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# 2018-2019

## Trust Fund Annual Report


Value Proposition of World Bank Group Trust Funds











# 2018-2019

**Trust Fund Annual Report**



# Table of Contents

Message from the Vice President .....	vi
Development Results .....	viii
Acknowledgments .....	x
Abbreviations and Acronyms .....	xi
Executive Summary.....	xiii

## Section A: IBRD/IDA and IFC Trust Funds

♦ Chapter 1: Value Proposition of the World Bank Group Trust Funds .....	2
1.1 Introduction.....	3
1.2 Working Toward 2030.....	4
1.3 The Trust Funds and Their Importance .....	6
1.4 Trust Funds' Contributions to the <i>Forward Look</i> .....	8
♦ Chapter 2: Financial Trends of World Bank Group Trust Funds, FY15–FY19.....	32
2.1 Overview of World Bank Group Trust Funds.....	33
2.2 IBRD/IDA Trust Funds.....	43
2.3 IFC Advisory Trust Funds.....	57
2.4 MIGA Trust Funds.....	63
2.5 Asset Mix of Trust Funds Investment Portfolio .....	64
Attachment 1: Supplemental Financial Information—Recipient-Executed Trust Funds .....	65
Attachment 2: Supplemental Financial Information—Bank-Executed Trust Funds.....	75
Endnotes .....	77
♦ Chapter 3: Trust Fund Reform .....	78
3.1 Keeping Trust Funds “Fit for Purpose” .....	79
3.2 Summary of Past Phases .....	79
3.3 Focus of Reforms.....	80
3.4 Vision of Current Reforms .....	80
3.5 Implementation and Next Steps.....	83



## Section B: Financial Intermediary Funds

♦ Chapter 4: Overview of Financial Intermediary Funds .....	88
4.1 Introduction.....	89
4.2 The World Bank’s Role in Financial Intermediary Funds.....	90
4.3 Examples of Financial Intermediary Funds .....	93
♦ Chapter 5: Financial Trends of World Bank Financial Intermediary Funds, FY15–FY19 .....	98
5.1 Overview of Financial Intermediary Funds.....	99
♦ Chapter 6: Financial Intermediary Funds Reform.....	116
6.1 Introduction.....	117
6.2 Opportunities and Challenges .....	117
6.3 The Way Forward.....	118

## Annexes

<b>Annex 1:</b> Trust Fund Achievements .....	122
<b>Annex 2:</b> Cash Contributions—IBRD/IDA Trust Funds and IFC Trust Funds—by Donor, FY15–FY19 .....	164
<b>Annex 3:</b> Contributions—Financial Intermediary Funds—by Donor, FY15–FY19.....	168
<b>Annex 4:</b> Glossary of Key Terms .....	171

## Boxes

<b>Box 1.1</b> World Bank Group Trust Fund Definitions .....	6
<b>Box 3.1</b> Umbrella 2.0.....	84
<b>Box 3.2</b> IFC Trust Fund Reform.....	85



## Figures

<b>Figure 1.1</b> Disbursements from IBRD, IDA, and RETFs, FY15–FY19 (US\$ billions) .....	7
<b>Figure 1.2</b> BETF disbursements as share of the World Bank administrative budget, FY15–FY19 .....	7
<b>Figure 1.3</b> Distribution of ASA funding, FY15–FY19 (US\$ millions) .....	9
<b>Figure 1.4</b> Number of IBRD/IDA standard trust fund accounts, FY15–FY19 .....	28
<b>Figure 1.5</b> Amounts in IBRD/IDA trust fund portfolio, FY15–FY19 (US\$ billions) .....	29
<b>Figure 1.6</b> Distribution of FHIT, as of end-FY19 (US\$ billions) .....	29
<b>Figure 2.1</b> Key statistics on WBG-administered trust fund portfolio, FY15–FY19 .....	33
<b>Figure 2.2</b> FHIT, FY15–FY19 (US\$ billions) .....	34
<b>Figure 2.3</b> Cash and investments, promissory notes receivable, and contributions receivable, as of end-FY19 (US\$ billions) .....	35
<b>Figure 2.4</b> Annual cash contribution to trust funds, FY15–FY19 (US\$ billions) .....	36
<b>Figure 2.5</b> Signed contributions to IBRD/IDA trust funds, FY15–FY19 (in US\$ billions) .....	37
<b>Figure 2.6</b> Disbursements and cash transfers from trust funds, FY15–FY19 (US\$ billions) .....	38
<b>Figure 2.7</b> Number of IBRD/IDA trust fund accounts, FY15–FY19 .....	39
<b>Figure 2.8</b> Number of IFC trust funds, FY15–FY19 .....	40
<b>Figure 2.9</b> WBG MDTFs and SDTFs, FY15–FY19 .....	41
<b>Figure 2.10</b> Programmatic and freestanding IBRD/IDA trust funds, FY15–FY19 .....	42
<b>Figure 2.11</b> Distribution of FHIT, as of end-FY19 (US\$ billions) .....	43
<b>Figure 2.12</b> IBRD/IDA trust fund distribution by World Bank units, as of end-FY19 .....	44
<b>Figure 2.13</b> IBRD/IDA trust funds cash contributions by donor type, FY19 .....	45
<b>Figure 2.14</b> IBRD/IDA trust funds: cumulative cash contributions by top 10 donors, FY15–FY19 (US\$ billions) .....	46
<b>Figure 2.15</b> Disbursements from IBRD, IDA, and RETFs, FY15–FY19 .....	47
<b>Figure 2.16</b> Disbursements from stand-alone RETFs, FY15–FY19 (US\$ billions) .....	48
<b>Figure 2.17</b> Disbursements from RETFs cofinancing IBRD and IDA, FY15–FY19 .....	49
<b>Figure 2.18</b> RETF disbursements by country eligibility, FY15–FY19 (US\$ millions) .....	50
<b>Figure 2.19</b> RETF disbursements in fragile and conflict-affected states, FY15–FY19 .....	51
<b>Figure 2.20</b> Sectoral allocation of RETF disbursements, FY19 (US\$ millions) .....	52
<b>Figure 2.21</b> RETF disbursements—top 20 trust fund programs, FY19 (US\$ millions) .....	53
<b>Figure 2.22</b> RETF disbursements by Region, FY15–FY19 (US\$ billions) .....	54
<b>Figure 2.23</b> BETF disbursements by country eligibility, FY15–FY19 (US\$ millions) .....	55
<b>Figure 2.24</b> Share of BETF disbursements by country engagement and global engagement activities, FY15–FY19 .....	56
<b>Figure 2.25</b> IFC Advisory Services trust fund cash contributions and disbursements, FY15–FY19 (US\$ millions) .....	58
<b>Figure 2.26</b> Signed contributions to IFC Advisory trust funds, FY15–FY19 (US\$ millions) .....	59
<b>Figure 2.27</b> IFC Advisory trust funds cash contributions by donor type, FY19 .....	60
<b>Figure 2.28</b> Top 10 donors to IFC Advisory trust funds by cash contributions, FY15–FY19 (US\$ millions) .....	61
<b>Figure 2.29</b> IFC Advisory trust funds cash contributions by regional distribution, FY15–FY19 .....	62
<b>Figure 2.30</b> IFC Advisory Services program expenditures and share in IDA countries, FY15–FY19 .....	62



<b>Figure 2.31</b> MIGA FHIT, FY15–FY19 (in US\$ millions) .....	63
<b>Figure 2.32</b> Asset mix of WBG trust funds investment portfolio, as of end-FY19.....	64
<b>Figure 2.33</b> Africa Region disbursements from IBRD, IDA, and RETFs, FY15–FY19 (US\$ billions).....	65
<b>Figure 2.34</b> South Asia Region disbursements from IBRD, IDA, and RETFs, FY15–FY19 (US\$ billions).....	66
<b>Figure 2.35</b> East Asia and Pacific Region disbursements from IBRD, IDA, and RETFs, FY15–FY19 (US\$ billions) .....	67
<b>Figure 2.36</b> Middle East and North Africa Region disbursements from IBRD, IDA, and RETFs, FY15–FY19 (US\$ billions).....	68
<b>Figure 2.37</b> Latin America and Caribbean Region disbursements from IBRD, IDA, and RETFs, FY15–FY19 (US\$ billions) .....	69
<b>Figure 2.38</b> Europe and Central Asia Region disbursements from IBRD, IDA, and RETFs, FY15–FY19 (US\$ billions).....	70
<b>Figure 2.39</b> South Asia Region RETF disbursements, by sector, FY19.....	71
<b>Figure 2.40</b> Africa Region RETF disbursements, by sector, FY19.....	72
<b>Figure 2.41</b> Middle East and North Africa Region RETF disbursements, by sector, FY19.....	72
<b>Figure 2.42</b> Latin America and Caribbean Region RETF disbursements, by sector, FY19 .....	73
<b>Figure 2.43</b> Europe and Central Asia Region RETF disbursements, by sector, FY19.....	73
<b>Figure 2.44</b> East Asia and Pacific Region RETF disbursements, by sector, FY19.....	74
<b>Figure 2.45</b> BETF disbursements as share of the World Bank administrative expenditures, FY15–FY19.....	75
<b>Figure 2.46</b> Distribution of ASA funding sources, FY15–FY19 (US\$ millions) .....	76
<b>Figure 3.1</b> Key principles of the Umbrella 2.0 Programs.....	83
<b>Figure 4.1</b> Matrix of the World Bank’s Roles and Services in FIFs.....	91
<b>Figure 5.1</b> Overview of FIFs and their cumulative funding, as of end-FY19.....	99
<b>Figure 5.2</b> FIF key statistics, FY15–FY19 .....	100
<b>Figure 5.3</b> FHIT, FY15–FY19 (US\$ billions).....	101
<b>Figure 5.4</b> FHIT by largest FIFs (US\$ billions and percentage).....	101
<b>Figure 5.5</b> Annual contributions to FIFs, FY15–FY19 (US\$ billions).....	102
<b>Figure 5.6</b> Shares of contributions by sector/theme (percentage).....	103
<b>Figure 5.7</b> Annual transfers from FIFs, FY15–FY19 (US\$ billions).....	104
<b>Figure 5.8</b> Trends in transfers from older and new FIFs, FY15–FY19 (US\$ billions).....	105
<b>Figure 5.9</b> Number of active FIFs, FY15–FY19.....	106
<b>Figure 5.10</b> Cumulative contributions by top 10 FIF donors, FY15–FY19 (US\$ billions) .....	107
<b>Figure 5.11</b> Contributions to FIFs by donor type, FY19 (percentage).....	108
<b>Figure 5.12</b> Commitments to projects by recipient country group (US\$ billions and percentage).....	109
<b>Figure 5.13</b> Transfers to top 10 IEs, FY15–FY19 (US\$ billions and percentage).....	110
<b>Figure 5.14</b> Matrix of the World Bank’s roles and services in FIFs .....	111
<b>Figure 5.15</b> Annual transfers to the WBG as IE (US\$ billions) .....	112
<b>Figure 5.16</b> Annual transfers to WBG as an IE, by FIFs (US\$ millions) .....	113
<b>Figure 5.17</b> FIFs by year of establishment and cumulative funding (US\$ billions) .....	114
<b>Figure 6.1</b> Responses to global calls to collective action – menu of options .....	119



# Message from the Vice President



We are pleased to present the World Bank Group's (WBG's) Trust Fund Annual Report for the 2018-2019 fiscal year.<sup>1</sup> This report provides an overview of the WBG's trust funds and financial intermediary funds (FIFs), focusing on key results and impact, financial trends, and reforms, while also taking into account the broader trends in the portfolio over the past five years.<sup>2</sup>

The main thematic focus of this year's report is on highlighting the value proposition of WBG trust funds. Trust funds are an important source of development finance to respond to changing global priorities; they are essential for a stronger, better, more flexible WBG; and they contribute to a "whole-of-finance" approach. The report illustrates how trust funds are helping the WBG to deliver on its strategy (the *Forward Look*) to meet the twin goals of ending extreme poverty and promoting shared prosperity by 2030 and are contributing to the achievement of the Sustainable Development Goals – common goals shared by the development community.<sup>3</sup>

With total WBG funds held in trust<sup>4</sup> estimated at \$12.1 billion as of end-FY19, the IBRD/IDA and IFC trust funds provide predictable multiyear funding that helps deliver flexible and customizable development solutions for our clients and donors. Trust funds complement WBG resources and operations, increasing the scope and reach of our activities, finding new ways to tackle development challenges by piloting and scaling up innovative approaches and programs, forging unique and dynamic partnerships, supporting the quality of lending operations, and enabling the World Bank to provide assistance when its ability to lend may be limited, especially in fragile and emergency situations. They also contribute to the WBG's knowledge agenda by financing the development and dissemination of key knowledge and analytical products, helping set global and national policy agendas, and promoting global public goods. Trust funds support clients' resource mobilization efforts by strengthening the management of public resources, improving client countries' debt management capabilities, attracting new sources of finance, and promoting innovative financial solutions.

Similarly, FIFs—with \$23.1 billion of total funds held in trust as of end-FY19—play an important role in enabling the international community to provide a direct and coordinated response to global priorities. They involve innovative financing and governance arrangements as well as flexible designs, which allow funds to be raised from multiple sources, both sovereign and private.

In 2017, the WBG embarked on an ambitious IBRD/IDA trust fund and FIF reform agenda to ensure that the two instruments evolve with the shifting internal and external context and remain fit for purpose. As part of this reform process, IFC is also evaluating its trust fund portfolio to effectively support the implementation of the IFC 3.0 strategy embedded in the WBG *Forward Look* vision.

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<sup>1</sup> The WBG fiscal year runs from July 1 to June 30 of the subsequent calendar year.

<sup>2</sup> Key stakeholders and development partners have expressed great appreciation for the portfolio-level results and financial information and trends provided in last year's report, highlighting the value of the report as an important communication and information-sharing tool for the WBG.

<sup>3</sup> In 2016, the WBG mapped out its vision and ability to help clients achieve the Sustainable Development Goals in a report known as the *Forward Look—A Vision for the World Bank Group in 2030*. To download the report, see <http://bit.ly/2016forwardlookWB>

<sup>4</sup> The amount of WBG funds held in trust as of end-FY19 for World Bank trust funds, International Finance Corporation trust funds, and Multilateral Investment Guarantee Agency trust funds. Funds held in trust comprise of cash, investments, and promissory notes receivable.



The key focus of the ongoing IBRD/IDA trust fund reforms is to improve strategic alignment, increase efficiency, and enhance oversight of the trust fund portfolio to deliver transformative solutions for our clients and provide the best value for our donors. Key measures include reducing the fragmentation of the portfolio with the introduction of Umbrella 2.0 Programs, better aligning trust funds with the WBG's strategy, planning, budgeting, and workforce planning processes, and introducing a range of efficiency measures to streamline and simplify internal processes and systems. At the same time, a Management Framework for Partnership Programs and FIFs that was adopted in 2013 has been updated to strengthen the selectivity criteria for these programs and to ensure a more systematic approach to their life-cycle management.

The successes achieved by WBG trust funds and FIFs would not be possible without the sustained engagement, cooperation, and support of our colleagues within the WBG as well as our donors, implementing partners, and clients. We thank these partners for their dedication to our shared mission and look forward to working with them in the years to come.


A handwritten signature in black ink, appearing to be 'A. Nishio', written in a cursive style.

