate-General for Regional and Urban Policy (DG REGIO), and

Directorate-General for International Partnerships (DG INTPA) signed two contribution agreements of €3 million each to KCP IV, both payable over two tranches. The first tranche of DG REGIO contribution of €2 million was received in FY2023 and the first tranche of DG INTPA contribution of €1.5 million was received in early FY2024.

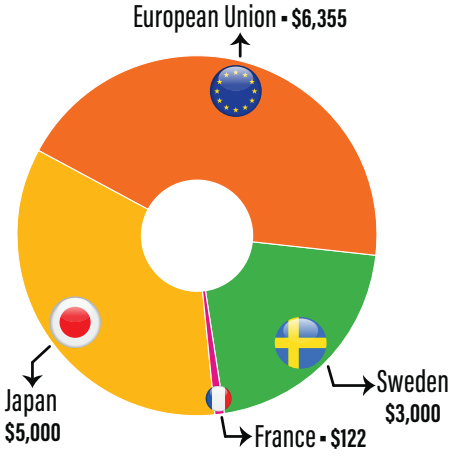
KCP III Donor Contributions Received, by Donor

From KCP III Inception to October 31, 2022 (US$, thousands)



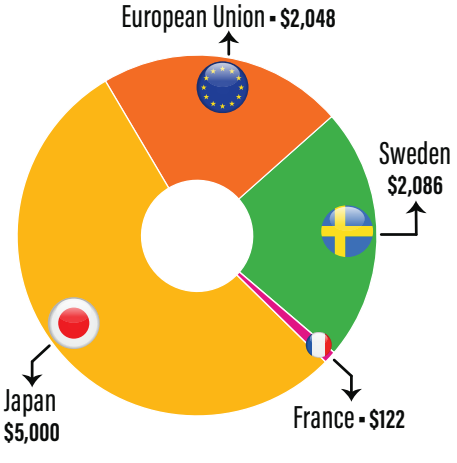
KCP IV Donor Contributions Signed, by Donor

From KCP IV Inception to June 30, 2023 (US$, thousands)



KCP IV Donor Contributions Received, by Donor

From KCP IV Inception to June 30, 2023 (US$, thousands)



KCP III Accounts Statement

As of KCP III cosing date October 31, 2022 (US$)

	TF072304	TF072635	Total
Contributions received			
Norway	4,535,529	473,440	5,008,969
Estonia	480,839	34,188	515,027
United Kingdom	1,340,016		1,340,016
Canada	303,558	1,375,432	1,678,990
Finland	2,480,685	4,319,655	6,800,340
France	107,235	338,468	445,703
Sweden		999,970	999,970
Total contributions received	**9,247,862**	**7,541,153**	**16,789,015**
Investment income	199,542	214,764	414,306
Allocations and expenses			
Set-up fee	(35,000)		(35,000)
Administrative fee (5%)	(462,393)		(462,393)
Project allocations	(8,525,413)	(7,514,967)	(16,160,910)
Program management and administration	(414,136)	(119,278)	(542,073)
Total allocations and expenses	**(9,436,943)**	**(7,634,244)**	**(17,057,376)**
ESTIMATED FUNDS AVAILABLE	**24,273**	**121,673**	**145,945**

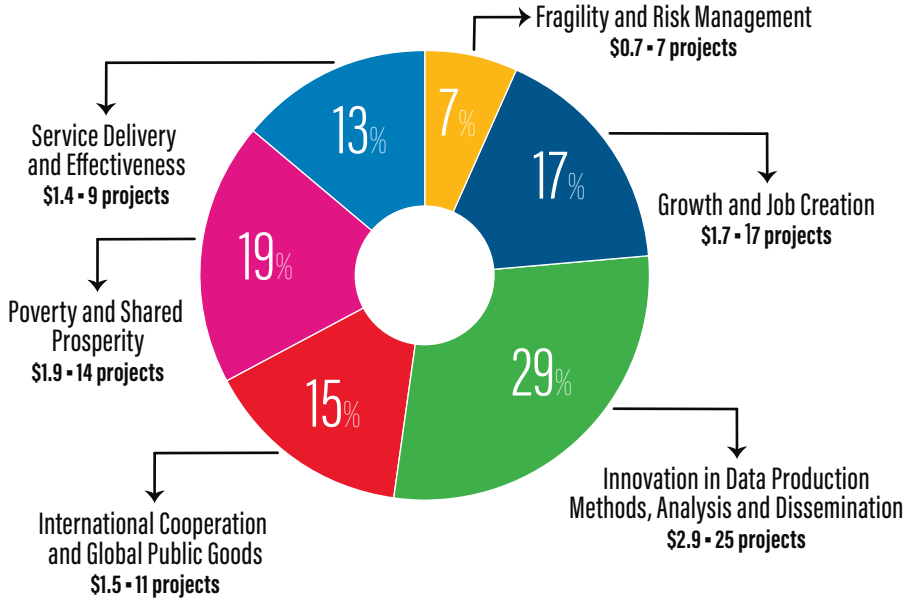
KCP IV Accounts Statement

As of June 30, 2023 (US$)

