

EFI TRUST FUND PORTFOLIO

# Umbrella Facility for Poverty and Equity (UFPE)

A global partnership to maximize the impacts of World Bank and client interventions on poverty and equity



## About the Trust Fund



**Duration:** 2021-2028



**Geographic Scope:** Global, regional and country levels



**Managing Global Practice:** Poverty & Equity Global Practice, World Bank



**Current Partners (as of January 2022):** Bill & Melinda Gates Foundation, Germany, the United Kingdom of Great Britain and Northern Ireland, and Sweden



## Purpose



The Umbrella Facility for Poverty and Equity (UFPE) is a new global partnership to inform and support the design, implementation, monitoring, and evaluation of policies and programs to reduce poverty and promote equity. The UFPE is the first global facility to focus on cross-cutting poverty and equity interventions. As data and evidence are the foundation of development policy and effective implementation, the UFPE will help maximize the impact of work being done across the World Bank to end extreme poverty, boost shared prosperity, and fulfill the Sustainable Development Goals.

The value the UFPE brings to the umbrella landscape is:

- Strengthening coordination and global partnerships on poverty and equity.
- Leveraging WBG and government resources to amplify impact through the systematic application of a poverty and equity lens to policies and programs.
- Leading and promoting innovation to address new poverty and equity challenges and support scale-up of proven solutions.
- Advancing global knowledge on poverty and equity and facilitating knowledge sharing and learning at the country, regional and global levels.
- Building country capacity to modernize national statistical systems.
- Creating policy-relevant global public goods.

The UFPE also plays a critical role in supporting the successful implementation of the IDA19 and IDA20 Commitments on Data for Policy (D4P), the Jobs and Economic Transformation (JET) agenda, and COVID-19 relief and response efforts.



## Approach

The UFPE strategy aims to: (i) build the evidence base for policies and programs to promote poverty reduction and equity through investments in data and analysis; and (ii) maximize operational effectiveness through investments in targeting and monitoring tools and applying behavioral insights for policy and program design and implementation.

### I. BUILDING THE EVIDENCE BASE

#### PRIORITY AREA 1: DATA FOR POVERTY AND EQUITY-INFORMED POLICIES

The availability of timely, relevant and good-quality data is critical for effective and efficient decision making, resource allocation and service delivery. Data are crucial to knowing where a country stands in terms of social and human development and to assess the challenges ahead. Data are also needed to understand which policies work and do not work for pro-poor and equitable economic growth and addressing social deprivations. Across countries, comparable data are also needed to monitor progress towards the eradication of extreme poverty and, more broadly, the achievement of the Sustainable Development Goals.

To this end, the UFPE supports the Data for Policy (D4P) initiative, a priority policy commitment under IDA19 and IDA20, that helps modernize and strengthen the capacity of national statistical systems to be fit-for-purpose for the data revolution. Under the D4P, the UFPE prioritizes data utilization, specifically embedding evidence in policymaking. In addition to the D4P, the UFPE supports bringing visibility to invisible and vulnerable groups (including women) through the production, use and dissemination of data, and strengthening and innovating global welfare measurement and monitoring.

#### PRIORITY AREA 2: ANALYSIS FOR POVERTY AND EQUITY-INFORMED POLICIES

Understanding who the poor and vulnerable are, where they live and work, and how they are affected by markets, institutions, risks, and government action is critical to designing policies and programs that tackle the root causes of poverty and inequality in a sustainable way. Building a robust evidence base for poverty and equity-informed policy is critical to ensuring that policies and programs improve well-being in society. For this purpose, the UFPE supports analysis to understand the macro- and microeconomic drivers of and constraints to poverty reduction and equity and assess the distributional impacts of selected policies, programs and shocks to make policies work better for the poor and vulnerable. Example areas of distributional analysis include taxes and expenditures, private sector development and competition, infrastructure, trade, spatial transformation, labor markets, fragility and conflict, and climate shocks.

### II. MAXIMIZING OPERATIONAL EFFECTIVENESS

#### PRIORITY AREA 3: ENHANCING OPERATIONAL EFFECTIVENESS FOR POVERTY REDUCTION AND EQUITY

The success of development policies and programs depends as much on successful implementation as it does on design. Policies and programs may fall short of their intended impact due to behavioral barriers that undermine effective performance or limit beneficiary uptake of intended outcomes. Similarly, imperfect alignment between objectives and resources and implementation bottlenecks, particularly in the early stages of policy or program rollout, can hinder performance and, ultimately, compromise impact. Mainstreaming tools and approaches that can help address behavioral, targeting, and implementation challenges for World Bank and governments interventions could have significant payoffs in terms of enhanced operational effectiveness for poverty reduction and equity. In this context, the UFPE supports the application of behavioral insights for program design and implementation and tools for improved targeting and monitoring of policies and programs with a poverty and equity focus.



## Management and Implementation

The UFPE is managed by the Poverty and Equity Global Practice. The Umbrella's direction and strategic priorities are guided by the Partnership Council (PC). The PC is comprised of representatives from all contributing Development Partners that, as of January 2022, include the Bill & Melinda Gates Foundation, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), acting through and on behalf of the German Federal Ministry for Economic Development, the United Kingdom of Great Britain and Northern Ireland, acting through the Foreign, Commonwealth and Development Office (FCDO), and Sweden, acting through the Swedish International Development and Cooperation Agency (SIDA). The program also coordinates and collaborates closely with many World Bank teams and external partners, reflecting the importance and cross-cutting nature of the poverty and equity agenda.

Resources are deployed to global, regional and country teams to support primarily bank-executed activities, although recipient-execution is may be considered in limited contexts. Global activities focus on the creation of policy-relevant global public goods, while regional and country activities focus on bringing a poverty and equity lens to operational and policy engagements. There are four main funding windows that align with the Umbrella's strategy: (i) data for poverty and equity-informed policies; (ii) analysis for poverty and equity-informed policies; (iii) operational targeting and monitoring tools; and (iv) behavioral insights for program design and implementation.



### Contact Information

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