**Akihiko Nishio**  
*Vice President*  
Development Finance, World Bank Group




# Development Results

The results below were selected from trust funds featured in Chapter 1 and Annex 1 of the Annual Report to illustrate the diversity and impact of the WBG trust fund portfolio and trust funds' contribution to the attainment of the WBG strategy, which ultimately contributes to the achievement of the WBG twin goals and the 2030 sustainable development agenda.<sup>1</sup>




### PILLAR 1: SERVING ALL CLIENTS

 <b>Supporting Advisory Services and Analytics</b>  <b>140</b> countries engaged in developing a comprehensive dataset on how countries save, borrow, make payments, and manage risk as part of Global Findex — the world's most comprehensive database that measures financial inclusion.  Global Financial Inclusion Indicators Trust Fund	 <b>Operational Innovations</b>  <b>28</b> nationally representative longitudinal surveys conducted since 2008, using innovative data collection technologies such as computer-assisted interviewing, GPS and remote sensing, and DNA fingerprinting.  Improving the Quality and Policy Relevance of Household-level Data on Agriculture in Sub-Saharan Africa Trust Fund	 <b>Additional Funding to Scale Up Development Impact</b>  <b>178k</b> teachers received training and 8.5k special needs children were enrolled in special education programs in Sri Lanka between FY12 and FY17 through a \$138 million IDA project, with cofinancing of \$39 million from the trust fund.  Australian Trust Fund for Support for the Sri Lanka Education Sector Development Framework and Program	 <b>Supporting Quality of Lending Operations</b>  <b>\$1.7b</b> influenced in investments supporting water and energy operations in Central Asia through knowledge, technical assistance, and investments.  Central Asia Energy-Water Development Program Multi-Donor Trust Fund	 <b>Providing Resources Where the World Bank Group Cannot</b>  <b>2.3m</b> people benefitted from the restoration of municipal services and 1.7 million people benefitted from the establishment or rehabilitation of roads and parks in West Bank and Gaza, between FY13 and FY17.  Palestinian Partnership for Infrastructure Development Multi-Donor Trust Fund
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### PILLAR 3: LEADING ON GLOBAL ISSUES

 <b>Climate Change</b>  <b>164</b> knowledge products produced, 199 engagement processes organized with over 5,000 participants, 61 World Bank projects informed, and 9 national policies and strategic programs influenced in 2018 to protect and restore forests.  Program on Forests	 <b>Crisis Response</b>  <b>\$463m</b> allocated to IBRD and through IBRD \$2.3 billion made available on concessional terms for nine education, health, infrastructure, and livelihoods operations in response to the Syrian refugee crisis in Jordan and Lebanon.  Global Concessional Financing Facility	 <b>Gender</b>  <b>80</b> countries supported in enhancing knowledge about and awareness of, and building capacity for, gender-informed policymaking, equipping policymakers and development experts with gender-based research, evidence, and partnerships.  Umbrella Facility for Gender Equality	 <b>Jobs</b>  <b>47k</b> people benefitted through improved livelihoods opportunities, 17 million person/days of work opportunities were created, and an 80 percent job placement rate was achieved, improving the employability of young men and women in Egypt.  Emergency Employment Investment Project	 <b>Infrastructure</b>  <b>56.5</b> million people provided with access to electricity by supporting 258 ASA activities worth \$139 million, informing \$8.6 billion in Bank development financing, and mobilizing \$7 billion in external funding, including from the private sector.  Energy Sector Management Assistance Program
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### PILLAR 2: SUPPORTING RESOURCE MOBILIZATION

 <b>Public Revenue and Expenditure Management</b>  <b>32</b> countries implementing targeted investments to increase their tax-to-GDP ratios with support from the trust fund.  Global Tax Program	 <b>Public Debt Management</b>  <b>127</b> technical assistance missions to 75 developing countries helped support debt management reforms between FY15 and FY18, with support from this trust fund.  Debt Management Facility	 <b>Development Finance Innovations</b>  <b>\$248m</b> provided to support 49 IBRD/IDA projects in 29 countries to promote inclusive economic development through results-based financing.  Global Partnership for Results-Based Approaches	 <b>Supporting New Sources of Development Finance</b>  <b>25-yr</b> public-private partnership formalized between the City Government of Belgrade and the private sector, with support from the trust fund, to improve waste management, aiming to reduce greenhouse gas emissions by 200,000 metric tons annually.  Project Development Facility to Support Infrastructure to Build Resilience
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### PILLAR 4: IMPROVING THE BUSINESS MODEL

 <b>Demonstrating Development Effectiveness</b>  Implement an outcome-focused results approach, provide evidence-based "results stories," and use data, evidence, and lessons learned in the design and implementation of future trust funds.	 <b>Improving Strategic Alignment</b>  Align trust funds with client needs and better integrate them within the Bank's strategy, planning, budgeting, and staffing processes.	 <b>Reducing Fragmentation</b>  Promote the use of fewer and larger trust-funded programs and increase efficiency by reducing the number of distinct governance mechanisms, and produce better reporting, communications, and visibility.	 <b>Improving Efficiency and Responsiveness</b>  Simplify, standardize, and speed up trust fund processes while safeguarding trust fund resources, to reduce transaction costs and make trust funds more agile and efficient, at both the individual and portfolio levels.
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# Abbreviations and Acronyms

<b>AF</b>	Adaptation Fund	<b>GCF</b>	Green Climate Fund
<b>AFR</b>	Africa Region	<b>GCF</b>	Global Concessional Financing Facility
<b>AGR</b>	AgResults Initiative	<b>GEF</b>	Global Environment Facility
<b>AMC</b>	Advance Market Commitment	<b>GFATM</b>	Global Fund to Fight AIDS, Tuberculosis, and Malaria
<b>APOC</b>	African Program for Onchocerciasis Control	<b>GIF</b>	Global Infrastructure Facility
<b>ARTF</b>	Afghanistan Reconstruction Trust Fund	<b>GIL</b>	Gender Innovation Lab
<b>ASA</b>	Advisory services and analytics	<b>GPEF</b>	Global Partnership for Education (Fund)
<b>BB</b>	Bank budget	<b>GPG</b>	Global public good
<b>BETF</b>	Bank-executed trust fund	<b>GRIF</b>	Guyana REDD+ Investment Fund
<b>CEPI</b>	Coalition for Epidemic Preparedness Innovations	<b>HRF</b>	Haiti Reconstruction Fund
<b>CGIAR</b>	Consultative Group on International Agricultural Research	<b>IBRD</b>	International Bank for Reconstruction and Development
<b>CIFs</b>	Climate Investment Funds	<b>ICSID</b>	International Center for Settlement of Investment Disputes
<b>CPF</b>	Country Partnership Framework	<b>ICT</b>	Information Communication Technology
<b>CREWS</b>	Climate Risk and Early Warning Systems	<b>IDA</b>	International Development Association
<b>DeMPA</b>	Debt Management Performance Assessment	<b>IE</b>	Implementing entity
<b>DMDU</b>	Decision Making Under Deep Uncertainty	<b>IFC</b>	International Finance Corporation
<b>DRTF</b>	Debt Relief Trust Fund	<b>IFFIm</b>	International Finance Facility for Immunisation
<b>EAP</b>	East Asia and Pacific Region	<b>IMF</b>	International Monetary Fund
<b>EBSM</b>	EBRD Southern and Eastern Mediterranean Trust Fund	<b>JSDF</b>	Japan Social Development Fund
<b>ECA</b>	Europe and Central Asia Region	<b>LCR</b>	Latin America and Caribbean Region
<b>EFO</b>	Externally financed output	<b>MDB</b>	Multilateral development bank
<b>FCS</b>	Fragile and conflict-affected situations	<b>MDTF</b>	Multidonor trust fund
<b>FCV</b>	Fragility, conflict, and violence	<b>MENATF</b>	Middle East and North Africa Transition Fund
<b>FHIT</b>	Funds held in trust	<b>MIGA</b>	Multilateral Investment Guarantee Agency
<b>FIF</b>	Financial intermediary fund	<b>MNA</b>	Middle East and North Africa Region
<b>GAfsp</b>	Global Agriculture and Food Security Program	<b>MSMEs</b>	Micro, small, and medium-sized enterprises
<b>GAVI</b>	Global Alliance for Vaccines Initiative	<b>MTDS</b>	Medium-Term Debt Management Strategy
<b>GBV</b>	Gender-based Violence	<b>NDC</b>	Nationally Determined Contribution



<b>NGO</b>	Nongovernmental organization	<b>SDG</b>	Sustainable Development Goal
<b>OECD</b>	Organisation for Economic Co-operation and Development	<b>SDTF</b>	Single-donor trust fund
<b>PAF</b>	Pilot Auction Facility for Methane and Climate Change Mitigation	<b>SMEs</b>	Small and medium-sized enterprises
<b>PEF</b>	Pandemic Emergency Financing Facility	<b>TFAR</b>	Trust Funds Annual Report
<b>PforR</b>	Program-for-Results	<b>UN</b>	United Nations
<b>PHRD</b>	Policy and Human Resources Development Fund	<b>VPU</b>	Vice President Unit
<b>PPP</b>	Public-private partnership	<b>WASH</b>	Water supply, sanitation, and hygiene
<b>RAS</b>	Reimbursable advisory service	<b>WBG</b>	World Bank Group
<b>RETF</b>	Recipient-executed trust fund	<b>WDR</b>	World Development Report
<b>SAR</b>	South Asia Region	<b>We-Fi</b>	Women Entrepreneurs Finance Initiative
<b>SCD</b>	Systematic Country Diagnostic		

**Unless otherwise specified, throughout the paper \$ represents US dollars.**



# Executive Summary

The 2018-2019 Trust Fund Annual Report<sup>1</sup> highlights how trust funds help the World Bank Group (WBG) attain its institutional goals—to end extreme poverty and promote shared prosperity. In 2013 the WBG issued *Forward Look – A Vision for the World Bank Group in 2030 (Forward Look)*,<sup>2</sup> setting out four pillars—Serving All Clients, Supporting Resource Mobilization, Leading on Global Issues, and Improving the Business Model—to shape how the WBG will deliver on these twin goals to support the 2030 development agenda and the achievement of the Sustainable Development Goals (SDGs). The cornerstone of delivering this ambitious agenda rests on adequate financial capacity, flexibility to respond to changes in the global context and strategic priorities, and working together as one WBG to build on the comparative advantages of each institution. WBG trust funds and financial intermediary funds (FIFs) play a vital role in meeting these needs and implementing each of the *Forward Look* pillars.<sup>3</sup>

WBG trust funds and FIFs are among the WBG’s main channels of development assistance (along with IBRD and IDA), and the WBG holds a substantial portfolio of such funds: the amount of WBG funds held in trust (FHIT)<sup>4</sup> as of end-FY19 is estimated at \$12.1 billion for trust funds and \$23.1 billion for FIFs. These funds provide significant and predictable multiyear funding for the WBG to utilize in support of flexible and customizable development solutions that serve client countries.

**World Bank Group trust funds** finance about two-thirds of the World Bank’s advisory services and analytics and augment the World Bank’s ability to serve its clients, with about 76 percent (\$15.1 billion) of total trust fund disbursements going to client countries over FY15–FY19. Of this amount, over \$11 billion has been disbursed to

IDA and blend countries. IFC trust funds provide funding to IFC’s Advisory solutions for private sector clients, especially in IDA countries, which constituted 59 percent of the Advisory Program in FY19. IFC’s Advisory portfolio has over 783 projects spanning 100 countries and has disbursed approximately \$1.5 billion over the past five years. Between FY15 and FY19 WBG trust funds received \$17.5 billion in contributions—\$15.9 billion to World Bank trust funds and \$1.6 billion to IFC trust funds.



◆ **Photo Credit:** Vincent Tremeau © World Bank

<sup>1</sup> The annual report is available online and can be accessed via <https://www.worldbank.org/2019tfar>

<sup>2</sup> To download the *Forward Look*, please refer to <http://bit.ly/2016forwardlookWB>

<sup>3</sup> In this report, *WBG trust funds* refers to IBRD/IDA trust funds, IFC trust funds, and MIGA trust funds, and *World Bank trust funds* refers to IBRD/IDA trust funds. *World Bank trust funds* is used interchangeably with *IBRD/IDA trust funds*. FIFs are another type of financial arrangement that support global development initiatives and partnerships.

<sup>4</sup> The amount of WBG FHIT as of end-FY19 for World Bank, IFC, and MIGA trust funds as well as FIFs. FHIT comprises cash, investments, and promissory notes receivable.



**Financial intermediary funds** are financial arrangements that typically leverage a variety of public and private resources in support of international initiatives, enabling the international community to provide a direct and coordinated response to global priorities like agriculture and food security, environment and climate change, and natural disasters. Through FIFs the World Bank can support the international community in providing targeted and coordinated responses that focus on the provision of global public goods, such as preventing communicable diseases, responding to climate change, and improving food security. FIFs tend to be larger than IBRD/IDA trust funds: at end-FY19, FIFs accounted for 67 percent (\$23.1 billion) of the total WBG FHIT. Contributions averaged \$7.5 billion annually, while cash transfers to implementing entities<sup>5</sup> remained relatively steady, with an average annual transfer of \$6.5 billion over the past five years.

## Value Proposition of WBG Trust Funds

Trust funds support the achievement of the goals of the *Forward Look* strategy by providing financial resources, contributing to the knowledge agenda, and leveraging the Bank's convening power and global and local presence to contribute to country, regional, and global development.<sup>6</sup> Below is a summary of the trust fund value propositions anchored around the *Forward Look* pillars.

### Pillar 1: Serving All Clients

Trust funds are used strategically to complement the core WBG funding. They enhance global, regional, and country-level knowledge; provide targeted support to clients as a complement to IBRD and IDA funding; and provide funding to countries and clients that cannot receive IBRD and IDA funding. They finance much of the Bank's analytical work and pilot innovative ideas; provide funding to support quality and scale up the development impact of IBRD- and IDA-funded operations; and make it possible for the WBG to provide development resources to non-member countries, countries in arrears, and non-sovereign institutions.

### Pillar 2: Supporting Resource Mobilization

One of the key factors hampering progress in achieving the SDGs is a global financing gap estimated at \$3 trillion to \$5 trillion a year.<sup>7</sup> Trust funds help close that gap by helping governments build their capacity to mobilize revenue, manage public expenditure and public debt, and improve their procurement and public financial management systems, and they support the development of innovative financial solutions and mobilization of new, nontraditional sources of development finance.

### Pillar 3: Leading on Global Issues

The *Forward Look* identified five global issues that the WBG would focus on: climate change, crisis response, jobs, gender, and infrastructure. In each of these focus areas, trust funds play a vital role, complementing IBRD, IDA, and IFC. Individual countries are usually reluctant to borrow for the provision of regional or global public goods (GPGs): while the country would bear the costs alone, others would also receive the benefits. Trust funds support the global aspects of public goods and facilitate assembling different national and global stakeholders into partnerships. For example, work carried out under trust funds helps scale up the implementation of renewable energy and energy efficiency measures and boost climate resilience through improved management of natural resources; ensure that WBG staff and clients, policymakers, and partners have the data, knowledge, and evidence they need to design programs and policies that are effective in closing gaps between women and men, boys and girls; and design and deliver comprehensive, integrated, and high-impact jobs strategies that involve all relevant sectors in client countries.

### Pillar 4: Improving the Business Model

The focus of actions under this pillar is to increase the development impact, effectiveness, and efficiency of trust funds to deliver better results for clients and donors. The portfolio contains a large number of trust funds, most very

<sup>5</sup> *Implementing entity or implementing agency* refers to any agency that receives funds from a FIF and is responsible for managing those funds for project activities approved by the governing body.

<sup>6</sup> Examples of trust funds that are contributing to the *Forward Look* pillars can be found in Chapter 1 and Annex 1 of this report.

<sup>7</sup> *Financing for Development*, United Nations (UN) Department of Economic and Social Affairs, New York, 2015. <http://bit.ly/UNFSD>





◆ **Photo Credit:** Vincent Tremeau © World Bank

small in size. This means that their strategic alignment and effectiveness are modest, and there may be risks of duplication. In addition, the higher costs of coordination to ensure strategic alignment, fundraising, establishment, governance, management, supervision, evaluation, and reporting affect the efficiency of these small trust funds. Therefore, the Bank is engaged in an ambitious trust fund reform effort as part of improving the business model.

## Trust Fund Reform

Through several rounds of trust fund reform dating from 2001, the WBG has made significant progress in increasing the efficiency, alignment, and oversight of its trust funds. However, it still needs to reduce the fragmentation of

the portfolio; increase trust funds' alignment with the WBG's priorities and their integration with its strategy, planning, budgeting, and staffing processes; and increase efficiencies in their administration and use.

The current World Bank trust fund reform phase will feature "Umbrella 2.0" Programs,<sup>8</sup> aligned to the highest strategic priorities, that could include multiple "associated" trust funds. Moving to fewer and larger programs will improve strategic alignment, enable efficiency gains, help increase the focus on results, and improve reporting, communications, and visibility. Work to strengthen trust funds' integration is largely focused on improving the link between upstream decisions to mobilize trust fund resources and priorities for work program delivery, and on

<sup>8</sup> An Umbrella Program supports the World Bank's main priority objectives, is anchored by a multidonor trust fund, and may include other associated trust funds. Each Umbrella Program operates on the basis of the following core principles: one overarching development objective, a unified results framework, a single annual report to donors, one governance body (a partnership council), and a communication and visibility plan.





◆ **Photo Credit:** Tomislav Georgiev © World Bank

aligning trust fund allocation cycles with the WBG planning and budgeting cycle so that trust-funded activities and resources can be taken into consideration as part of the exercise. In addition, a range of efficiency measures are being developed and implemented to streamline and simplify internal processes and systems; better guidance has been made available to staff in a number of areas; and a support system that offers staff a single point of entry for questions and support related to trust funds is being rolled out, with up-to-date guidance on the entire trust fund life cycle. As part of this reform process, IFC is also evaluating its trust fund portfolio to effectively support the implementation of the IFC 3.0 strategy that is embedded in the WBG *Forward Look* vision.

Extensive engagement and consultation with internal stakeholders, shareholders, funding partners, and clients are an integral part of the reform process, ensuring strong buy-in for the detailed recommendations that address these challenges and opportunities.

## Financial Intermediary Funds

To meet development challenges that are not sufficiently addressed by existing funds and financing mechanisms, the World Bank sometimes partners with other institutions or organizations, such as other multilateral development banks or United Nations agencies, to support collective action through large global or regional initiatives, implemented through FIFs. FIFs are a special type of trust fund that provides large-scale funding for broad, coordinated interventions, usually focused on particular themes, and typically aimed at achieving GPGs.

The World Bank has a large and growing portfolio of FIFs. Since the establishment of the first FIF in 1971, total cumulative funding to FIFs as of end-FY19 has amounted to \$104.4 billion, of which \$7 billion was contributed in FY19. The number of active FIFs has more than doubled from 12 at end-FY08 to 27 at end-FY19. The World Bank serves as limited trustee of all FIFs, providing a set of



agreed financial services that include receiving, holding, and investing contributed funds, and transferring them when instructed by the FIF governing body. Under some FIFs, the World Bank also provides customized treasury management or other agreed financial services, such as bond and swap issuance, hedging intermediation, the purchase of insurance products, and monetization of carbon credits. In addition, the World Bank may host a FIF's secretariat. The World Bank and IFC can serve, alongside other entities, as implementing entities to which the trusteeship transfers resources. Recent independent evaluations of FIFs hosted by the World Bank have found that the operations of FIFs are supported by strong management systems and financial controls and that hosted secretariats benefit from the strengths of the underlying infrastructure provided by the World Bank.

## Financial Intermediary Funds Reform

While the development community, including the World Bank, can benefit from the Bank's engagement in FIFs, FIFs also present challenges. As their numbers have grown, the newer FIFs have often been smaller in contribution size, with narrower and sometimes overlapping mandates. The fact that FIFs have independent governance and their own terms for access to and use of funds can contribute to aid fragmentation and increased complexity for clients and implementing entities. Therefore, the World Bank has updated its FIF Management Framework ([http://bit.ly/WB\\_FIFMF](http://bit.ly/WB_FIFMF)) to strengthen future selectivity by articulating a menu of options for responding to global calls for collective action, combined with more systematic internal review processes that take alternatives into consideration.