	Currency	Amount	Amount ($)
Contributions Signed			
Sweden	SEK	28,000,000	3,000,428
France	EUR	100,000	122,000
Japan	US$	3,000,000	5,000,000
The Eruropean Union	EUR	6,000,000	6,355,225
Total			**14,477,653**
Contributions Received			
Sweden	SEK	18,000,000	2,086,278
France	EUR	100,000	122,000
Japan	US$	5,000,000	5,000,000
The Eruropean Union	EUR	2,000,000	2,035,000
Total			**9,243,278**
Investment income			251,813
Allocations and Expenses			
Project Allocations			(6,062,452)
Program Management and Administration			(55,461)
Bank executed TF Administrative fees (12% of disbursement)			(191,573)
Total			**(6,309,486)**
ESTIMATED FUNDS AVAILABLE *(based on contributions signed)*			**8,168,167**
ESTIMATED FUNDS AVAILABLE			**2,933,792**

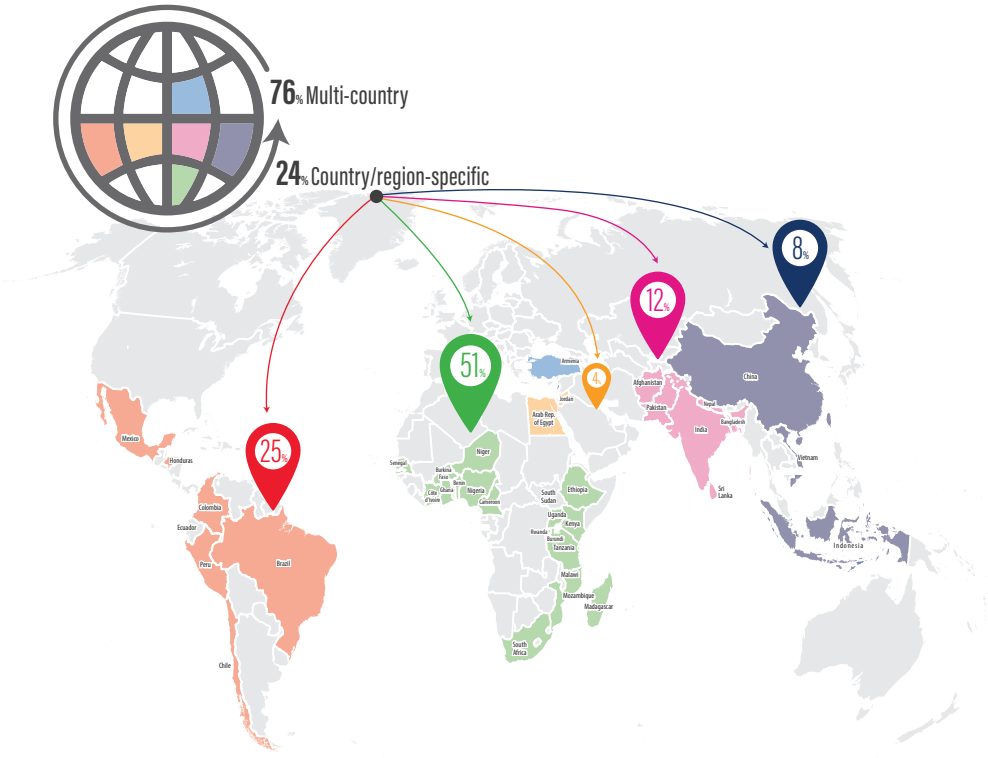
Annex A1. KCP Projects Portfolio

FIGURE A1.1 KCP III Allocations and Disbursements by Priority Theme
(excluing sythesis/flagship reports—US$, Millions)



Source: KCP PMU.
Note: KCP III also funded 14 synthesis/flagship reports for US$5.9 million.

FIGURE A1.2 KCP III Allocations, by Region
From KCP III Inception to June 30, 2023 (percentage)



Source: KCP PMU.

FIGURE A1.3 KCP IV Allocations and Disbursements, by Window (excluding Sub-national Projects)
From KCP IV Inception to June 30, 2021 3(US$, thousands)