## Structure of the Report

This report has been divided into two sections—(A) WBG Trust Funds, and (B) Financial Intermediary Funds—to differentiate between the distinctive roles and functions of the two financing mechanisms, since the majority of FIF resources are allocated to external

(non-WBG) implementing entities. Each section begins with an overview of the portfolio, examines the financial trends, and culminates with a description of the reform process and activities. In Chapter 1 and Annex 1 the report highlights the activities and accomplishments of a very few of the many trust funds the WBG holds and manages. Taken together, trust funds and FIFs make a substantial contribution to the WBG's work and, indeed, to the global development enterprise. The new phase of reform strengthens the alignment of trust funds and FIFs with both the *Forward Look* and the achievement of the Bank's twin goals. With support from partners and clients, this effort will transform the trust fund business to better serve countries and communities in a changing world.



◆ Photo Credit: Dominic Chavez © World Bank









# SECTION A

IBRD/IDA and IFC Trust Funds





◆ **Photo Credit:** Dominic Chavez © World Bank

## ◆ CHAPTER 1

# Value Proposition of the World Bank Group Trust Funds

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1.1 Introduction	3
1.2 Working Toward 2030	4
1.3 The Trust Funds and Their Importance	6
1.4 Trust Funds' Contributions to the <i>Forward Look</i>	8



# 1.1 INTRODUCTION

The 2018-19 Trust Fund Annual Report highlights how trust funds help the World Bank Group (WBG) attain its institutional goals. This chapter is organized around the four pillars of *Forward Look – A Vision for the World Bank Group in 2030*, which defines how the WBG will deliver on its twin goals (to end extreme poverty and promote shared prosperity) and its three priorities (sustainable and inclusive growth; investments in human capital; and strengthening resilience) to support the 2030 development agenda and the achievement of the Sustainable Development Goals (SDGs).

For the first three pillars—Serving All Clients, Supporting Resource Mobilization, and Leading on Global Issues—the chapter describes the trust funds’ inherent value propositions that uniquely position the WBG to meet its overarching institutional goals and strategies. To illustrate how trust funds play a key role in and directly contribute to the WBG strategy, each trust fund value proposition is substantiated by results stories that provide a snapshot of what the WBG and its partners and clients have been able to achieve through trust fund-financed activities. For pillar 4 of the *Forward Look* (Improving the Business Model), the chapter highlights how the ongoing trust fund reform process will contribute to the WBG’s efficiency, effectiveness, and overall development impact for clients and donors.

The 38 results stories featured in the report were selected from over 60 submissions received from the different Global Practices, Cross-Cutting Solution Areas,

and Regions, and from IFC.<sup>1</sup> All 38 results stories are included in Annex 1, and 19 of them are summarized in Chapter 1. Each results story has a brief overview of the trust fund’s objective and scope and a summary of its key achievements, demonstrating a specific trust fund value proposition. In the interest of concision, we limited the number of country examples, quotes, results from independent evaluations, graphs, and pictures in these stories. The names and flags or logos of all donors that have contributed to each trust fund are also featured in the report, in acknowledgment of their support. All results stories were produced in partnership with WBG trust fund teams and, as needed, additional sources.

While it is not possible to feature all the WBG trust funds in this Annual Report, we tried to ensure representation from all the different Global Practices, Cross-Cutting Solution Areas, and Regions, and from IFC. The “Directory of Programs Supported by Trust Funds and Financial Intermediary Funds” provides a more exhaustive list of the trust fund portfolio.<sup>2</sup>

We hope that the results stories featured in the report provide a sound understanding of the diversity and impact of the WBG trust fund portfolio and illustrate the importance of the instrument in the WBG development finance architecture, and that the description of the trust fund reforms explains the WBG’s efforts to ensure that trust funds will remain a strong component of the institution’s resources in the future.

<sup>1</sup> In FY19, the Infrastructure VPU was set up and Cross-Cutting Solution Areas were merged with other practice groups. Since this report covers FY15–FY19, it uses the term *Cross-Cutting Solution Areas*. The term *Infrastructure VPU* is used only when describing work in FY19.

<sup>2</sup> The 2018 edition of the *Directory of Programs Supported by Trust Funds and Financial Intermediary Funds* may be downloaded from <http://bit.ly/TFFIFDirectory2018>. In addition, an online version of the Directory is accessible via <http://bit.ly/OnlinedirectoryTFFIF>



## 1.2 WORKING TOWARD 2030

### Sustainable Development Goals

Since 2015, the SDGs have provided the blueprint for shared prosperity in a sustainable world. Progress has been made, though it is uneven across SDGs and must be accelerated to reach the 2030 goals.<sup>3</sup> Considering, for example, the first SDG, to end poverty in all its forms everywhere: extreme poverty continues to decline, but the pace has slowed as global growth has slowed,<sup>4</sup> and the world is not on track to achieve the target of ending poverty by 2030. Tackling the remaining pockets of extreme poverty is challenging because poverty is concentrated, overwhelmingly affects rural populations, and is exacerbated by violent conflicts and climate change. Effective social protection schemes and policies, along with government spending on key services, may be needed to help those left behind.

### Financing for Development

One of the key factors hampering progress in achieving the SDGs is a global financing gap estimated at \$3 trillion to \$5 trillion a year.<sup>5</sup> Thus the Financing for Development effort has been an integral part of the SDG implementation agenda. The 2015 Addis Ababa Action Agenda identified a range of financing sources: domestic public resources, domestic and international private business and finance, international trade, and international development cooperation. External financing from official and private sources amounted to \$414 billion in 2017.<sup>6</sup>

### Official Finance for Development

Within the overall external financing provided in support of the SDGs, financing flows provided by sovereign donors were less than half—estimated at \$184 billion in 2018<sup>7</sup>—but they still play an important role, including in helping to leverage private flows. Concessional resources—that is, official development assistance—stood at \$153 billion in 2018.<sup>8</sup>

### Multilateral Institutions

Multilateral institutions are an important part of the development finance architecture; in 2017 they disbursed around \$65 billion to developing countries. Multilateral institutions receive support through core (non-earmarked) contributions and non-core contributions (such as trust funds). Between 2013 and 2017, core contributions accounted for around 67 percent of total multilateral resources, and the balance was provided through non-core contributions such as trust funds.<sup>9</sup> In 2015, the multilateral institutions defined a collective strategy to unlock, leverage, and catalyze private flows and domestic resources toward achieving the SDGs.<sup>10</sup>

### The World Bank Group<sup>11</sup>

The WBG is a multilateral financial institution that promotes development through three primary financial instruments: the International Bank for Reconstruction and Development (IBRD), which provides financing,

<sup>3</sup> For the latest assessment by each SDG, see *The Sustainable Development Goals Report 2019*, United Nations, New York, 2019. <http://bit.ly/SDG2019Report>

<sup>4</sup> In January 2019, the IMF cut its global growth forecast to 3.2% from 3.7%. <https://www.imf.org/en/Publications/WEO>

<sup>5</sup> *Financing for Development*, United Nations (UN) Department of Economic and Social Affairs, New York, 2015. <http://bit.ly/UNFSD>

<sup>6</sup> OECD Development Assistance Committee estimates based on reporting by OECD members and some non-OECD members. Figures include official development assistance, other official flows, and private sector finance. <https://stats.oecd.org/>

<sup>7</sup> Figures include official development assistance and other official finance.

<sup>8</sup> As of 2018, estimates of official development assistance are based on grants and the grant equivalent value of loans.

<sup>9</sup> The World Bank Group received a higher ratio of core contributions.

<sup>10</sup> *From Billions to Trillions: Transforming Development Finance*, Development Committee, Board of Governors of the Bank and the Fund, April 2, 2015. <http://bit.ly/WBFFD>

<sup>11</sup> The WBG is made up of five institutions: the International Bank for Reconstruction and Development (IBRD); the International Development Association (IDA); the International Finance Corporation (IFC); the Multilateral Investment Guarantee Agency (MIGA); and the International Center for Settlement of Investment Disputes (ICSID). <https://www.worldbank.org/en/who-we-are>



policy advice, and technical assistance to middle-income and creditworthy poorer countries; the International Development Association (IDA), which provides financing on concessional terms;<sup>12</sup> advice, and technical assistance to the world's poorest countries; and WBG trust funds, which mainly provide grants to low- and middle-income countries. Bank activities are also supported through other external funds: financial intermediary funds (FIFs), reimbursable advisory services (RASs), and externally financed outputs (EFOs).<sup>13</sup>

### World Bank Group Mission and Goals

The WBG's mission is carved in stone at its Washington headquarters: "Our Dream is a World Free of Poverty." That mission is supported by twin goals—to help end extreme poverty by 2030 and promote shared prosperity sustainably across the globe. The share of people living in extreme poverty—that is, living on less than \$1.90 per day—has dropped from 36 percent in 1990 to 10 percent in 2015, but it remains unacceptably high. Global inequality declined between 1990 and 2015, but the richest 1 percent of the world's people still own 45 percent of the world's wealth, while 64 percent of the world's population own less than 2 percent.<sup>14</sup>

### The WBG Forward Look

In 2016, the WBG defined its response to the SDGs, the Climate Accord, and its mandate of addressing poverty and inequality in the *Forward Look*.<sup>15</sup> Through this strategy, the WBG reaffirmed its twin goals and defined three priorities to achieve these goals: inclusive and sustainable economic growth, human capital, and resilience. Four pillars underpinned the achievement of the goals and priorities:

- **Serving All Clients.** Under this pillar, the WBG would support all client segments through customized packages of lending and nonlending/knowledge services. The client segments were defined in overlapping ways: by funding provided (IBRD or IDA clients); by income grouping (lower-middle-income countries, middle-income countries, etc.); and by country characteristics (e.g., fragile and conflict-affected states and small states).
- **Supporting Resource Mobilization.** This pillar included mobilizing private finance to accompany and leverage WBG investments; creating markets by linking reforms, investment, mobilization, and catalyzation; and assisting countries to enhance their domestic resource mobilization.
- **Leading on Global Issues.** The global issues identified under this pillar were climate change, crisis response, jobs, gender, and infrastructure.
- **Improving the Business Model.** This pillar was designed to make the Bank more responsive, faster, and better, and increase its efficiency; improve strategic alignment in IFC; and optimize delivery in MIGA. The activities included administrative simplification, improving knowledge production and dissemination (through the Global Practices), introducing new safeguards and procurement policies, developing a people strategy, and increasing incentives for collaboration across the WBG.

While the focus of the *Forward Look* and its updates has been on the Bank Group's core funding (IBRD, IDA, IFC, and MIGA), trust funds undoubtedly play a key role in supporting the achievement of the corporate strategy. This chapter discusses their contributions.

<sup>12</sup> IDA provides concessional loans and grants to the poorest countries; IDA grants are provided to countries in debt distress or at high or moderate risk of debt distress.

<sup>13</sup> FIFs and their value proposition are described in section two of the Report; this chapter only covers transfers from FIFs to the Bank as an Implementing Entity (IE). RASs are increasingly important instruments to meet client demands for services beyond what the Bank's administrative budget or trust funds can support. RAS are ASA activities that may include technical assistance related to preparation and implementation support for client-financed projects. According to the Bank's 2018 Annual Report, 10 percent of ASA activities are financed by RASs. Finally, EFOs fund activities that usually amount to less than \$2 million and require limited reporting. In FY18, 102 approved EFOs amounted to \$44.5 million.

<sup>14</sup> *Global Inequality*, Inequality.org, 2018.

<sup>15</sup> A copy of *Forward Look, A Vision for the World Bank Group in 2013* can be downloaded at <http://bit.ly/2016forwardlookWB>



## 1.3 THE TRUST FUNDS AND THEIR IMPORTANCE

Trust funds are important funding sources both for clients and for the Bank itself. Over the past five years, trust funds have provided about one out of every twelve dollars disbursed to client countries (Figure 1.1) and about one out of every four dollars spent on administrative resources (Figure 1.2). Disbursements for Bank-executed

trust funds increased by 38 percent over the past five years, from \$770 million in FY15 to \$1.1 billion in FY19 (see Chapter 2, Figure 2.23). Disbursements from IFC trust funds increased by 10 percent, from \$268 million in FY15 to \$298 million in FY19 (see Chapter 2, Figure 2.25).

### Box 1.1 World Bank Trust Fund Definitions

**What is a trust fund?** A trust fund is a financial instrument that accepts contributions from one or more donors to be held and disbursed by the WBG as a trustee. A trust fund often creates partnerships and platforms for financial, knowledge, and other forms of collaboration between donors, client countries, and others, at the global, regional, and country levels. There are two types of WBG trust funds.

- **Recipient-executed trust funds (RETFs).** Under RETFs, the Bank channels donor funds to recipients that implement the agreed activities. The Bank normally appraises the activities and provides implementation support. Hence, the use of RETFs is comparable to that of IBRD and IDA financing.
- **Bank-executed trust funds (BETFs).** Under BETFs, the Bank is itself responsible for implementing the agreed activities. BETFs therefore support the World Bank's work program and are comparable to the WBG administrative budget.

IFC trust funds mainly finance Advisory Services, directly implemented by IFC.



Figure 1.1. Disbursements from IBRD, IDA, and RETFs, FY15-FY19 (US\$ billions)

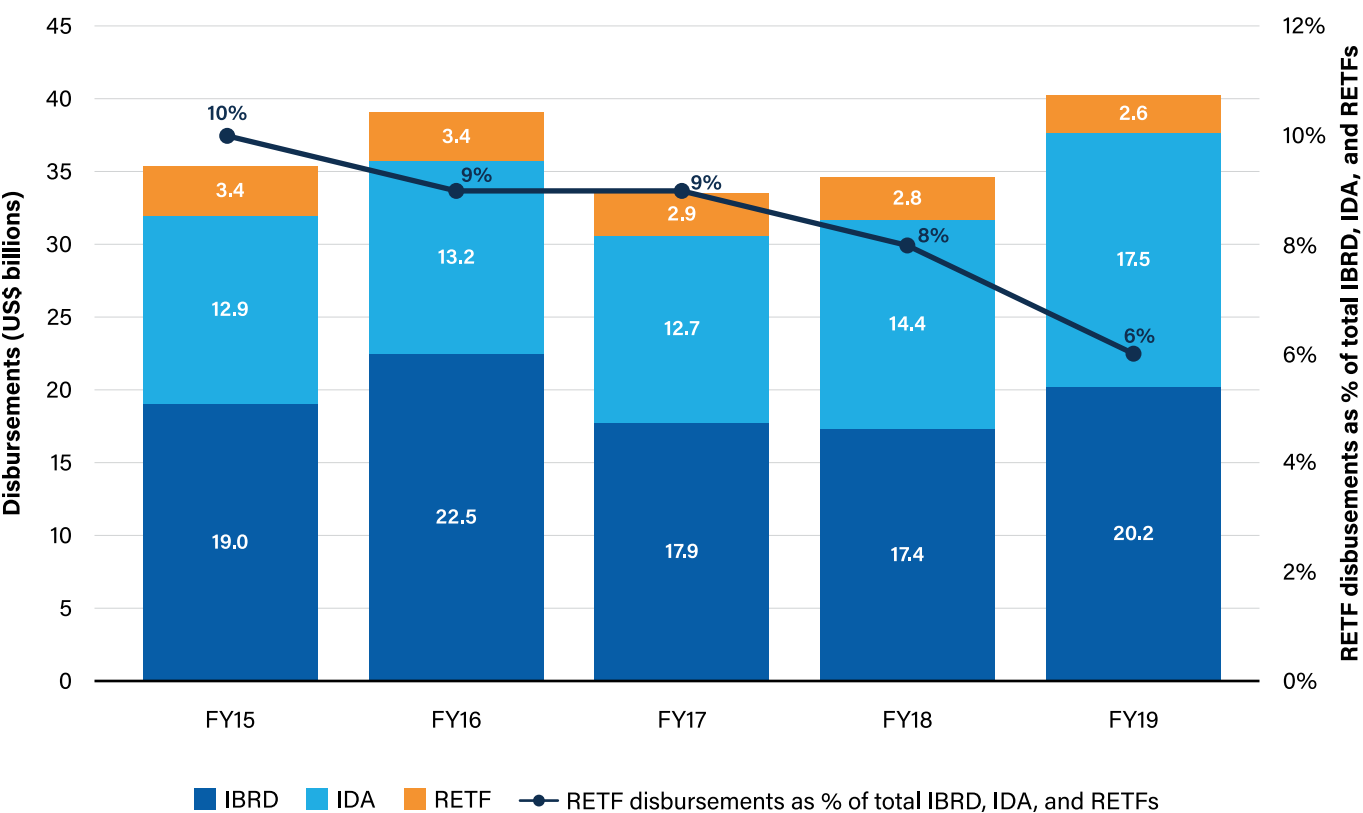
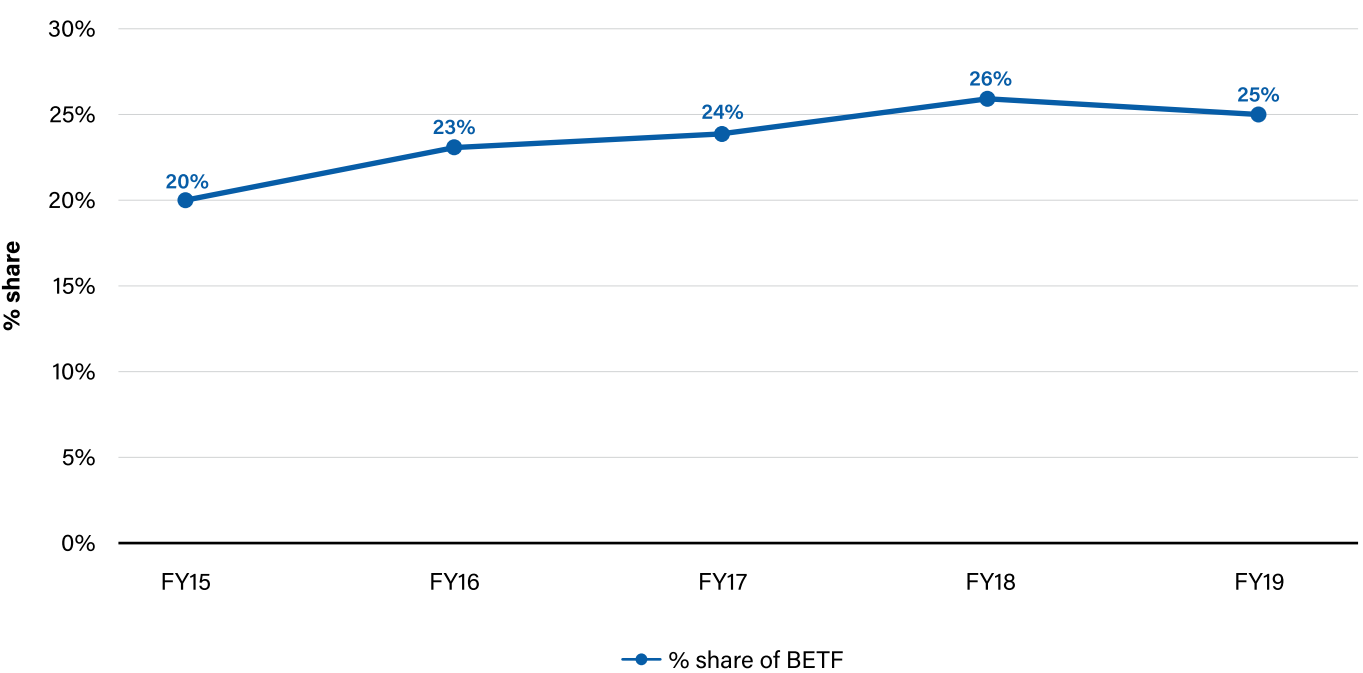


Figure 1.2. BETF disbursements as share of the World Bank administrative budget, FY15-FY19





## 1.4 TRUST FUNDS' CONTRIBUTIONS TO THE FORWARD LOOK

Trust funds support the achievement of the goals of the *Forward Look* strategy by providing financial resources and contributing to knowledge. The WBG's global reach, local presence, multisectoral perspective, and convening power are core strengths that IBRD, IDA, IFC, and trust

funds can leverage to contribute to country, regional, and global development. The remainder of this chapter illustrates the contributions that trust funds have made to the *Forward Look* pillars; additional examples of trust funds are provided in Annex 1.



### PILLAR 1: SERVING ALL CLIENTS

**Value Proposition:** Trust funds are used strategically to complement the core funding from IBRD and IDA. They enhance global, regional, and country-level knowledge; provide targeted support to clients as a complement to IBRD and IDA funding; and provide funding to countries and clients that cannot receive IBRD and IDA funding.

### Enhancing Knowledge

Trust funds improve global, regional, and country-level knowledge by supporting analytical work and operational innovations.



#### Supporting Advisory Services and Analytics

Trust funds contribute significantly to the Bank's global, regional, and country-level knowledge base by financing analytical work that informs strategies, policies, programs, and projects. They provide almost two-thirds of the funding for the World Bank's advisory services and analytics (ASA)<sup>16</sup> (see Figure 1.3). Trust funds finance many of the diagnostics that may later inform Systematic Country Diagnostics (SCDs) and support the Bank's engagement with countries by funding activities that provide a robust empirical and analytical basis for prioritizing development challenges. The results of this work support evidence-based discussions with public

officials and other stakeholders about their development strategies.<sup>17</sup> Similarly, providing advice is a critical part of IFC's strategy to create markets and mobilize private investment. Through this work, IFC helps establish the necessary conditions that will attract the most private capital, enabling the private sector to grow.<sup>18</sup> IFC trust funds are the main instrument for financing IFC Advisory Services, with funding coming from development partners, IFC, and clients.



#### Operational Innovations

Pivotal concepts that are integral to the Bank's business today—gender, participatory development, citizen engagement, and greater focus on fragility and on social and environmental safeguards—were in their infancy in the 1990s. While many processes and organizations contributed to bringing these ideas into the Bank, trust funds played a critical role in the initial years by piloting them on a small scale, learning lessons, demonstrating

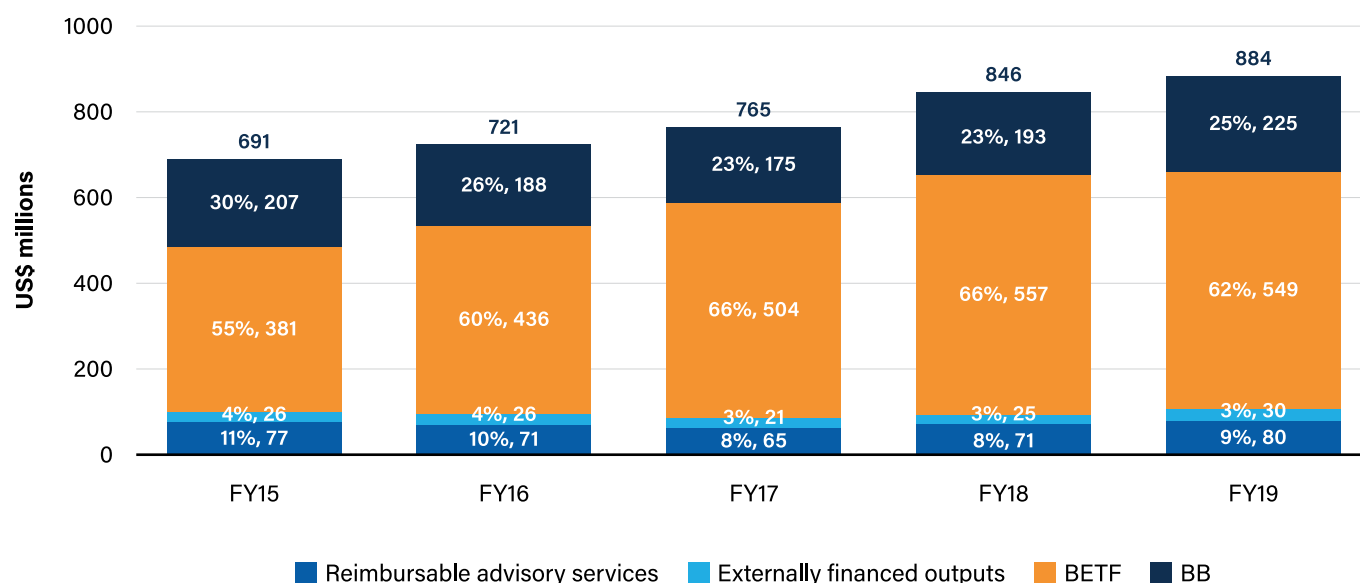
<sup>16</sup> ASA are nonlending activities of the World Bank that support clients with advice and analysis to design or implement better policies, strengthen institutions, build capacity, inform development strategies or operations, and contribute to the global development agenda.

<sup>17</sup> Knowledge flow and collaboration under the World Bank's new operating model, January 31, 2019. <http://bit.ly/WBKknowledge>

<sup>18</sup> Refer to IFC website: [http://bit.ly/IFC\\_adv](http://bit.ly/IFC_adv)



**Figure 1.3. Distribution of ASA funding, FY15-FY19 (US\$ millions)<sup>19</sup>**



success, mainstreaming them into the Bank's operational work, and building staff capacity to assist their country counterparts in these areas. Today, much of the trust fund resources are dedicated to strengthening the knowledge base and piloting and testing innovative approaches. According to the Independent Evaluation Group's 2011 assessment of trust funds, about one-third of sampled trust fund programs aimed to pilot, diffuse, or mainstream innovations.<sup>20</sup>

## Results Stories: Trust Funds, Knowledge, and Operational Innovations

### Supporting Advisory Services and Analytics

**The Global Water Security and Sanitation Partnership (GWSP)** trust fund was established in 2017 to advance global knowledge and help client governments achieve water-related SDGs through analytics and knowledge management. It

supports task teams, clients, and other partners by (a) fortifying the Global Practice's intellectual leadership and giving staff the tools and analysis they need to collaborate with global experts, develop new concepts, and conduct in-depth research; (b) placing staff in strategic geographies to continue client dialogue and to provide long-term technical assistance; and (c) providing rapid response to changing project conditions, shifting projects toward more sustainable results through the just-in-time technical support modality, the Water Expertise Facility. These activities have supported providing 15.7 million people with improved water supply services and 11.5 million people with improved sanitation, and have influenced \$13.8 billion in Bank operations, including \$4 billion in innovative results-based operations, across 31 countries. The GWSP has supported Water Supply, Sanitation, and Hygiene Poverty Diagnostics (WASH PDs) in 18 countries.

<sup>19</sup> To present a more comparable basis, pre-FY19 expenditures have been adjusted to reflect recent cost accounting adjustments to non-salary staff costs.

<sup>20</sup> The evaluation report can be downloaded from <http://bit.ly/IEGTFeval>





♦ **Photo Credit:** Ray Witlin © World Bank

- In Nigeria, the WASH PD identified institutional bottlenecks and led the Ministries of Finance and Water Resources to initiate sector reform with World Bank support, including through two \$700 million IDA water supply and sanitation projects.
- In Ecuador, the WASH PD's finding that access to water and sanitation was a key source of inequality led to the development of a water and sanitation policy targeting the bottom 40 percent of households and influenced the SCD and the FY19-FY23 Country Partnership Framework (CPF).
- In Mozambique, the WASH PD revealed that access to piped water for the bottom 40 percent of the population had changed little, while disparities with the rest of the population grew. This led the Government to request further support through a \$115 million IDA Mozambique Urban Sanitation and Drainage Project.

### Operational Innovations

**The Korea Green Growth Trust Fund (KGGTF)** was established in 2011 to support client countries in operationalizing inclusive green growth initiatives, strategies, and investments. The trust fund prioritizes initiatives that have the potential to become large-scale follow-up projects led by the World Bank and client countries (\$9 billion since its establishment), and it is highly valued for its

support of new methodologies and technologies (about 80% of grants), its investment in innovative approaches, and its facilitation of learning from around the world. Since its establishment, the KGGTF has helped influence over \$9 billion in World Bank multisectoral lending operations. In 2017, it helped pioneer the Decision Making Under Deep Uncertainty (DMDU) method, which, in response to climate change and volatile weather patterns, simulates the consequences of unexpected events on investment costs, asset values, population growth, and other variables, exposing benefits and trade-offs.

- In Lima, Peru, over 1.5 million residents are living with chronic water shortages. Using the DMDU methodology, the World Bank helped SEDAPAL (Lima's water utility company) revise its \$2.7 billion 2040 water resources management master plan.
- In Mozambique, the DMDU methodology informed the \$150 million IBRD/IDA Integrated Feeder Roads Development Project, a rural roads project that won the President's Award for Innovation in 2018.
- In Sri Lanka, the DMDU provided the most economically efficient solution for flood risk reduction in Colombo, as part of the \$213 million IBRD/IDA Metro Colombo Urban Development Project.

Because the DMDU methodology has been used so successfully in these pilot projects, it has been integrated into 16 Bank-funded investment operations—10 in hydropower and 6 in transportation—totaling \$1.4 billion.



♦ **Photo Credit:** Korea Green Growth Trust Fund



## Complementing IBRD and IDA Funding

Trust funds complement IBRD and IDA by providing additional funding to scale up development impact and support the quality of lending operations.



### Additional Funding to Scale Up Development Impact

IBRD and IDA allocate resources according to rules-based approaches and have limited flexibility to significantly increase funding for particular countries; even countries that receive exceptional funding (e.g., through allocations for post-conflict reconstruction or reengagement) often require far more resources than those the World Bank's core funding can provide. Disbursements cofinancing IBRD and IDA accounted for 48 percent (\$1.3 billion) of all RETF disbursements in FY19. Trust funds target support to individual countries or groups of countries, especially in South Asia and Africa. They are also an important source of financing for fragile and conflict-affected states, with FY19 disbursements of \$1.2 billion, or 45 percent of total RETF disbursements (see Chapter 2, Figure 2.19).<sup>21</sup>



### Supporting the Quality of Lending Operations

Support for the preparation and supervision of lending operations is also a complementary contribution that trust funds provide to IBRD and IDA. While these amounts are less significant in volume and proportion than trust fund contributions to ASA, trust funds can provide additional support, particularly in complex, low-capacity environments. They allow for specialized expertise to be hired to supplement World Bank administrative budget funding.

## Results Stories: Trust Funds, Complementary Financing, and Supporting the Quality of Lending Operations

### Additional Funding for Greater Impact

**The Rwanda Agriculture Program-for-Results (PforR) Multi-Donor Trust Fund (MDTF)** was established in 2015 to provide \$60 million of cofinancing for the \$206 million IDA Transformation of Agriculture Sector Program Phase Three PforR operation. The trust fund cofinanced the five results areas of the operation: agriculture and animal resource intensification, technology transfer and farmer professionalization, value chain development, private sector development, and institutional development. The trust fund's support helped the Ministry of Agriculture and Animal Resources – the responsible government agency – implement program activities and enable transformational change in the agriculture sector. It also helped conduct the Agriculture Public Expenditure Review, prepare the National Agricultural Policy, implement several action plans and reforms, and provide technical assistance and capacity development to strengthen the Ministry and Government systems. Disbursement-linked indicators showed that, with the support of the trust fund, productivity targets were largely met or surpassed. For example, the percentage of agricultural land under modernized technologies increased from a baseline 24 percent in 2013 to 44 percent, well above the 2018 target of 34 percent. Similarly, agricultural exports grew from a baseline 22 percent of total exports in 2013 to 48 percent in 2018, against a target of 25 percent. Daily yields for coffee, cassava, and dairy milk per cow

<sup>21</sup> Like most multilateral development banks (MDBs), IBRD and IDA generally do not provide financing to countries in arrears, to protect their Preferred Credit Status and triple-A credit ratings.





♦ **Photo Credit:** Abbas Farzami, RUMI Consultancy © World Bank

rose significantly. The percentage of households with acceptable food consumption met the 2018 target of 23 percent one full year early.

### Complementing the Bank's Core Funding Resources in Fragile Contexts

**The Afghanistan Reconstruction Trust Fund (ARTF)** was established in 2002 in the aftermath of the Afghan crisis to support stabilization and reconstruction needs in the country, fill the large financing gaps in the operating and development budgets of the Government of Afghanistan, and provide a platform for pooled financing and coordinated implementation support to the Government. The ARTF is the largest single source of support for the Government of Afghanistan's operating and development budgets; as of the end of FY18, it had provided total contributions of \$11.74 billion, and it finances nearly 40 percent of the civilian budget and half of all development expenditures. ARTF financing delivers critical results in education, health, urban and rural development, agriculture, infrastructure, and governance, and, as of end-December 2018, has directly benefited 17 million Afghans. For example:

- Between 2008 and 2017, ARTF provided \$408 million to cofinance the \$30 million provided by IDA for the Education Quality Improvement Project. Under this project, 8,500 classrooms and 1,600 schools were constructed, 150,000 teachers trained, 13,000 school management committee (*shura*) members supported, and communities sensitized to the importance of education, especially for girls. In total, approximately 8.9 million children (39% girls) were enrolled. In 2018, the World Bank continued its engagement in Afghanistan's education sector by launching the \$298 million EQRA Education Project cofinanced by IDA (\$100 million), the ARTF (\$100 million), and the Global Partnership for Education (\$98 million).
- ARTF provided \$452 million to cofinance the \$100 million provided by IDA for the System Enhancement for Health Action in Transition Project. Under this project, over 890,200 births (56% of all births) were attended by skilled birth attendants, 85 percent in health facilities that included at least one female health worker on their staff, and the number of women who



received antenatal care during a visit to a health provider increased from the 2012 baseline of 723,600 to 1.4 million in 2018. The proportion of children treated for severe malnutrition more than tripled from 24 percent in 2011 to 77 percent in 2018. In 2018, to build on this work, the World Bank launched the \$600 million Afghanistan Sehatmandi Project, cofinanced by ARTF (\$425 million), IDA (\$140 million), and the Global Financing Facility for Women, Children and Adolescents (\$35 million).

- ARTF provided \$118.4 million to cofinance \$97.8 million provided by IDA for the Irrigation Restoration and Development Project. Under this project 407,900 farmers (52% women) received new or improved irrigation and drainage services.
- ARTF provided \$312 million to cofinance \$125 million provided by IDA to the Rural Access Program, which delivers road access through public works in rural areas across the country. Almost 13,000 km of rural roads have been reconstructed and maintained, many of them connecting villages in the country's challenging mountainous terrain, thus improving lives of 24 million villagers in all 34 provinces of the country.

### Supporting the Quality of Lending Operations

**The Central Asia Energy-Water Development Program Multi-Donor Trust Fund** was established in 2009 to strengthen the enabling environment to promote energy and water security at the regional level and in beneficiary countries, build national and regional institutions, and facilitate regional dialogue to advance sustainable development and climate resilience. Since its inception, the trust fund has supported \$1.7 billion in investments in several Central Asian countries. It has shaped numerous World Bank-financed operations and has served as a facilitator for water and energy management, identifying key interventions to collaborate with development partners and providing funding for

these projects. The MDTF finances knowledge, technical assistance, capacity building, dialogue, and diagnostic analyses, with a focus on energy and water security and energy-water linkages.

- In Tajikistan, for example, a \$580,000 grant for the Tajikistan Winter Energy Program supported two studies: (a) a study on heating solutions in rural areas, which facilitated a change in the Government's perception of energy-efficient heating and cooking stoves and helped to scale up production of new prototypes; and (b) rehabilitation, dam safety, and sedimentation studies for the Nurek Hydropower Plant, which led to an investment program to improve the reliability, safety, and lifespan of the plant. Hence, the trust fund helped prepare the \$225.7 million IDA Nurek Hydropower Rehabilitation Project Phase I and the \$24 million IDA CASA-1000 Community Support Program. The studies also informed World Bank investments in the Kyrgyz Republic, including the \$46 million Heat Supply Improvement Project and \$10 million IDA CASA-1000 Community Support Program.