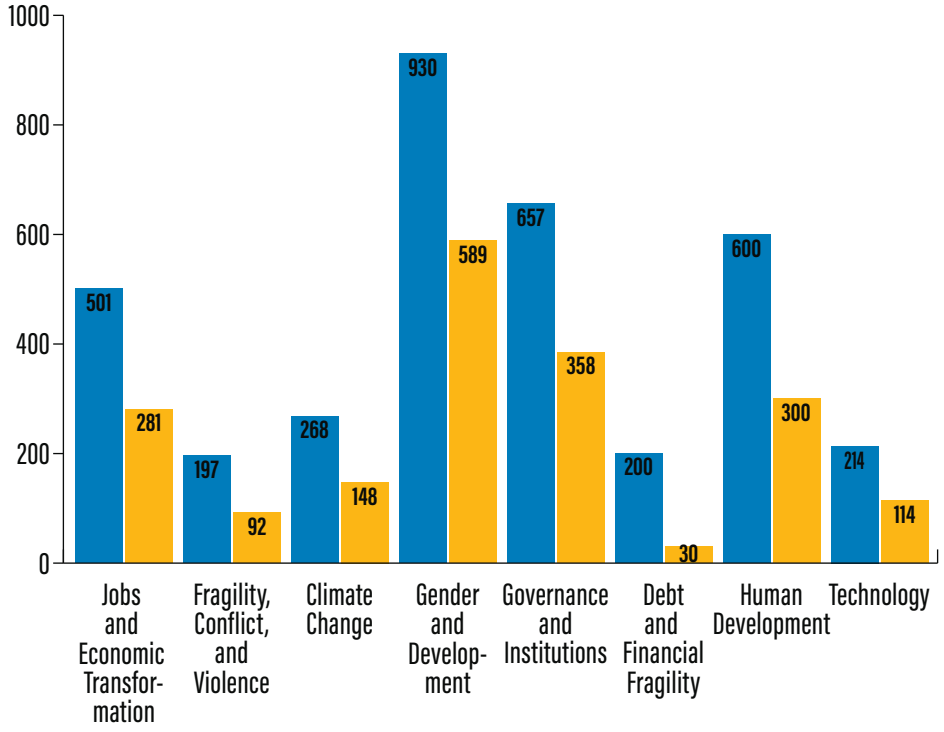


FIGURE A1.4 KCP IV Allocations, by Region
From KCP IV Inception to June 30, 2023 (US$, thousands)

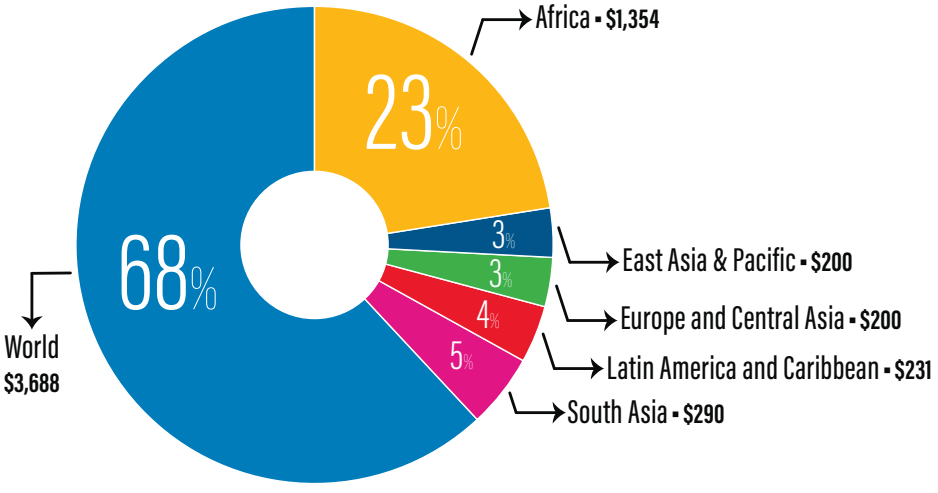


TABLE A1.1 KCP III Allocations and Disbursements

From KCP III Inception to conclusion October 31, 2022 (US$)

	Project Name	Task Team Leader	Allocation	Disbursements
	INNOVATION IN DATA PRODUCTION METHODS, ANALYSIS AND DISSEMINATION			
1	KCPIII—Measuring and Enhancing Mobility in Dakar	Svetoslava Petkova Milusheva	49,930.55	49,930.55
2	KCPIII—Predicting Credit Worthiness through Digital Engagement	Abla Safir	64,755.31	64,755.31
3	KCPIII: Using Bayesian Methods to Measure Whether Improving Management Improves Exporting in Colombia	David J. McKenzie	73,842.76	73,842.76
4	KCPIII—Cross-Country Firm Dataset Built from Administrative Tax Return Data	Pierre Jean Bachas	99,979.28	99,979.28
5	KCPIII Matters of Place: Maximizing the Potential of Georeferenced Microdata Within the Limits of Confidentiality	Siobhan Murray	99,571.31	99,571.31
6	KCP III—Methods of Imputation-Based Estimates for Welfare Outcomes with Household Surveys: Research and Guidelines	Hai-Anh H. Dang	249,991.53	249,991.53
7	KCPIII—Research Platforms: A Pilot Project for Education in Pakistan	Deon P. Filmer	148,211.70	148,211.70
8	KCPIII—Measuring Time Use Well	Talip Kilic	174,820.65	174,820.65
9	KCPIII—Testing Novel Social Network Methodologies and Targeting Strategies for an intervention aimed at increasing aspirations and reducing teenage pregnancies in Brazil	Victor Hugo Orozco Olvera	89,522.05	89,522.05
10	KCP III—Data Systems for Safer Cities and Inclusive Growth	Guadalupe Bedoya Arguelles	99,638.90	99,638.90
11	KCPIII—Using household listing and satellite data to improve survey sampling frames	Michael Wild	122,281.08	122,281.08
	Total—Innovation in Data Production Methods, Analysis and Dissemination		**1,272,545.12**	**1,272,545.12**
	FRAGILITY AND RISK MANAGEMENT			
12	KCPIII—2016 GFDR—Global Banking	Robert J. Cull	199,999.82	199,999.82
13	KCPIII—Social network mapping and analysis for youth living in high-violence urban neighborhoods in Honduras	Marcus Erik Holmlund	129,956.97	129,956.97
14	KCPIII—Strengthening Financial Consumer Protection in Mexico and Colombia: Disclosure and Transparency of Information	Xavier Gine	49,750.26	49,750.26