## Providing Resources Where the World Bank Group Cannot

### Providing Resources Where the World Bank Group Cannot

Trust funds provide resources to countries, territories, and institutions that are not eligible to receive IBRD, IDA, and IFC funding. Trust funds are the primary funding vehicles available to non-member countries and countries in arrears.<sup>21</sup> Also, when nongovernmental organizations (NGOs) become implementing agencies or undertake certain activities such as third-party monitoring, they can be supported through trust funds. For example, in FY18 half of the grants from the Japan Social Development Fund (JSDF) were implemented by NGOs.<sup>22</sup>

<sup>22</sup> Annex 1 provides the complete results story on JSDF.





♦ **Photo Credit:** Arne Hoel © World Bank

## Results Stories: Trust Funds, the Only Source of World Bank Group Engagement in Some Contexts

### Supporting Non-member Countries or Territories

**The Palestinian Partnership for Infrastructure Development (PID) Multi-Donor Trust Fund** was established in 2012 to improve the coverage, quality, and sustainability of infrastructure in the West Bank and Gaza. It aims to support capacity building, infrastructure investments, and institutional development by providing financial and technical assistance to the Palestinian Authority. Since the West Bank and Gaza is not a member of the World Bank, it cannot access regular IBRD and IDA funding.<sup>23</sup> The PID MDTF, currently the primary multidonor, multisector instrument in the West Bank and Gaza, contributes to the World

Bank's Assistance Strategy for the West Bank and Gaza, and has provided critical financing to the water, energy, and urban sectors. For example:

- The \$130 million Second Municipal Development Project, cofinanced by the PID MDTF (\$45 million) and the Trust Fund for West Bank and Gaza (\$13 million), with parallel financing (\$72 million) from other donors, has restored municipal services for 1.2 million people across the Gaza Strip. Since its launch in FY13, the project has provided 2.3 million people (49% of them women) across the West Bank and Gaza with better municipal services and municipal transparency in the delivery of services. Around 474,000 people in urban areas in the Southern Gaza Strip now have access to regular solid waste collection services. Another 1.7 million people have benefited from the construction or rehabilitation of roads and parks.

<sup>23</sup> On October 19, 1993, by the terms of Resolution No. 93-11 and IDA 93-7, the Executive Directors of the IBRD and IDA approved the establishment of the first trust fund for West Bank and Gaza, and IBRD net income is used to replenish the trust fund annually. Since then, the Trust Fund for Gaza and West Bank (TFGWB) has mainly provided budgetary support to the Palestinian Authority, with limited infrastructure investments in key sectors.



- The \$55 million North Gaza Emergency Sewage Treatment Project, cofinanced by the PID MDTF (\$5 million) and the Trust Fund for West Bank and Gaza (\$7.8 million), with parallel financing (\$43 million) from other donors, helped construct a 35,000 cubic meter wastewater treatment plant, providing better sanitation for 378,000 inhabitants of north Gaza.

### Supporting Countries in Arrears

**The Somalia World Bank Multi-Partner Fund (MPF)** was established in 2013 to support the development goals of the Somali Compact and strengthen country systems for the delivery of public services. From its establishment until late 2018, the MPF was the World Bank's main instrument for promoting economic reform and providing long-term support to build core country systems and institutions for reconstruction.<sup>24</sup>

- The MPF assisted in the enactment of two important pieces of legislation, strengthened country-owned financial management systems, and supported the foundation of a civil service to lead reform efforts. Among its achievements: 256 professionals were recruited into government, 27,340 teachers were paid, and a financial management system was established. The MPF has enabled the Government to provide a credible and sustainable payroll and establish the foundation for efficient budget execution and payment systems for the non-security sectors. It has supported Government-led infrastructure development in four major urban areas, and initiated drought response in five Federal Member States.
- The MPF supported the development of the private sector. The \$28 million Somali Core Economic Institutions and Opportunities project

helped improve the enabling environment for private and financial sector development and catalyze private investment and job creation. Under this project, which included the Somali Business Catalytic Fund, 100 businesses across the Somali peninsular received \$5.3 million in financial support to expand their business and increase local employment, creating 2,200 direct jobs.



♦ **Photo Credit:** Tobin Jones/AMISOM

<sup>24</sup> Somalia has been in a nonaccrual status since 1991, unable to access regular support from IDA, IMF, or other MDBs because of its arrears. It was only after the approval of the CPF FY19-22 in September 2018 that the first IDA resource allocation was provided. The CPF builds on the progress of economic reform and institution building supported through the MPF.



## Working with Nongovernmental Organizations

**The Japan Social Development Fund (JSDF)** was established in 2000 to assist disadvantaged groups in low- and lower-middle-income countries made vulnerable by the financial crisis of the late 1990s. The JSDF provides recipient-executed grants for community-driven development and poverty reduction projects that target the poorest, most vulnerable people not reached by mainstream development programs; pilot innovative development approaches; and empower and strengthen the capacity of civil society, local communities, and NGOs. Since its establishment, the JSDF has disbursed \$556 million, providing livelihood opportunities to 2.2 million people (60% women); improved nutrition and early childhood care and development programs for another 1.7 million people (70% women); and basic health and sanitation services for the first time for 470,000 people (55% women).

JSDF grants promote the participation of NGOs in the implementation of projects and in monitoring and evaluation; in FY18, at least half of JSDF's RETF grants were implemented by NGOs. Between 2011 and 2015, JSDF provided a \$1.9 million grant to the Partnership for Transparency Fund (PTF), an international NGO, as part of the Citizen Action for Results, Transparency and Accountability (CARTA) Project. The CARTA Project aimed to enhance the development impact, sustainability, and client ownership of pro-poor projects financed by the World Bank in Bangladesh and Nepal, by promoting NGOs' engagement and increasing their capacity to demand better governance from implementing entities. To implement the CARTA Project, the PTF supported national NGOs in Bangladesh (the Manusher Jonno Foundation) and Nepal (Helvetas International Cooperation) in administering the grants and providing direct technical support to local grant recipient civil society organizations that were responsible for monitoring the projects. In total, 11 IDA projects (5 in Bangladesh and 6 in Nepal) were selected for independent third-party monitoring, with grants of \$75,000 to \$150,000.



♦ **Photo Credit:** Chor Sokunthea © World Bank

In Nepal, a \$150,000 subproject was launched to strengthen the capacity of community-based organizations to monitor the civil works and contract processes under the Rural Access Improvement and Decentralization Project, and to facilitate access to relevant agencies for grievance redress. The JSDF grant supported these organizations in efforts to better understand the policy and principles in the Environmental and Social Management Framework and built their capacity to ensure construction quality, identify any malpractice, and collect and report grievances. By the end of the subproject, 187 grievances were recorded, 46 percent of them related to quality issues in civil works, and 89 percent were fully addressed. As a result of the increased number of valid filed grievances and the responsiveness of project authorities, community satisfaction with the project increased.





## PILLAR 2: SUPPORTING RESOURCE MOBILIZATION

**Value Proposition:** Trust funds support (a) public revenue and expenditure management, (b) debt management, (c) development finance innovations, and (d) new sources of funding for development.



### Public Revenue and Expenditure Management

National governments' mobilization and management of domestic resources remains the most important source of funding for development, and therefore government capacity in this area is critically important. However, governments are usually reluctant to borrow even concessional funds for such capacity building. Hence, for countries that are recipients of World Bank financing, trust funds support governments in strengthening their revenue mobilization, public expenditure management, procurement, and public financial management systems.



### Public Debt Management

Borrowing by developing countries tripled to \$607 billion in 2017, up from \$181 billion the previous year, and this rising debt burden makes reaching the 2030 goals much more difficult. Improving debt management is, therefore, a significant area in which trust-funded technical assistance is providing support.



### Development Finance Innovations

Trust funds offer the flexibility to create and test innovative financial solutions such as tapping into innovative funding sources and mechanisms and enhancing the efficiency of financial flows through multicountry risk pools for insurance against natural disasters, more efficient financial flows through index-based risk financing, and risk guarantees.



### Supporting New Sources of Development Finance

Financial mobilization from nontraditional donors, private donors (including foundations, corporations, and individuals of high net worth), and even ordinary citizens—through crowdsourcing—could help expand the pool of funds available for achieving the SDGs and twin goals. Trust fund contributions from private donors have increased from about 4 percent of total contributions over the last decade to 8 percent this year. The Bank is strengthening its policies to effectively manage reputational and other risks to further engage private sector donors.

## Results Stories: Trust Funds Contribute to the Development Finance Agenda

### Complementing the Bank's Work on Public Revenue and Expenditure Management

In support of IDA18's commitment to domestic resource mobilization, the Global Tax Program (GTP) was launched in 2017 to strengthen the tax systems of developing countries by facilitating the design and implementation of fair and effective systems that create positive conditions for economic and private sector growth.<sup>25</sup> The GTP's intermediate objectives include (a) greater participation of developing countries

<sup>25</sup> The GTP, part of the Umbrella 2.0. pilot initiated in 2018, is managed by the Governance Global Practice.





♦ **Photo Credit:** Simone D. McCourtie © World Bank

in the development of the global tax architecture, (b) enhanced understanding of the requirements to improve the performance of tax administrations, and (c) strengthened research and knowledge development. The GTP brings together different research, data analytics, and experimental methods to promote shared learning and supports countries in strengthening their tax institutions and achieving greater revenues. The GTP also promotes practical ways of developing capacity, such as using Communities of Practice to transfer skills and knowledge and providing special support in small states and in countries affected by fragility, conflict, and violence (FCV). The latest estimates are that 39 of the World Bank's client countries have tax revenues below 15 percent of GDP – the minimum level needed to ensure that public resources are available for the achievement of the SDGs. With GTP support, these countries have already begun implementing targeted investments to increase their tax-to-GDP ratios through a variety of tools, including

development policy financing, investment project financing, ASA, and Tax Administration Diagnostic Assessment Tools. The commitment value of the active domestic resource mobilization portfolio in below-the-threshold countries is \$1.3 billion, with a total of 117 active engagements.

### Supporting Countries in Effective Public Debt Management

**The Debt Management Facility (DMF)** is a unique MDTF that has supported expert assistance on debt management to low-income countries since 2008. Since its inception, the DMF has funded over 250 technical assistance missions to 75 countries. The technical assistance, advisory support, training, and peer-to-peer learning the DMF provides help countries strengthen their debt management institutions, processes, and capacity.

- In 2014, the World Bank launched a second round of the trust fund (DMFII) that formalizes a partnership with the IMF. Experts from both



institutions now provide trainings and technical assistance for DMF-eligible countries that wish to strengthen their debt management.

- In several countries the DMF has supported debt management diagnostics through the Debt Management Performance Assessment (DeMPA), the design of reform plans that provide a detailed, sequenced, capacity-building roadmap, and implementation of Medium-term Debt Management Strategies (MTDSs).
- Under the DMF's Debt Management Practitioners Program, debt managers from DMF-eligible countries are seconded to the World Bank for three-month assignments to strengthen their skills through "learning by doing," DMF activities, and peer-to-peer knowledge exchange with Bank and IMF staff and debt managers from other countries.

### Offering Development Finance Innovations

**The Global Partnership for Results-Based Approaches (GPRBA),**<sup>26</sup> established in 2003, focuses on output-based aid—a type of results-based financing that provides subsidies and technical assistance to service providers—to reduce the cost of service delivery for underserved low-income communities and bring public and private sector financiers together to maximize resources. By pioneering an innovative funding system that disburses payments only when actual results materialize, GPRBA has evolved into a Center of Expertise on output-based aid and results-based financing. Over the last 15 years, GPRBA has provided \$248 million to 49 IBRD/IDA projects in 29 countries, ensuring that basic services in eight sectors reach over 10 million people in a sustainable way. In FY18, GPRBA disbursed \$28 million benefiting low-income communities, mainly in Africa and South Asia.

- In Zambia, a GPRBA grant for \$5 million helped increase access to grid-based electricity services for 32,800 low-income households and

5,100 micro and small enterprises, benefiting approximately 200,000 residents. The project subsidized the connection fee for low-income households and encouraged the transition from more expensive diesel generators and charcoal use in cooking to less expensive and cleaner energy. An impact evaluation conducted on the project found that the increased reliability of power supply also led micro-entrepreneurs to acquire refrigerators, televisions, and small appliances and to extend their business hours.

- In Bangladesh, a GPRBA grant for \$3 million helped increase access to hygienic sanitation facilities for over 776,000 people by enabling low-income rural households to access credit from local microfinance institutions to finance the purchase of hygienic sanitation facilities. The output-based subsidy covered 10-12 percent of the total loan value and was applied to sanitation investments costing \$45 to \$128. As of FY18, 170,700 household loans had been disbursed to buy and install hygienic latrines, totaling \$22 million in microfinance lending.

### Supporting New Sources of Development Finance

**The Carbon Initiative for Development (Ci-Dev),** set up in 2013, mobilizes private finance for access to clean energy in low-income countries, using the Clean Development Mechanism as a framework to quantify and certify emission reductions, while transitioning the portfolio to Paris Agreement-compliant approaches after 2020. Its objectives are to mobilize more than \$250 million in private finance, install more than 300 megawatts of clean energy and cooking capacity, serve 10 million people, and reduce carbon emissions by 7.9 million tons by 2025.

- The Standardized Crediting Framework (SCF) is a new approach to crediting emission reductions that is in line with the Paris Agreement's

<sup>26</sup> The program, initially established to test output-based aid, was known as the Global Partnership on Output-based Aid (GPOBA) until February 2019. It was renamed the Global Partnership on Results-Based Approaches (GPRBA) to reflect a new emphasis on testing other types of results-based financing approaches.





◆ **Photo Credit:** Peter Kapuscinski © World Bank

approach to delivering climate finance with market-based approaches. The SCF allows for greater geographic coverage and flexibility, improved transparency of national carbon crediting, reduced transaction costs, and more private sector engagement. In Senegal, Ci-Dev piloted the SCF through Agence Senegalaise d'électrification rurale (ASER), a rural electrification agency. Ci-Dev signed an Emission Reduction Purchase Agreement with ASER to purchase 660,000 certified emission reductions generated through the end of 2024. The pilot, initiated in 2017, has already benefited 500,000 people with 40,000 new low-carbon energy connections, and has yielded important lessons. Following Senegal's successful experience, Rwanda will host the second SCF pilot.

- Ci-Dev has committed to purchasing approximately \$76 million in emission reductions through 2025, from 13 energy access World Bank projects in Africa and Asia. For example, in 2016 Ci-Dev signed an Emissions Reduction Purchase Agreement with the Norwegian company Green Development for the purchase of 1.1 million carbon emission reductions

through 2024. The project aims to reduce greenhouse gas emissions from wood biomass by distributing up to 100,000 ethanol stoves in mainly urban and peri-urban areas.

**The Project Development Facility to Support Infrastructure to Build Resilience** was established in 2014 by IFC to unlock private sector investment to attract resilient infrastructure projects to emerging markets. Recent estimates are that it will cost \$57 trillion to build and maintain the world's infrastructure needs between now and 2030. This requires new ways of thinking to enable partnerships between public entities and private enterprises to work together and share risks. One of the main obstacles to developing more infrastructure projects is that governments are not well equipped to structure and negotiate transactions with investors. Combining funds and expertise in urban resilience from the Rockefeller Foundation with IFC's infrastructure expertise, governments can increase the number of bankable resilience infrastructure projects and attract global institutional investors. Since inception, the trust fund has allocated a total of \$4.8 million across IFC projects in several sectors: power (38%), transport (28%), water (17%), waste (7%), housing (5%), and financial institutions (5%).

- In Serbia, the City of Belgrade and a consortium of Suez (France) and Itochu (a Japanese trading company) signed a 25-year public-private partnership (PPP) contract for the financing, construction, and operation of a waste management complex with support from this Rockefeller-IFC Facility. The first of its kind in the Balkans, the project is expected to mobilize about \$375.6 million (€330 million) in private sector financing and generate 80 megawatts of renewable heat and electricity with a 340,000 ton per annum waste-to-energy plant, reducing greenhouse gas emissions by 200,000 metric tons. This project demonstrates best industry practices in the treatment and final disposal of solid waste by introducing private sector expertise in the value chain and applying international standards to manage pollution, land acquisition, involuntary resettlement, and livelihood restoration.





## PILLAR 3: LEADING ON GLOBAL ISSUES

**Value Proposition:** *The Forward Look identified five global issues that the WBG would focus on: climate change, crisis response, jobs, gender, and infrastructure. In each of these focus areas, trust funds play a vital role, complementing IBRD and IDA.*<sup>27</sup>

One of the key challenges in development relates to the incentives for individual countries to borrow for the provision of regional and GPGs (either knowledge or investments): while individual countries bear the costs, benefits may accrue across national boundaries. Therefore, GPGs require action at the national, regional, and global levels. The strategic complementarity between trust funds and IBRD and IDA in supporting GPGs has been clearly demonstrated. Through the Bank's country-based model,<sup>28</sup> IBRD and IDA fund some or most of the national-level (and some regional-level) actions. Complementary financing instruments—like trust funds or FIFs<sup>29</sup>—support the global aspects of GPGs and facilitate assembling different national and global stakeholders into partnerships.<sup>30</sup>



### Climate Change

WBG-funded activities continued to be implemented in line with the WBG's Climate Change Action Plan for 2016-2020.<sup>31</sup> The Action Plan includes ambitious targets to increase climate financing to 28 percent of the WBG's total portfolio by 2020, thereby helping client countries to add 30 gigawatts of renewable energy, putting in place early warning systems for 100 million people, and developing climate-smart agriculture investment plans for at least 40 countries. Trust fund resources deepen the WBG's engagement in key priority areas and pave the way for innovative pilot approaches to climate action that complement IBRD, IDA, and IFC operations. Work carried out under trust funds includes

(a) helping countries integrate climate change into their development strategies and investment programs to help achieve their Nationally Determined Contributions (NDCs);<sup>32</sup> (b) scaling up implementation of renewable energy and energy efficiency measures; (c) building capacity to integrate climate change considerations into the planning and design of long-term investments that expand sustainable infrastructure; (d) boosting climate resilience through improved management of natural resources, including climate-smart agriculture and sustainable forest management to support livelihoods and economic growth, and climate-responsive social protection; and (e) fostering strong partnerships with the private sector to expand green finance approaches.



### Crisis Response

The WBG Global Crisis Response Platform, established in 2016, helps the WBG provide scaled-up, more systematic, and better coordinated support to help clients prepare for, manage, and mitigate current and future crises due to a variety of global threats, including climate change and natural disasters, fragility and conflict, new pandemics, and macroeconomic and financial market shocks. The IDA Crisis Response Window provides additional "surge" resources in response to country emergencies such as major natural disasters, severe economic crisis, and public health emergencies, to help IDA countries return to their long-term development paths. Trust funds complement the IDA Crisis Response Window by responding effectively to client needs in a crisis.

<sup>27</sup> *The New Global Agenda and the Future of MDBs*, Brookings Institution, February 2018, Washington, DC. <http://bit.ly/NewGlobalAgenda>

<sup>28</sup> *Role in Global Issues: An Independent Evaluation of the World Bank Group Convening Power*, June 20, 2018. [http://bit.ly/IEG\\_CP](http://bit.ly/IEG_CP)

<sup>29</sup> *Global Public Goods: It's not Big Money, but It's a Big Breakthrough*, Nancy Birdsall, Center for Global Development, May 2, 2018. <http://bit.ly/GPGBreakthrough>

<sup>30</sup> *Providing Global Public Goods: What Role for the Multilateral Development Banks?* Overseas Development Institute, 2017, London. <http://bit.ly/GPGMDBrole>

<sup>31</sup> In January 2019, the WBG announced its *FY21-25 Action Plan on Climate Change Adaptation and Resilience*. <http://bit.ly/WBactionplanCCAR>

<sup>32</sup> The NDCs spell out the actions countries intend to take to address climate change.



## Gender

The WBG is implementing its Gender Strategy (FY16–23),<sup>33</sup> which aims to narrow gaps in opportunity and outcomes between males and females by (a) addressing gaps in health and education and emerging second-generation issues such as aging; (b) removing constraints to more and better jobs for women; (c) promoting women's ownership and control of assets; and (d) preventing and responding to gender-based violence. Trust fund resources complement IBRD, IDA and IFC operations by ensuring that WBG staff and clients, policymakers, and partners have the data, knowledge, and evidence they need to design effective gender programs and policies. These resources not only support the priorities of the Gender Strategy overall, but are also important catalysts for innovating, scaling up proven approaches by governments and the private sector, and expanding the frontiers of knowledge and action to close gender gaps.

## Jobs

The WBG supports developing countries in designing and implementing integrated, multisector jobs strategies, and in mobilizing global knowledge to address the jobs challenge. The main instruments it uses are jobs diagnostics, which identify the key labor market challenges countries face; jobs strategies, which outline potential solutions to address these challenges; and lending operations to support countries in implementing their jobs strategies. It also finances the development of standardized methods, tools, and guidelines, including for monitoring and evaluation. Trust funds such as the Jobs MDTF complement WBG operations by leveraging technical expertise and resources to develop innovative solutions that are aimed at (a) strengthening macro and regulatory policies to create an enabling environment for businesses to grow and create jobs; (b) implementing labor regulations, income protection, and active labor market programs that extend to most of the labor force; and (c) helping to design and deliver comprehensive, integrated, and high-impact jobs strategies that involve all relevant sectors in client countries.

## Infrastructure

The WBG's focus is on helping governments reduce infrastructure gaps by addressing constraints to greater private sector engagement. The World Bank has begun

conducting Infrastructure Sector Assessment Programs in selected countries; IFC has been strengthening its upstream work and making progress on mobilizing third-party capital, including from institutional investors; and MIGA has been working alongside other WBG entities to identify and support private investors and to use its guarantee product to maximize private participation in infrastructure investment. Partnerships such as the Global Infrastructure Facility (GIF) and the Global Infrastructure Connectivity Alliance support the integration of global efforts at infrastructure development.

### Results Stories: Trust Funds, Augmenting the WBG's Support for Global Issues

#### Climate Change

**The Global Facility for Disaster Reduction and Recovery (GFDRR)** was launched in 2006 to help countries and communities manage and mitigate disaster and climate risk and build resilience. GFDRR serves as the World Bank's focal point for disaster risk reduction and recovery, supporting technical assistance, capacity building, and analytical work across all Regions to help countries implement the Sendai Framework for Disaster Risk Reduction 2015-2030 and achieve the SDGs and the Paris Agreement. In FY18, GFDRR supported 136 countries and influenced development investments well beyond the \$252 million it manages. Its engagements catalyzed financing from governments and international financial institutions, including influencing \$4 billion through IBRD/IDA and \$2.1 billion through other partners.

- As of FY18, in 88 countries GFDRR has helped strengthen early warning systems and hydromet services that are expected to benefit 51 million people. For example, the \$27.7 million IDA Central Asia Hydrometeorology Modernization Project received \$2.1 million in financing from GFDRR to deliver several capacity-building

<sup>33</sup> World Bank Group Gender Strategy (FY16-23) : Gender Equality, Poverty Reduction and Inclusive Growth [http://bit.ly/WBG\\_Gen](http://bit.ly/WBG_Gen)





◆ **Photo Credit:** Vlad Sokhin © World Bank

activities—such as workshops, study tours, and the development of knowledge products—focused on strengthening technical and service delivery skills.

- In FY18, 28 percent of GFDRR's portfolio was dedicated to support 156 cities in 76 countries around the world in strengthening resilience. Through a \$650,000 grant, GFDRR's technical assistance helped in the design and preparation of Ghana's \$100 million IDA Greater Accra Clean, Resilient, and Inclusive Development Project by funding critical analytical work that improved understanding of the impact of climate change and hazard exposure on poor communities in the Greater Accra Metropolitan Area. The project aims to improve flood and solid waste management in some of the region's most vulnerable communities.

- In FY18, GFDRR set up a Resilient Transport Partnership Program to build safe and reliable transport systems and provided technical assistance of \$4 million covering 16 countries to conduct climate vulnerability analyses and develop investment plans to increase the resilience of interventions in the transport sector.<sup>34</sup>
- GFDRR is also helping countries better identify and understand risk in future climate scenarios, so that they can include climate-resilient measures in policies and investment operations. In 2014, GFDRR established a Resilience to Climate Change Initiative that has dedicated \$15.6 million to building climate resilience in 62 countries. In FY18, the initiative provided 22 countries with \$5.2 million in technical assistance in such sectors as resilient water management, energy, and coastal resilience.

<sup>34</sup> Technical assistance was provided to Argentina, Bangladesh, Brazil, Haiti, India, Kenya, Kyrgyz Republic, Mongolia, Nepal, Lao PDR, Paraguay, Peru, Philippines, Serbia, Sri Lanka, and Vietnam. Lessons learned from these engagements will help mainstream and integrate resilience measures into future World Bank transport projects.





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### Crisis Response

**The State and Peacebuilding Fund (SPF)**, established in 2008, provides flexible and rapid engagement in FCV-affected countries that is focused on (a) *state building*, through improving governance and institutional performance to boost resilience to internal and external stresses; and (b) *peacebuilding*, through developing the socioeconomic conditions that foster peaceful, stable, and sustainable development. With an active portfolio of over \$80 million in commitments as of December 2018, SPF operates in 57 countries (of which 34 are IDA-eligible countries), addressing multiple forms of FCV, from subnational conflict to urban crime and violence, refugee crises to cyclical fragility, and post-conflict challenges.<sup>35</sup>

- The SPF provided \$2 million to support analytical work on Recovery and Peacebuilding Assessments (RPBAs), which are jointly prepared by the World Bank, the European Union, and the

UN. The RPBAs help coordinate reengagement in countries or regions emerging from conflict or political crisis by helping them assess, plan, and prioritize long-term requirements under a common process, which is essential for sustainable peace. In the Central African Republic, the SPF supported the implementation of the National Recovery and Peacebuilding Plan, which mobilized \$2.2 billion in total pledges, including a special allocation from IDA18. In Cameroon, the SPF financed a household survey and a qualitative consultation process in four affected regions, helping to engage the population in the RPBA planning process.

- The SPF financed the \$2.5 million Strategic Platform for IDA18 Refugee Sub-Window to strengthen understanding of refugee issues and help operationalize the strong emphasis on refugees in the IDA18 agreement. The platform is working across five key areas to

<sup>35</sup> The SPF is a vital resource for leveraging the full benefit of IDA18 at the country level and supporting needed analytical work and partnerships with the UN, MDBs, civil society, and in-country stakeholders, as IDA18 called for.



act as a one-stop shop for eligible countries: (a) developing forced displacement strategy notes; (b) providing technical assistance to country teams and governments; (c) organizing expert training for staff across Global Practices, Regions, and development partner agencies; (d) ensuring communication outreach and partnerships; and (e) establishing an innovation hub for the welfare of refugees and host communities. In 2018, eight countries became eligible for financing under the sub-window: Cameroon, Chad, Congo Republic, Djibouti, Ethiopia, Niger, Pakistan, and Uganda.

## Jobs

**The Competitive Industries and Innovation Program (CIIP)** was established in 2012 to support the design and implementation of public policies and investments that promote competitiveness and innovation in countries and high-potential industries, to spur investments, enhance productivity, and create jobs. Since its inception, CIIP has financed 82 grants in 40 countries, supporting over \$3 billion in public sector investments. These industry-specific interventions have led to the creation of over 30,000 jobs, trained more than 3,000 firms, and generated over \$100 million in new revenues from the sale of goods and services.

- In Ethiopia, since 2013 the CIIP has been assisting the Government's efforts to attract domestic and foreign direct investment through industrial parks or economic zones. With CIIP support, bidding documents were prepared for the construction of the Bole Lemi II and Kilinto industrial parks, and a branding strategy and value proposition were developed to attract potential investors. Construction on both parks was completed in 2018. When the two industrial parks become fully operational, they are expected to create at least 32,000 jobs, generating \$280 million in export value and \$10 million in total revenue.

- In Albania, local and regional economic growth through tourism is being supported through a \$79 million World Bank Integrated Urban and Tourism Development project, targeting tourism-related infrastructure improvements in select tourism locations. CIIP supported the identification of 16 potential new products to offer tourists, a baseline survey, and tourist product audits, which help identify the potential for increasing average daily spending per tourist. CIIP activities also defined the opportunity to develop partnership agreements with Airbnb and TripAdvisor that will support training for micro, small, and medium-sized enterprises (MSMEs) and raise destination profiles through online marketing.

## Gender

**The Umbrella Facility for Gender Equality (UFGE)** was established in 2012 to build awareness, knowledge, and capacity for gender-informed policymaking.<sup>36</sup> It pushes the frontiers of gender equality and promotes smart project design by equipping policymakers and development experts with data, research, evidence, and partnerships. Since its establishment, the UFGE has allocated \$131.6 million to 200 activities across 80 countries.

- With support from the UFGE, the World Bank created five Regional "Gender Innovation Labs" (GILs) to help generate evidence to design effective solutions to address the gaps between men and women. GILs design, launch, and oversee impact evaluations to generate knowledge on which policies work (and which do not) for closing gender gaps in the economic sectors. Since 2013, GILs have begun 93 impact evaluations across Africa (AFR), East Asia and Pacific (EAP), Latin America and Caribbean (LCR), Middle East and North Africa (MNA), and South Asia (SAR) Regions and have supported the integration of learning from impact evaluations into the design and implementation

<sup>36</sup> The UFGE is closely aligned with the WBG's Gender Strategy and supports the priorities laid out in the 2012 *World Development Report: Gender Equality and Development*, as well as the WBG's Regional Gender Action Plans. The *Africa Region Gender Action Plan FY18-22* can be accessed at <http://bit.ly/AfricaGenderPlan>





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of lending operations and programs of development partners. This evidence is designed to support government clients and partners to design program and policies that effectively close gaps between women and men. In Sub-Saharan Africa alone, \$2.17 billion in project financing has been directly influenced by GIL impact evaluation.

- The UFGE has helped enable a new field of work by supporting activities to develop the knowledge base on gender-based violence (GBV), and test effective prevention models and responses to GBV. The work has informed good practice on the use of codes of conduct to mitigate risk of GBV as part of the Bank's Environmental and Social Framework. To date, this work has influenced 11 World Bank operations, lessons from which are likely to be

reflected in other World Bank programs. For example, in Brazil, municipalities in Piauí are adapting the community-based intervention SASA!, shown to reduce intimate-partner violence, after this model was first adapted in Honduras with UFGE support.<sup>37</sup>

- The UFGE supports governments and the private sector in identifying factors that inhibit women's participation in the labor market, along with effective policies to address them. For example, it has supported research and pilots on the provision of care services for children and the elderly in 10 countries, which has helped strengthen care provision in WBG investment and policy operations in countries such as Burkina Faso, China, Jordan, Nicaragua, and Mongolia. UFGE is supporting evaluations of different forms of childcare provision in Cambodia, Democratic Republic of Congo, and Mongolia.
- In FY18, IFC published a report that highlights how employer-supported childcare can help companies by acting as an incentive to attract and retain well-qualified people.<sup>38</sup> Through the UFGE's private sector window, follow-up work is now being rolled out, including in Myanmar to help a leading corporation establish indicators, measure, and report on the business case for its childcare initiatives. Also financed by the UFGE, in March 2018 IFC's report *The Business Case for Women's Employment in Agribusiness* helped inform the creation of a large-scale women's employment program that is working with 14 manufacturing, agribusiness, and service companies.

**The United States Agency for International Development (USAID)-IFC Grant Agreement trust fund** was established in 2015 to facilitate USAID's access to IFC expertise and advisory services in a range of sectors, including investment climate, energy, public-private partnerships, digital finance, and infrastructure. As of FY18, the

<sup>37</sup> SASA! is a community mobilization approach developed by an organization called Raising Voices for Preventing Violence Against Women and HIV. SASA! is a Kiswahili word that means "now," and when used as an acronym it identifies the four phases of the intervention: Start, Awareness, Support, Action.

<sup>38</sup> IFC's report, *Tackling Childcare: The Business Case for Employer-Supported Childcare*, can be accessed via the following link: [http://bit.ly/IFC\\_tacklingchildcare](http://bit.ly/IFC_tacklingchildcare)



trust fund has contributed toward financing over 200 workshops, trainings, and conferences and the production of 200 reports, and has influenced 200 sectoral country-level policies and practices.

In 2018, the trust fund supported the fifth edition of Women, Business and the Law, a series of biennial flagship reports that measure the legal obstacles facing economically active women around the world. The report used newly collected data and examined laws affecting women's economic inclusion in 189 economies worldwide, tracking past progress and identifying opportunities for reform to ensure economic empowerment for all. Building on the report, the World Bank Women, Business and the Law team, in collaboration with UN Women and the OECD, reclassified indicators measuring SDG Indicator 5.1.1, which tracks "whether or not legal frameworks are in place to promote, enforce, and monitor equality and non-discrimination on the basis of sex." The reclassification provides greater conceptual clarity and ensures that the proposed indicators are based on internationally recognized methodologies and standards. The trust fund contributed to developing the methodology and collecting data for the revised indicator. A questionnaire was developed, piloted in 89 countries, and validated in 53 countries.

### Infrastructure

**The Energy Sector Management Assistance Program (ESMAP)** was established in 1983 to help low- and middle-income countries reduce poverty and boost growth with sustainable energy. It provides technical assistance, advisory services, and cutting-edge knowledge in energy access, renewable energy, energy efficiency, and energy subsidy reform. ESMAP's analytical and advisory services are fully integrated into the Bank's energy sector work, informing billions of dollars of lending and influencing policy dialogue and technical assistance. In FY18 alone, ESMAP's active \$139 million portfolio supported 258 activities. ESMAP activities informed an additional \$8.6 billion in Bank development financing and helped mobilize

\$7 billion of external funding, including from the private sector. This in turn has provided approximately 56.5 million people with access to electricity.

In Tunisia, ESMAP supports the Government's efforts to improve the performance and financial viability of the energy sector by reforming energy subsidies and creating an energy regulatory authority. A planned connection linking Tunisia and Italy's electricity markets—the World Bank-funded \$13.4 million Tunisia-Italy Power Interconnector—is laying the groundwork for the proposed Elmed interconnector, a 600 megawatt undersea high-voltage direct current interconnector that will link Tunisia's power grid to the much larger European network and enable energy trade. Under the project, ESMAP and the GIF support the terrestrial feasibility study, which will determine potential routes and landing points and identify the commercial, legal, financial, technical, and transaction advisory services that are needed to confirm the feasibility of the interconnector, optimize its design, and apply for European Union funding.