	Project Name	Task Team Leader	Allocation	Disbursements
15	KCPIII—Big Data in Migration Research	Caglar Ozden	99,928.12	99,928.12
16	KCP III—Afghanistan cell phone records to estimate poverty	Guadalupe Bedoya Arguelles	74,892.09	74,892.09
17	KCPIII—A home away from home: improving the lives of adolescent refugees	Erin Munro Kelley	88,433.41	88,433.41
18	KCPIII—Strengthening Financial Consumer Protection in Mexico: Disclosure and Transparency of Information	Xavier Gine	75,386.36	75,386.36
	Total—Fragility and Risk Management		**718,347.03**	**718,347.03**
	GROWTH AND JOB CREATION			
19	KCPIII—Boosting Self-Employment in Kenya	Abla Safir	69,892.27	69,892.27
20	KCP III—Business Practices and Firm Performance	Caio Cicero De Toledo Piza da Costa Mazzut	100,000.00	100,000.00
21	KCPIII—Can the Private Provision of Employment Services Improve Employment Outcomes? Evidence from Bosnia and Herzegovina	John T. Giles	71,595.46	71,595.46
22	KCPIII—Labor Market Policies on Unemployment Protection & Employment Services	Hulya Ulku	149,935.61	149,935.61
23	KCPIII—Automation, Trade, and Labor Markets	Bob Rijkers	74,542.86	74,542.86
24	KCPIII—Economic Inclusion Entrepreneurship Cote d'Ivoire	Patrick Premand	72,356.96	72,356.96
25	KCPIII—Promoting Youth Economic Inclusion: Evidence from a Job Trainings and Search Program in the Dominican Republic	Xavier Gine	79,815.86	79,815.86
26	The cost of inputs	Tristan Reed	101,439.38	101,439.38
27	KCPIII—Government-driven credit and development	Alvaro Enrique Pedraza morales	59,859.57	59,859.57
	Total—Growth and Job Creation		779,437.97	779,437.97
	Innovation in Data Production Methods, Analysis and Dissemination			
28	KCP III—Calibration in sample survey estimation: improving the quality of socio-economic indicators by using auxiliary information	Olivier Dupriez	74,931.45	74,931.45
29	KCPIII—Worldwide Governance Indicators 2016-2018	Aart C. Kraay	92,808.36	92,808.36
30	KCP III—Generation of synthetic data for ex-ante impact assessments	Olivier Dupriez	89,654.78	89,654.78

	Project Name	Task Team Leader	Allocation	Disbursements
31	KCPIII—Measuring and Analyzing Teacher Knowledge and Behavior	Deon P. Filmer	99,989.00	99,989.00
32	KCPIII—Producing, Analyzing and Visualizing Global Income Distributions	Tariq Afzal Khokhar	55,874.05	55,874.05
33	KCPIII—2016 World Bank Survey of Bank Regulation and Supervision	Robert J. Cull	199,781.92	199,781.92
34	Benchmarking the Private Sector in Sub-Saharan Africa	Silvia Muzi	299,627.15	299,627.15
35	KCPIII CB—Poverty imputation handbook & research	Hai-Anh H. Dang	99,987.63	99,987.63
36	KCPIII—Machine Learning Algorithms for Poverty Prediction: An Empirical Comparative Assessment	Olivier Dupriez	180,000.00	180,000.00
37	KCPIII—CB—Measuring Process Productivity in Bureaucracies	Daniel Oliver Rogger	79,982.75	79,982.75
38	KCP III—Measuring Countries' Statistical Capacity	Hai-Anh H. Dang	104,268.91	104,268.91
39	KCPIII—Using big data to measure urban congestion	Harris Selod	65,844.16	65,844.16
40	KCPIII—Intra-Household Allocation of and Gender Differences in Consumption Poverty	Talip Kilic	129,965.79	129,965.79
41	KCPIII—Structuring 50 years of knowledge on development	Olivier Dupriez	59,999.85	59,999.85
	Total—Innovation in Data Production Methods, Analysis and Dissemination		**1,632,715.80**	**1,632,715.80**
	INTERNATIONAL COOPERATION AND GLOBAL PUBLIC GOODS			
42	KCPIII—Migration and Labor Market Implications in the South	Caglar Ozden	99,999.89	99,999.89
43	KCPIII—Trade Policy, Poverty and Shared Prosperity	Aaditya Mattoo	99,705.52	99,705.52
44	KCPIII—The role of confidence in the cross-border transmission and propagation of shocks	Jongrim Ha	209,906.54	209,906.54
45	KCPIII—China Climate Policy Modeling	Govinda R. Timilsina	48,317.12	48,317.12
46	KCPIII—Mega-regional trade agreements: implications for developing countries	Ekaterine T. Vashakmadze	99,999.81	99,999.81
47	KCPIII Non-Tariff Measures (NTM) Indicators	Siddhesh Vishwanath Kaushik	99,994.56	99,994.56
48	KCP III —After the Global Financial Crisis: Bank Regulation and Supervision	Robert J. Cull	164,930.89	164,930.89
49	KCP III—Bank Regulation and Supervision Reforms—Impact on Developing Countries	Robert J. Cull	199,706.48	199,706.48
50	KCP III—Does Mass Transit Investment Reduce Greenhouse Gas Emissions? An Empirical Test with New Satellite Data	Susmita Dasgupta	143,701.60	143,701.60
51	KCPIII—Developing country cities and climate change adaptation	Harris Selod	174,400.62	174,400.62