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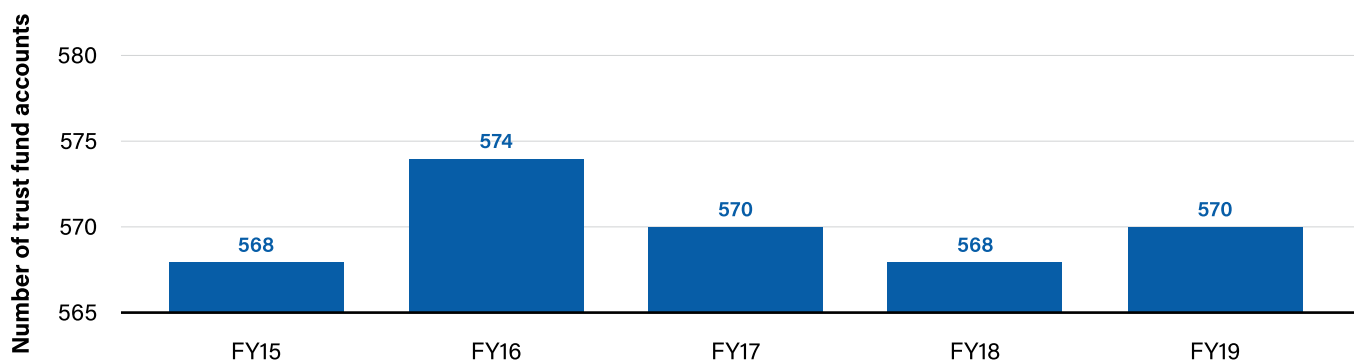
## PILLAR 4: IMPROVING THE BUSINESS MODEL

The focus of actions under this pillar is to increase the development impact, effectiveness, and efficiency of trust funds, which typically receive contributions from donors that are committed and disbursed over a multiyear period. The number of standard trust fund accounts has declined modestly from 574 in FY16 to 570 in FY19 (see Figure 1.4), as part of the Bank's efforts to consolidate toward programmatic trust funds and MDTFs.<sup>39</sup> The share of programmatic trust funds has increased by 5 percentage points, from 68 percent in FY15 to 73 percent in FY19 (see Chapter 2, Figure 2.10), and the share of MDTFs has increased by 1 percentage point since FY15, to 59 percent in FY19 (see Chapter 2, Figure 2.9). As Figure 1.5 shows, FHIT and annual cash contributions to trust funds have increased from FY15 to FY19, while annual signed contributions and disbursements and transfers to trust funds have declined.



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**Figure 1.4: Number of IBRD/IDA standard trust fund accounts, FY15-FY19**



<sup>39</sup> *Standard trust funds*: a financing arrangement set up to accept contributions from one or more donors to be held and disbursed/transferred by a WBG entity as trustee in accordance with agreed terms. Standard trust funds exclude parallel accounts; administrative accounts; holding, investment, prepaid, and suspense accounts; carbon holding and prepaid accounts; and accounts established for FIF secretariats.



**Figure 1.5. Amounts in IBRD/IDA trust fund portfolio, FY15-FY19 (US\$ billions)**

Particulars	FY15	FY16	FY17	FY18	FY19
Funds held in trust <sup>a</sup>	9.9	9.2	8.9	9.2	10.5
Cash contributions <sup>b</sup>	3.4	3.0	2.8	2.8	3.9
Signed contributions <sup>c</sup>	4.3	2.7	3.1	3.5	3.6
Disbursements and transfers <sup>d</sup>	4.2	4.2	3.9	3.9	3.7

<sup>a</sup> FHIT comprises cash, investments, and promissory notes receivable at the end of the FY. It includes transfers from FIFs to IBRD/IDA trust funds as an IE.

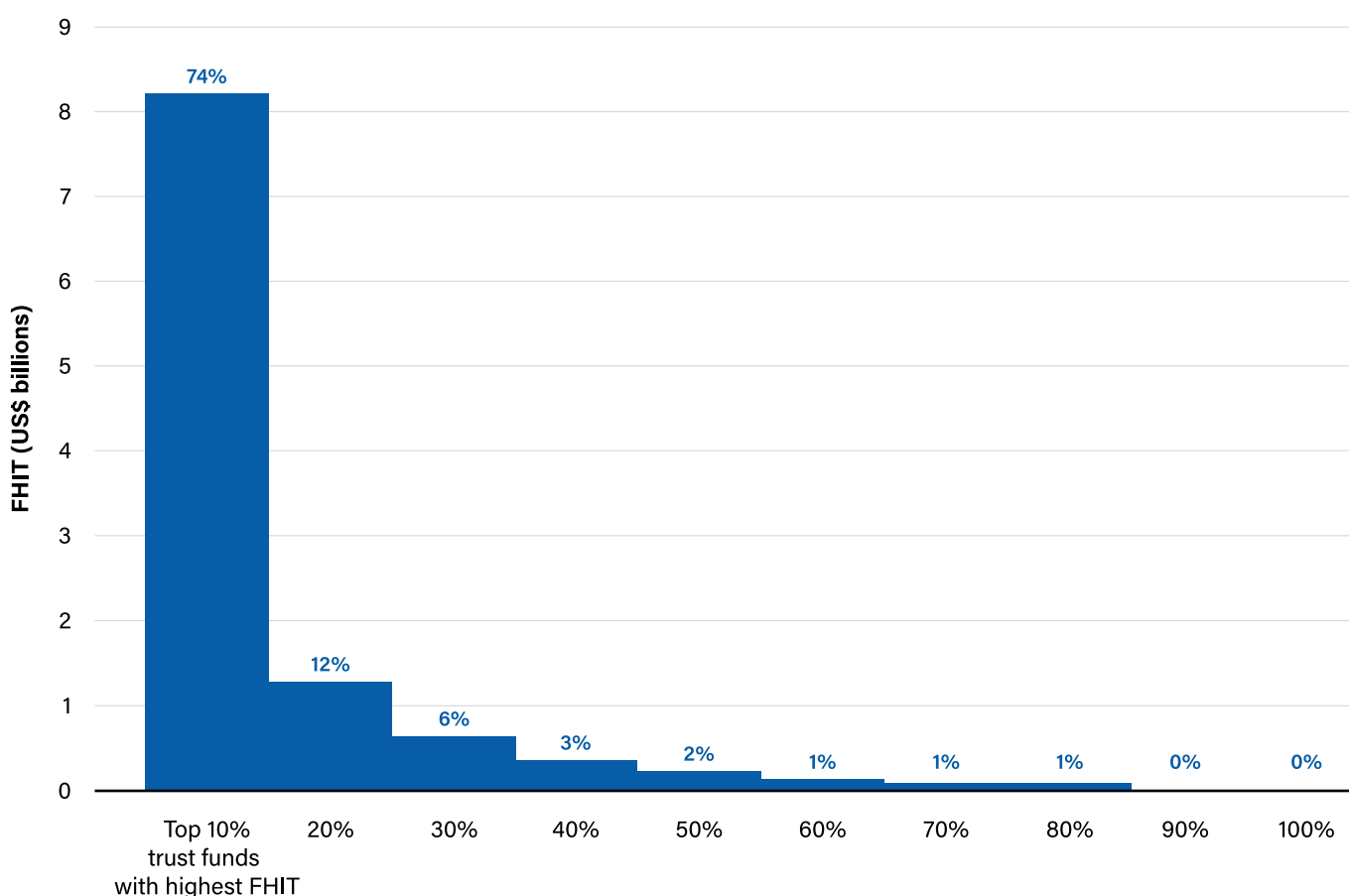
<sup>b</sup> Cash contributions includes encashment of promissory notes and cash receipts from donors, and does not include transfers from FIFs to IBRD/IDA trust funds as an IE.

<sup>c</sup> Signed contributions represent a donor's intent to contribute the amount listed in the Administration Agreement of the trust fund.

<sup>d</sup> Includes disbursements and cash transfers from IBRD/IDA trust funds as an IE to a FIF. Cash transfers refer to transfers made to other internal and external organizations such as IFC, UN, and IMF.

The portfolio contains a large number of trust funds, most very small in size. The bottom 70 percent of trust funds hold less than 7 percent of the resources, while the top 10 percent of trust funds hold almost 74 percent of the trust fund portfolio (as measured in FHIT) (see Figure 1.6).

**Figure 1.6. Distribution of FHIT, as of end-FY19 (US\$ billions)**





While the many small trust funds provide support for innovation and knowledge, their development impact is hard to measure. Strategic alignment and effectiveness are modest, and there are risks of duplication and a significant need for coordination. For example, the global community's concern over climate change problems led to the creation and funding of over 65 trust funds in the WBG. In addition, higher costs of fundraising, establishment, governance, management, supervision, evaluation, and reporting affect the efficiency of these small trust funds.<sup>40</sup> In response to these challenges, there have been extended efforts to improve the trust fund business model over the last two decades.<sup>41</sup> The remainder of this section discusses these ongoing efforts.



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## Demonstrating Development Effectiveness and Emphasizing Outcomes

Sovereign donors need to demonstrate to their taxpayers and parliaments that all funding to MDBs supports tangible development outcomes. The Bank is strengthening its focus on managing for outcome-focused results, including systematically developing robust results frameworks at the trust fund level with a clear theory of change; providing more rigorous impact evaluations and evidence-based “results stories,” which provide visibility to donors; and using data, evidence, and lessons learned in the design and implementation of future trust funds.

## Improving Strategic Alignment through Greater Integration into Strategy, Planning, Budgeting, and Staffing

Trust funds need to be better aligned with both client needs (as defined in SCDs, CPFs, and ongoing country dialogue), and better integrated within the Bank's strategy, planning, budgeting, and staffing processes. Work to strengthen integration is focused on two areas: first, better oversight of fundraising decisions (i.e., improving the link between decisions to mobilize trust fund resources and priorities for work program delivery); and second, aligning the trust fund allocation cycle with the Bank's planning and budgeting cycle, so that trust fund resources and the Bank's own budget are considered at the same time in a “whole-of-finance” approach.

## Reducing Fragmentation

Improving strategic alignment should also result in *fewer* and *larger* trust funds, increasing efficiency by reducing the number of distinct governance mechanisms, focusing governance on strategic guidance based on multiyear work programs, and producing better reporting, communications, and visibility. This new approach, known as Umbrella 2.0, has been designed in consultation with donors and with the help of a pilot phase that incorporates past good practice.

<sup>40</sup> Some of the largest donors contribute to over 100 trust funds. Different agencies or departments within the same country occasionally contribute to the same funds, and donor embassies may have trust funds separate from those established by their headquarters.

<sup>41</sup> Chapter 3 describes past reform efforts.





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## Improving Efficiency and Responsiveness

The Bank continues its efforts to improve trust fund processes, building on feedback from staff and clients. It is focusing on increasing administrative and managerial efficiencies by finding ways to further simplify, standardize, and speed up processes while safeguarding trust fund resources. This will lower transaction costs and make trust funds more agile and efficient, at both the individual and portfolio level. Ongoing work is focused in the following areas:

- Modernizing the process of establishing trust funds.** At the end of FY18, a digital system was rolled out to electronically create Administration Agreements and get approvals from concerned WBG managers and donor representatives.
- Streamlining annual reporting.** The number of letters of representation (LORs) to be signed at the end of FY19 was reduced by 77 percent, the format of LORs was simplified, and LORs were made accessible from mobile devices.
- Closing trust funds.** The system for closing trust funds will be fine-tuned and tightened. In particular, the procedure for returning resources to donors (through Donor Balance Accounts) or using them to serve clients will be clarified.
- Greater system integration.** One Operations Portal is now in place for activities financed by IBRD, IDA, and trust funds. Integrating the Grant Reporting and Monitoring (GRM) system with operational reporting for ASAs has eliminated 1,300 stand-alone GRM forms.
- Trust fund directory.** A searchable trust fund directory was created to enable staff searches by multiple criteria (e.g., using *climate change* or *forestry* as search criteria).
- One-stop shop.** The one-stop shop, launched in September 2019, addresses inquiries related to trust funds, and provides for access to knowledge, advice, and clearance functions throughout the trust fund life cycle to reduce the “hassle” factor for Bank staff.





◆ **Photo Credit:** Gerardo Pesantez © World Bank

## ◆ CHAPTER 2

# Financial Trends of World Bank Group Trust Funds, FY15–FY19

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2.1 Overview of World Bank Group Trust Funds, FY15–FY19	33
2.2 IBRD/IDA Trust Funds	43
2.3 IFC Advisory Trust Funds	57
2.4 MIGA Trust Funds	63
2.5 Asset Mix of Trust Funds Investment Portfolio	64
Attachment 1: Supplemental Financial Information—Recipient-Executed Trust Funds	65
Attachment 2: Supplemental Financial Information—Bank-Executed Trust Funds	75
Endnotes	77



# 2.1 OVERVIEW OF WORLD BANK GROUP TRUST FUNDS, FY15-FY19

## 1.Key Statistics on WBG-administered Trust Fund Portfolio (FY15-FY19)<sup>42</sup>

Figure 2.1. Key statistics on WBG-administered trust fund portfolio, FY15-FY19

Number of active main trust funds	FY15	FY16	FY17	FY18	FY19
IBRD/IDA trust funds <sup>a</sup>	635	667	751	772	781
<i>of which MIGA</i>	5	4	4	4	4
IFC trust funds	249	238	217	195	195
<b>Total</b>	<b>884</b>	<b>905</b>	<b>968</b>	<b>967</b>	<b>976</b>
Funds held in trust <sup>b</sup> (US\$ billions)	FY15	FY16	FY17	FY18	FY19
IBRD/IDA trust funds	9.9	9.2	8.9	9.2	10.5
<i>of which MIGA</i>	0.1	0.1	0.1	0.1	0.1
IFC trust funds	0.6	0.6	0.6	0.6	0.8
Others <sup>c</sup>	0.8	0.8	1.0	0.8	0.9
<b>Total</b>	<b>11.3</b>	<b>10.7</b>	<b>10.5</b>	<b>10.6</b>	<b>12.1</b>
Cash contribution <sup>d</sup> (US\$ billions)	FY15	FY16	FY17	FY18	FY19
IBRD/IDA trust funds	3.4	3.0	2.8	2.8	3.9
<i>of which MIGA</i>	-	-	-	-	-
IFC trust funds	0.3	0.3	0.3	0.3	0.4
<b>Total</b>	<b>3.7</b>	<b>3.4</b>	<b>3.0</b>	<b>3.1</b>	<b>4.3</b>
Disbursements and transfers <sup>e</sup> (US\$ billions)	FY15	FY16	FY17	FY18	FY19
IBRD/IDA trust funds	4.2	4.2	3.9	3.9	3.7
BETF	0.8	0.9	1.0	1.1	1.1
RETF	3.4	3.4	2.9	2.8	2.6
<i>of which MIGA</i>	0.0012	0.0008	0.0003	0.0003	0.0005
IFC trust funds	0.3	0.3	0.3	0.3	0.3
<b>Total</b>	<b>4.4</b>	<b>4.5</b>	<b>4.2</b>	<b>4.2</b>	<b>4.0</b>

<sup>a</sup>The numbers of IBRD/IDA trust funds in FY16, FY17, FY18, and FY19 include respectively 27, 107, 135, and 140 parallel accounts, which were created to apply the World Bank's new cost recovery framework on additional contributions to an existing trust fund. The number of IBRD/IDA trust fund accounts that directly support the World Bank's operational work was 572 at the end of FY19. See Figure 2.7 for additional information.

<sup>b</sup> *FHIT* comprises cash, investments, and promissory notes receivable at the end of the FY. It includes transfers from FIFs to IBRD/IDA trust funds as the IE.

<sup>c</sup> *Others* includes amounts held in escrow on behalf of the ICSID, donor balance accounts, balances on administration accounts, and unapplied receipts.

<sup>d</sup> *Cash contributions* include encashment of promissory notes and cash receipts from donors and do not include transfers from FIFs to trust funds of the WBG as the IE.

<sup>e</sup> Includes disbursements and cash transfers made from IBRD/IDA trust funds as an FIF IE. Throughout this report, *cash transfers* refer to transfers made to other internal and external organizations such as IFC, United Nations, and IMF.

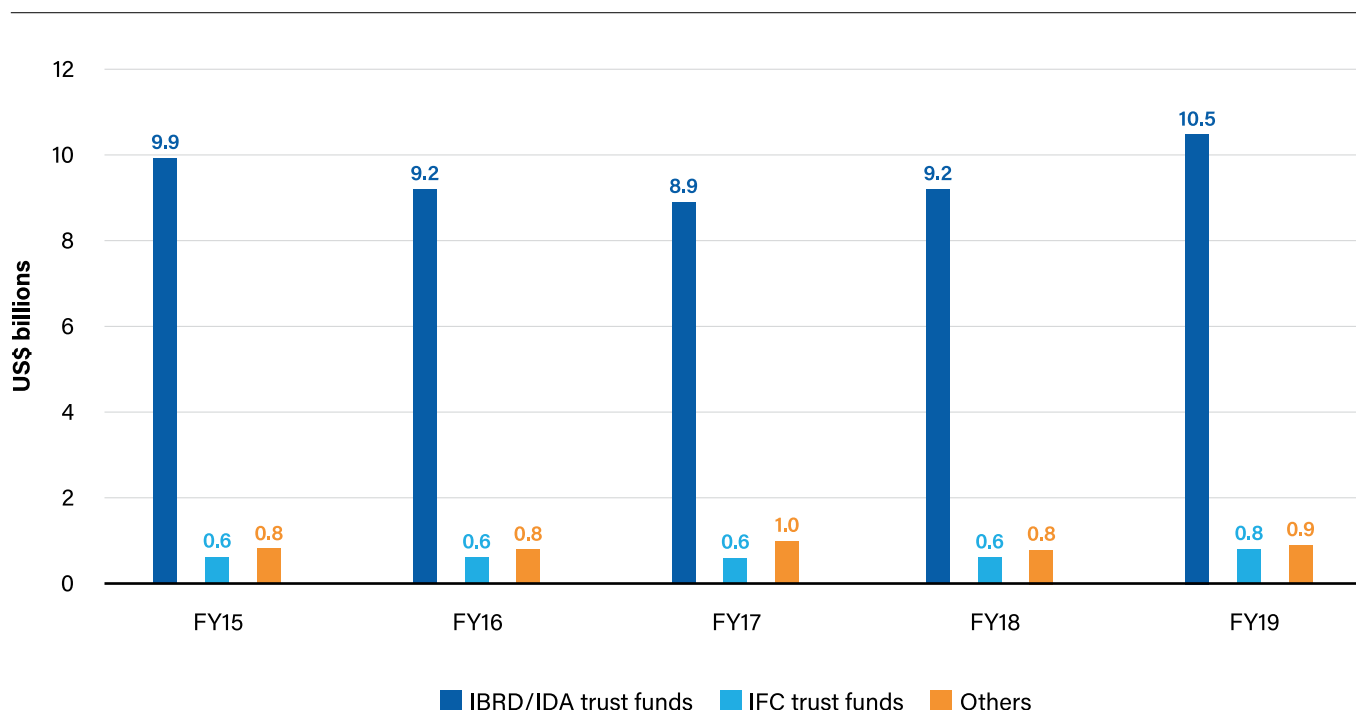
<sup>42</sup> Because of rounding, figures presented in this report may not add up to the total/s shown.