	Project Name	Task Team Leader	Allocation	Disbursements
52	KCPIII—Trade, Poverty and Inequality	Erhan Artuc	177,560.59	177,560.59
	Total—International Cooperation and Global Public Goods		**1,518,223.62**	**1,518,223.62**
	POVERTY AND SHARED PROSPERITY			
53	KCPIII—Understanding the global inflation cycle and its drivers	Jongrim Ha	74,646.93	74,646.93
54	KCPIII—The Incidence of Trade Policies	Csilla Lakatos	75,168.61	75,168.61
55	KCP III—Building a Global Multidimensional Poverty Profile	Jed Friedman	149,969.96	149,969.96
56	KCPIII—The Impact of Infrastructure Spending on Local Economies: Evidence from a Randomized Control Trial in Mexico	Daniel Oliver Rogger	120,459.73	120,459.73
57	KCPIII—Cash Transfers in the Medium Run: A Ten-Year Follow-up of Beneficiaries and Non-Beneficiaries	Jed Friedman	249,991.51	249,991.51
58	KCPIII—Jordan Syrian Integration Refugee IE	Chloe Monica Fernandez	153,312.83	153,312.83
59	KCPIII— Institutional Strengthening for Improved Village Service Delivery	Mahvish Ifrah Shaukat	86,075.00	86,075.00
	Total—Poverty and Shared Prosperity		**909,624.57**	**909,624.57**
	SERVICE DELIVERY AND AID EFFECTIVENESS			
60	KCPIII CB—Kenya Patient Safety Impact Evaluation	Jishnu Das	149,886.71	149,886.71
61	KCPIII—Extension of the RESPECT study in Tanzania to the population of commercial sex workers and women at high risk in Dar-es-Salaam.	Damien B. C. M. de Walque	75,000.00	75,000.00
62	KCPIII—From Access to Quality: Ramping up Measurement and Improvement of Health Care Quality	Damien B. C. M. de Walque	249,951.45	249,951.45
63	KCPIII—A New Model for Primary Schooling in Developing Countries	Owen Ozier	249,999.44	249,999.44
64	KCPIII—Increasing uptake of LARCs Among Adolescent Females in Cameroon	Berk Ozler	199,956.54	199,956.54
65	KCPIII—Performance Pay in Customs Evidence from Madagascar	Bob Rijkers	74,981.67	74,981.67
66	KCP III—CBOs & local governance in Burkina Faso	Marcus Erik Holmlund	47,904.31	47,904.31
67	KCPIII—The Impact of Justice Innovations on Poverty, Growth and Developement	Vincenzo Di Maro	179,888.72	179,888.72
68	KCPIII-Operationalizing and measuring effective coverage in health care	Damien B. C. M. de Walque	144,992.38	144,992.38

	Project Name	Task Team Leader	Allocation	Disbursements
	Total—Service Delivery and Aid Effectiveness		**1,372,561.22**	**1,372,561.22**
	WORLD BANK FLAGSHIP REPORTS			
69	KCPIII WDR 2016 Internet for Development	Deepak K. Mishra	607,049.11	607,049.11
70	KCPIII—World Development Report 2017	Luis-Felipe Lopez-Calva	1,024,255.75	1,024,255.75
71	KCPIII—WDR 2015 Operationalization	Varun Gauri	149,611.08	149,611.08
72	KCPIII—Economic Spillovers in an Era of Globalization: Facts, Channels, and Implications	Jongrim Ha	119,820.13	119,820.13
73	KCPIII—Global Monitoring Report	Philip Schellekens	120,000.00	120,000.00
74	WDR 2018 Realizing the Promise of Education for Development	Deon P. Filmer	398,113.62	398,113.62
75	KCPIII—World Development Report 2017: Governance and the Law	Luis-Felipe Lopez-Calva	944,290.91	944,290.91
76	WDR 2018 Realizing the Promise of Education for Development	Deon P. Filmer	1,434,119.28	1,434,119.28
77	KCP III—World Development Report 2019: The Changing Nature of Work	Federica Saliola	116,584.07	116,584.07
78	KCPIII—New Doing Business indicator: Measuring the ease of contracting with the government	Erica Bosio	268,388.94	268,388.94
79	KCPIII—Dissemination of PRR—Moving for Mobility	Caglar Ozden	29,963.03	29,963.03
80	KCP III—World Development Report 2020: Trading for Development in the Age of Global Value Chains	Daria Taglioni	309,140.45	309,140.45
81	KCPIII— Business Reform Committees	Dorina Peteva Georgieva	248,709.06	248,709.06
82	KCPIII—WDR 2021, "Data for Development", Dissemination and Research Extensions	Hai-Anh H. Dang	88,961.51	88,961.51
	Total—World Bank Flagship Reports		**5,859,006.94**	**5,859,006.94**
	GROWTH AND JOB CREATION			
83	KCPIII—Getting water and sewerage connections in 31 Mexican states and Mexico City	Julio Fuster Torregrosa	99,830.17	99,830.17
84	KCPIII—International Benchmarking for Country Diagnostics	Norman V. Loayza	49,697.62	49,697.62
85	KCPIII—Economy-wide effects of expanded electricity access and impacts of household electricity tariff changes in Ethiopia	Michael A. Toman	99,707.02	99,707.02
86	Job Quality Framework	Rita Ramalho	149,930.88	149,930.88
87	KCPIII—Micro and Small Firm Death in Developing Countries	David J. McKenzie	74,929.02	74,929.02

	Project Name	Task Team Leader	Allocation	Disbursements
88	KCPIII—Interest Rate Ceilings	Sergio L. Schmukler	149,980.96	149,980.96
89	KCPIII—Making Enforceable Agreements: Data and Indicator Pilot	David C. Francis	150,000.00	150,000.00
90	KCP III—Making Working Capital Available to Marginally Riskier Firms	Xavier Cirera	149,880.55	149,880.55
	Total—Growth and Job Creation		**923,956.22**	**923,956.22**
	POVERTY AND SHARED PROSPERITY			
91	What Drives the Demand for Islamic Finance?	Martin Kanz	0.00	0.00
92	KCPIII—The Effect of Improved Biomass Cookstoves on Indoor Air Quality and Respiratory Health in Rural Ethiopia	Michael A. Toman	99,659.94	99,659.94
93	KCPIII—Living Life	Valeria Perotti	99,990.74	99,990.74
94	KCPIII—Equality of Opportunity in Global Prosperity	Tazeen Hasan	149,894.77	149,894.77
95	KCPIII—Electricity Demand in Vietnam	Hanan G. Jacoby	179,982.80	179,982.80
96	KCPIII—Migration and the Law	Dilip K. Ratha	299,994.11	299,994.11
97	KCP III—Effect of Improved Biomass Cookstoves on Indoor Air Quality and Respiratory Health in Rural Ethiopia Part 3	Michael A. Toman	56,987.57	56,987.57
98	KCPIII—Living Life	Valeria Perotti	144,924.58	144,924.58
	Total—Poverty and Shared Prosperity		**1,031,434.51**	**1,031,434.51**

TABLE A1.2 KCP III Projects closed in FY2022 (US$)

	Project Name	Task Team Leader	Completion Date	Disbursements
1	WDR 2018 Realizing the Promise of Education for Development	Deon P. Filmer	10/31/2022	1,434,119.28
2	KCPIII—Understanding the global inflation cycle and its drivers	Jongrim Ha	10/31/2022	74,646.93
3	KCPIII—Predicting Credit Worthiness through Digital Engagement	Abla Safir	10/31/2022	64,755.31
4	KCPIII—Boosting Self-Employment in Kenya	Abla Safir	10/31/2022	69,892.27
5	KCP III—CBOs & local governance in Burkina Faso	Marcus Erik Holmlund	09/30/2022	47,904.31
6	KCPIII—Can the Private Provision of Employment Services Improve Employment Outcomes? Evidence from Bosnia and Herzegovina	John T. Giles	10/31/2022	71,595.46
7	KCP III—Methods of Imputation-Based Estimates for Welfare Outcomes with Household Surveys: Research and Guidelines	Hai-Anh H. Dang	10/31/2022	249,991.53
8	KCPIII—Measuring Time Use Well	Talip Kilic	10/31/2022	174,820.65
9	KCP III—World Development Report 2020: Trading for Development in the Age of Global Value Chains	Daria Taglioni	10/31/2022	309,140.45
10	KCPIII—Cash Transfers in the Medium Run: A Ten-Year Follow-up of Beneficiaries and Non-Beneficiaries	Jed Friedman	10/31/2022	249,991.51
11	KCPIII—Jordan Syrian Integration Refugee IE	Chloe Monica Fernandez	10/31/2022	153,312.83
12	KCPIII—A home away from home: improving the lives of adolescent refugees	Erin Munro Kelley	10/31/2022	88,433.41
13	KCPIII—Promoting Youth Economic Inclusion: Evidence from a Job Trainings and Search Program in the Dominican Republic	Xavier Gine	10/31/2022	79,815.86
14	KCPIII—Strengthening Financial Consumer Protectin in Mexico: Disclosure and Transparency of Information	Xavier Gine	10/31/2022	75,386.36
15	KCPIII Business Reform Committees	Dorina Peteva Georgieva	10/31/2022	248,709.06
16	KCP III—Data Systems for Safer Cities and Inclusive Growth	Guadalupe Bedoya Arguelles	10/31/2022	99,638.90
17	The cost of inputs	Tristan Reed	10/31/2022	101,439.38
18	KCPIII—Developing country cities and climate change adaptation	Harris Selod	10/31/2022	174,400.62
19	KCPIII—Operationalizing and measuring effective coverage in health care	Damien B. C. M. de Walque	10/31/2022	144,992.38
20	KCPIII—Institutional Strengthening for Improved Village Service Delivery	Mahvish Ifrah Shaukat	10/31/2022	86,075.00
21	KCPIII—Trade, Poverty and Inequality	Erhan Artuc	10/31/2022	177,560.59

	Project Name	Task Team Leader	Completion Date	Disbursements
22	KCPIII—WDR 2021, "Data for Development", Dissemination and Research Extensions	Hai-Anh H. Dang	10/31/2022	88,961.51
23	KCPIII—Using household listing and satellite data to improve survey sampling frames	Michael Wild	10/31/2022	122,281.08
24	KCPIII—Interest Rate Ceilings	Sergio L. Schmukler	10/31/2022	149,980.96
25	KCP III—Measuring Countries' Statistical Capacity	Hai-Anh H. Dang	10/31/2022	104,268.91
26	KCP III—Bank Regulation and Supervision Reforms—Impact on Developing Countries	Robert J. Cull	10/31/2022	199,706.48
27	KCP III—Does Mass Transit Investment Reduce Greenhouse Gas Emissions? An Empirical Test with New Satellite Data	Susmita Dasgupta	10/31/2022	143,701.60
28	KCP III—Making Working Capital Available to Marginally Riskier Firms	Xavier Cirera	10/31/2022	149,880.55

TABLE A1.3 KCP IV Allocations and Disbursements

From KCP IV Inception to June 30, 2023 (US$)

	Project Name	Task Team Leader	Allocation	Disbursements	Available Balance
	CLIMATE CHANGE				
1	KCP IV—Cross-Country Sources of Variation in CO_2 Emissions	Susmita Dasgupta	70,000.00	39,714.00	30,286.00
2	KCP IV—Leveraging Building Energy Codes and Standards for Climate Change Mitigation	Jayashree Srinivasan	197,896.00	85,280.31	47,130.67
	Total—Climate change		**267,896.00**	**124,994.31**	**77,416.67**
	GENDER AND DEVELOPMENT				
3	KCP IV—Women, Business and the Law in Practice: Completing a Framework to Measure de Facto Gender Equality	Marina Elefante	200,000.00	75,786.99	111,300.59
4	KCP IV—Validating Model-Based Estimates of Intra-Household Resource Allocation and Gender Differences in Consumption Poverty	Talip Kilic	200,000.00	14,998.84	185,001.16
5	KCP IV—Lack of Employability Skills and Informational Barriers to Female Labor Force Participation in India: Evidence from Two Randomized Controlled Trials	Anukriti LNU	200,000.00	135,487.71	35,523.79
6	KCP IV—The Collection and Analysis of Gender Differentials in Wellbeing Narratives	Vijayendra Rao	200,000.00	58,177.15	71,811.96
	Total—Gender and Development		**800,000.00**	**284,450.69**	**403,637.50**
	GOVERNANCE AND INSTITUTIONS				
7	KCP IV—Understanding the Determinants of Public Procurement Efficiency: Evidence from Administrative and Survey Data from Brazil	Thiago De Gouvea Scot de Arruda	141,000.00	27,690.35	99,895.21
8	KCP IV—Understanding How Public Officials Learn Through In-Service Training	Daniel Oliver Rogger	74,065.00	65,174.00	8,682.00
9	KCP IV—Recording Small Receipts: Digital Technology Adoption at the Margin of Formalization	Astrid Maria Theresia Zwager	176,000.00	13,846.61	69,301.16
10	KCP IV—Optimal Design of Consumption Taxes	Mahvish Ifrah Shaukat	70,000.00	40,013.57	26,074.43
	Total—Governance and Institutions		**461,065.00**	**146,724.53**	**203,952.80**
	JOBS AND ECONOMIC TRANSFORMATION				
11	KCP IV—Sub-National Differences in Well-Being	Talip Kilic	900,000.00	31,409.16	845,330.61
12	KCP IV—Subnational Fiscal Multipliers in Developing Countries	Steven Michael Pennings	80,000.00	23,007.00	43,450.20
13	KCP IV—Data and Evidence on Subnational Production, Trade, and Infrastructure	John Ashton Loeser	450,000.00	67,856.14	329,033.86

	Project Name	Task Team Leader	Allocation	Disbursements	Available Balance
14	KCP IV—Economic Development through a spatial lens	Forhad J. Shilpi	900,000.00	148,399.91	647,841.37
15	KCP IV—Promoting Economic Inclusion at Scale through Self and Wage Employment Support in Tanzania	Dahyeon Jeong	125,000.00	67,634.76	39,296.24
16	KCP IV—Evaluating Impact of a Business Plan Competition in Kenya	Abla Safir	150,000.00	6,312.26	133,361.17
	Total—Jobs and Economic Transformation		**2,605,000.00**	**344,619.23**	**2,038,313.45**
	DEBT AND FINANCIAL FRAGILITY				
17	KCP IV—The Demand for Debt from Emerging Markets and Developing Countries	Sergio L. Schmukler	200,000.00	0.00	179,113.20
	Total—Debt and Financial Fragility		**200,000.00**	**0.00**	**179,113.20**
	HUMAN CAPITAL				
18	KCP IV—The Persistent Effects of Stunting: A Ten-Year Follow-up of Beneficiaries and Non-Beneficiaries of the Philippine CCT	Jed Friedman	200,000.00	4,755.53	156,378.16
19	KCP IV—Improving Skills Development and Employability through Traditional Apprenticeships: Evidence from Senegal	John T. Giles	200,000.00	61,270.53	98,862.57
20	KCP IV—Protecting human capital during episodes of forced displacement: learning from Ukrainian refugees in Italy	Quy-Toan Do	200,000.00	4,414.73	54,557.03
	Total—Human Capital		**600,000.00**	**70,440.79**	**309,797.76**
	TECHNOLOGY				
21	KCP IV—The transformational impact of novel weather forecasts for smallholder farmers	Erin Munro Kelley	90,000.00	10,700.00	59,500.00
22	KCP IV—Indexing the World: Enabling the effective and efficient discovery of geospatial data for holistic and localized research	Aivin Vicquierra Solatorio	146,000.00	15,434.64	116,816.73
23	KCP IV—Measuring the Cost of Digital Transactions	Xavier Gine	123,740.80	28,712.00	94,278.80
	Total—Technology		**359,740.80**	**54,846.64**	**270,595.53**
	FRAGILITY, CONFLICT, AND VIOLENCE				
24	KCP IV—Livelihoods Support for Displaced Persons and Host Populations in a Fragile Context	Chloe Monica Fernandez	196,750.00	60,812.06	107,537.94
	Total—Fragility, Conflict, and Violence		**196,750.00**	**60,812.06**	**107,537.94**

TABLE A1.4 KCP IV projects completed in FY2022 (US$)

	Project Name	Task Team Leader	Completion Date	Disbursements
1	Childcare Indicators and Research: Measuring Legal Frameworks for Childcare Provision	Alena Sakhonchik	06/30/2023	129,802.06
2	Public Procurement and Firm Behavior	Vincenzo Di Maro	06/30/2023	179,049.09
3	Enhancing Traditional Apprenticeships for Youths and Firms in Nigeria	Patrick Premand	06/30/2023	145,245.13

TABLE A1.5 New KCP Projects Approved in the 2023 Round of the Call for Proposals

	Title	Task Team Leader	Amount (US$)
	CLIMATE CHANGE		
1	Long Term Growth Model Extensions: Climate Change and Human Capital	Steven Pennings	130,000
2	Greener transportation for African cities: the case of Lagos	Alice Duhaut	90,000
3	Environmental Impact of a Green Credit Line	Federica Zeni	110,000
4	Electrifying the first and last mile: Experimental and quasi-experimental evidence from Rwanda	John Ashton Loeser	100,000
5	Monitoring Near-Time Changes in Urban Space Usage after Climate Shocks: ECA Urban Resilience	Holly Krambeck	150,000
6	Climate Adaptation: Evidence from Well Failures in South India	Xavier Gine	90,000
7	Commodity Prices, Inflation and Climate Change	Hamza Zahid	130,000
	FRAGILITY, CONFLICT AND VIOLENCE		
8	The Venezuelan Refugee Life Panel Study for Kids (VenRePs-Kids)	Sandra V. Rozo	100,000
9	Social and Economic Integration of Refugees in Jordanian Communities	Chloë Fernandez Marcus Holmlund	90,000
	GENDER AND DEVELOPMENT		
10	Unpacking the household headship concept—implications for survey design, implementation, and analysis	Heather Moylan	140,000
11	Evaluating interventions to ensure women's safety in public transport: Experimental Evidence from training service providers	Girija Borker	140,000
12	Impact Evaluation of Childcare Services for Kampala Market Women	Sylvan Herskowitz	80,000
13	Drivers and Trends for the Legal Equality of Opportunity for Sexual and Gender Minorities: A Panel Approach	Julia Braunmiller	170,000
	GOVERNANCE AND INSTITUTIONS		
14	Transactional Governance Structures: a Comprehensive Analysis of Underpinnings of Firm-to-firm Agreements	Nona Karalashvili	130,000
15	Navigating Fragility and Environmental Sustainability: Evaluating the Impact of Private Sector Conservation in Conflict Zones on Wildlife Preservation and Local Development	Gabriel Englander	45,000
16	Strengthening healthcare systems' governance and institutions to improve access to quality healthcare in low-capacity settings	Guadalupe Bedoya	60,000

	Title	Task Team Leader	Amount (US$)
	JOBS AND ECONOMIC TRANSFORMATION		
17	Did the Arab Spring Promote Competition? Evidence from Tunisia	Bob Rijkers	75,000
	CROSS-CUTTING ISSUES: DEBT AND FINANCIAL FRAGILITY		
18	Macro- and micro-economic implications of sovereign debt reduction	Hayley Pallan	180,000
	CROSS-CUTTING ISSUES: HUMAN CAPITAL		
19	Mechanisms to Improve the Effectiveness of an Online Teacher Professional Development Program for Early Literacy	Lelys Dinarte-Diaz	100,000
	CROSS-CUTTING ISSUES: TECHNOLOGY		
20	Unveiling the Data Landscape and Bridging Gaps: Exploring Data Use in the Development Economics Literature using Large Language Models	Aivin V. Solatorio	140,000

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