## 2. Funds Held in Trust (FY15-FY19)

The amount of WBG FHIT as of end-FY19 increased from \$11.3 billion as of end-FY15 to \$12.1 billion. FHIT of IBRD/IDA trust funds increased from \$9.9 billion at end-FY15 to \$10.5 billion at end-FY19. IBRD/IDA trust funds continued to account for the largest share (87%), followed by Others (7%) and IFC trust funds (6%) at end-FY19.<sup>43</sup> Among the trust funds that had significant increases in FY19 were Afghanistan Reconstruction Trust Fund (ARTF) (\$264 million), Global Financing Facility (\$203 million), Carbon Finance (\$186 million), and Sint Maarten Recovery, Reconstruction, and Resilience Trust Fund (\$145 million).

**Figure 2.2. FHIT, FY15-FY19 (US\$ billions)**



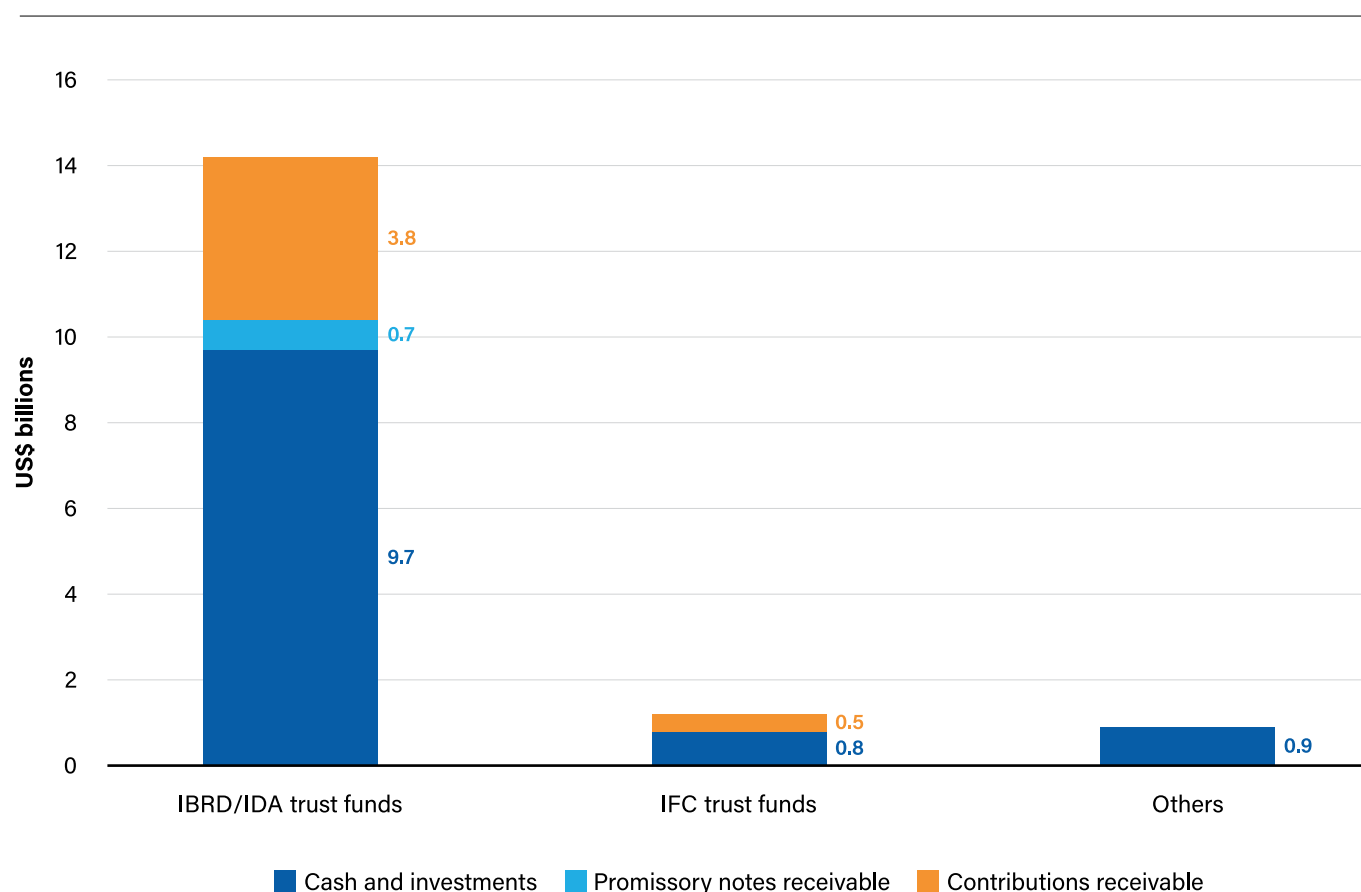
<sup>43</sup> Others includes amounts held in escrow on behalf of the ICSID, donor balance accounts, balances on administration accounts, and unapplied receipts.



### 3. Cash and Investments, Promissory Notes Receivable, and Contributions Receivable (as of end-FY19)

Total WBG cash and investments, promissory notes receivable, and contributions receivable amounted to \$16.4 billion as of end-FY19, 6 percent higher than at end-FY18. The increase in cash and investments in FY19 was due primarily to increases in the ARTF (\$264 million) and Global Financing Facility (\$203 million). Contributions receivable of IBRD/IDA trust funds decreased from \$4.4 billion in FY18 to \$3.8 billion in FY19, primarily because of decreases in Carbon Finance (\$294 million) and Sint Maarten: Recovery and Resilience Program (\$180 million). Cash and investments constituted 70 percent of the total, and contributions receivable and promissory notes receivable constituted 26 percent and 4 percent, respectively.<sup>44</sup> IBRD/IDA trust funds held \$14.2 billion (87%), followed by IFC trust funds at \$1.3 billion (8%) and Others<sup>45</sup> with \$0.9 billion (5%) as of end-FY19.

**Figure 2.3. Cash and investments, promissory notes receivable, and contributions receivable, as of end-FY19 (US\$ billions)**



<sup>44</sup> *Contributions receivable* refers to any portion of a contribution that is not a qualified contribution, to be received in the form of cash or a promissory note. *Promissory notes receivable* refers to the balance of promissory notes not yet received in cash.

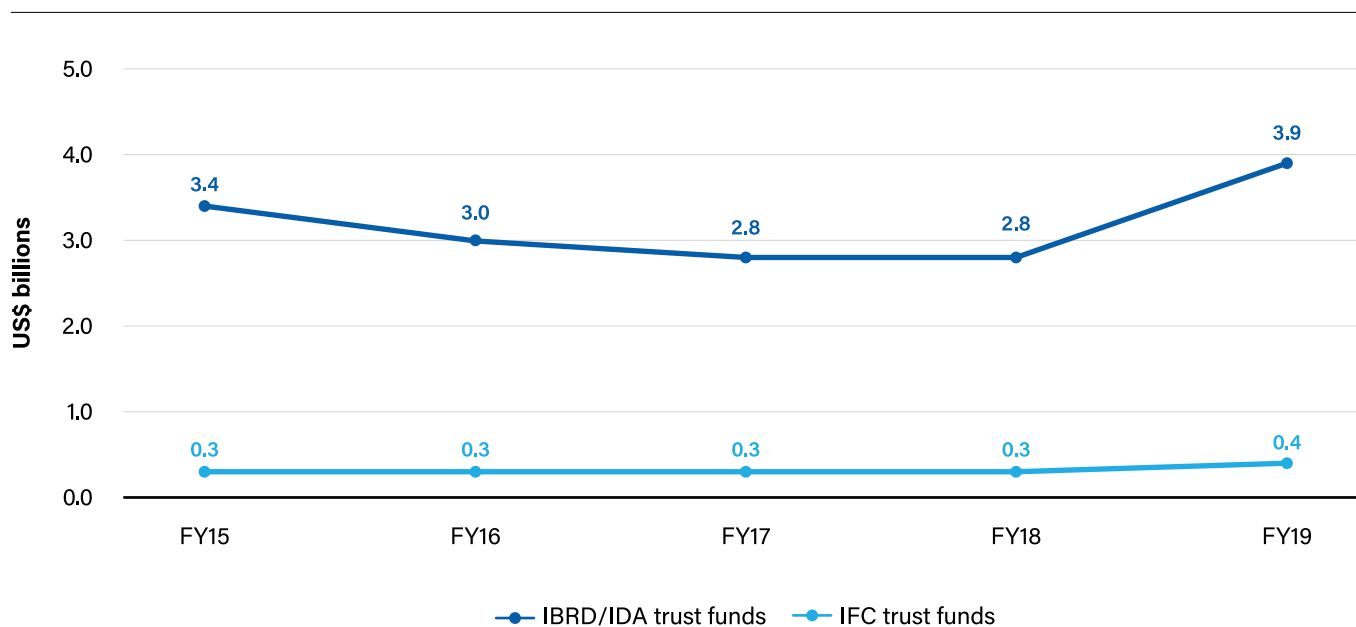
<sup>45</sup> *Others* includes amounts held in escrow on behalf of the ICSID, donor balance accounts, balances on administration accounts, and unapplied receipts.



## 4. Annual Cash Contributions to Trust Funds (FY15–FY19)

Total cash contributions<sup>46</sup> to WBG trust funds, which had declined from \$3.7 billion in FY15 to \$3.1 billion in FY18, increased 38 percent to \$4.3 billion in FY19, primarily because of a 38 percent increase in IBRD/IDA trust funds. These increases were primarily related to the ARTF (\$274 million), Global Financing Facility (\$111 million), and Policy and Human Resources Development Fund (PHRD) technical assistance (\$84 million). In addition, several development partners also increased their contributions in FY19, including the United Kingdom (\$381 million), the European Union (\$137 million), and Germany (\$112 million). Cash contributions to IFC trust funds increased by 34 percent over FY18. The largest increases in cash contributions to IFC trust funds were in Energy Efficiency Support Program for Ukraine (\$45 million), Creating Markets Advisory Window (\$25 million), and IFC's Funding Mechanism for Technical Assistance and Advisory (\$20 million). IFC's development partners that increased their cash contributions in FY19 included the Netherlands (\$29 million), European Union (\$23 million), and Germany (\$16 million).

**Figure 2.4. Annual cash contribution to trust funds, FY15–FY19 (US\$ billions)**



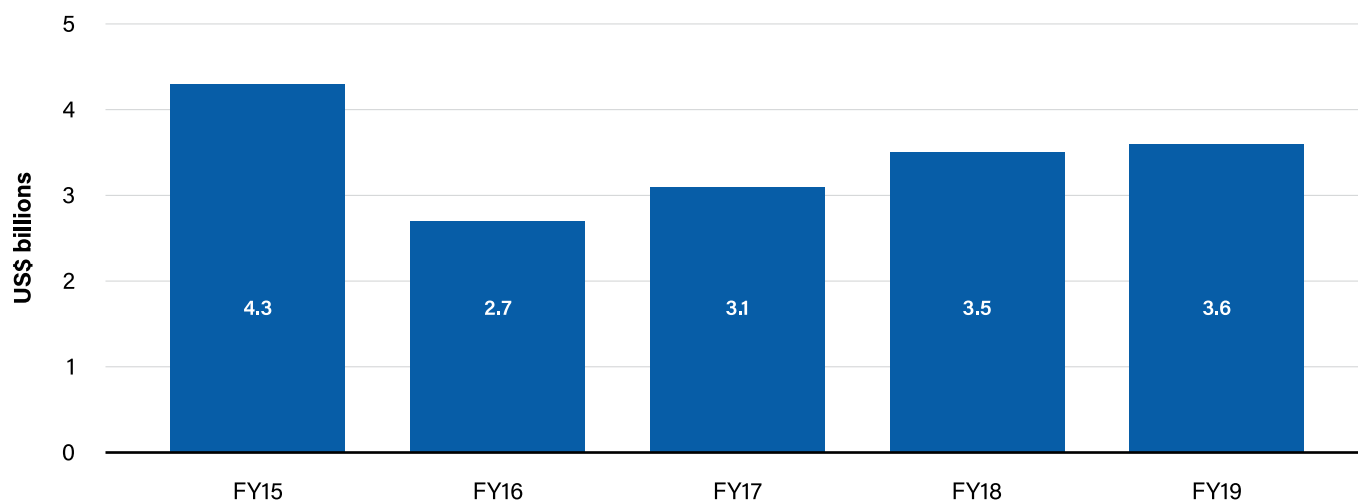
<sup>46</sup> Cash contributions include encashment of promissory notes and cash receipts from donors and do not include transfers from FIFs to trust funds of the WBG as the IE.



## 5. Signed Contributions to IBRD/IDA Trust Funds (FY15–FY19)

Signed contributions to IBRD/IDA trust funds fluctuated during FY15–FY19, from \$4.3 billion in FY15 to \$2.7 billion in FY16.<sup>47</sup> Since FY16, signed contributions have steadily increased, reaching \$3.6 billion in FY19. IBRD/IDA trust funds have seen an increase of 2 percent (\$54 million) in signed contributions in FY19 as compared to FY18, and this is expected to result in increasing cash contributions in the coming years. Over the past five years, ARTF (\$4.7 billion), Carbon Finance (\$990 million), Global Financing Facility (\$955 million), PHRD (\$652 million), and Sint Maarten: Recovery and Resilience Program (\$581 million) were the top five programs that received the highest value of signed contributions.

**Figure 2.5. Signed contributions to IBRD/IDA trust funds, FY15–FY19 (in US\$ billions)<sup>a</sup>**



<sup>a</sup> Excludes donor balance, carbon holding, Carbon Results Based Finance (CRBF) holding, and other holding accounts.

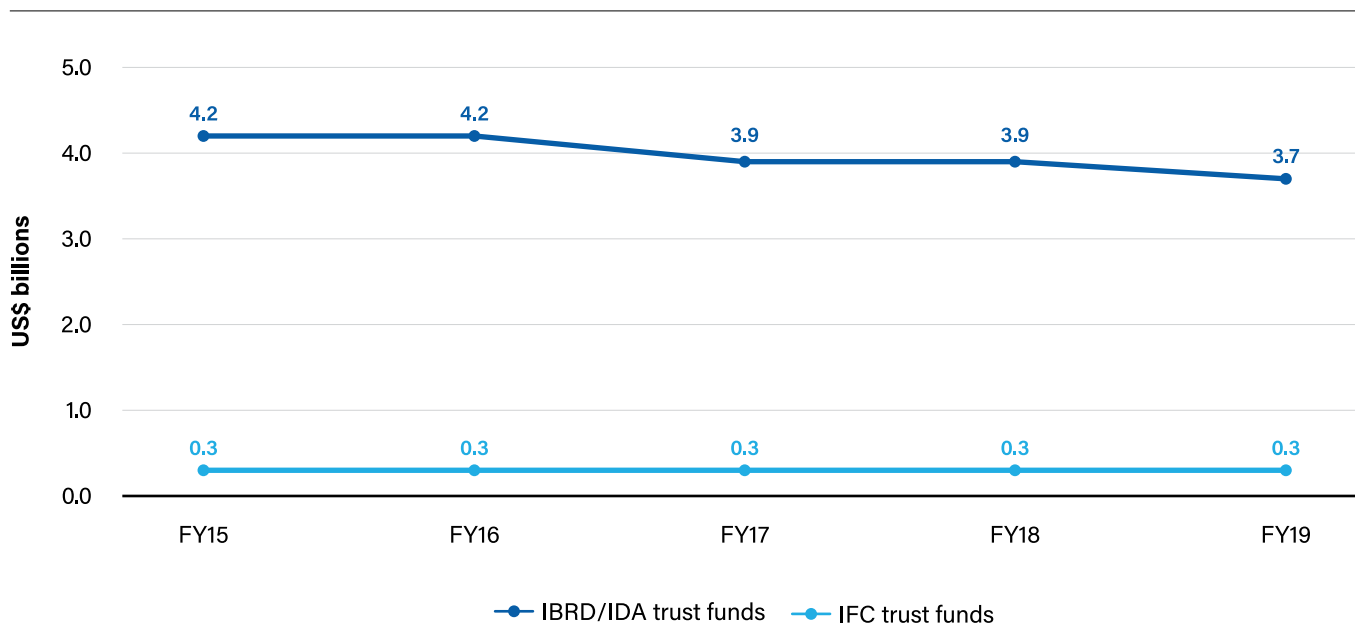
<sup>47</sup> *Signed contribution* is a donor's intent to contribute the amount listed in the administration agreement of the trust fund, and *contributions* means the payment received from the donor for the trust fund.



## 6. Disbursements and Cash Transfers from Trust Funds (FY15-FY19)

Total WBG disbursements and cash transfers fluctuated over the past five years between \$4.2 billion in FY15 and \$3.7 billion in FY19 for IBRD/IDA trust funds, and between \$300 million and \$260 million for IFC trust funds. There was a marginal decrease in disbursements and cash transfers from IBRD/IDA trust funds in FY19 compared to FY18. This was primarily due to decreases in disbursement and cash transfers from three trust funds: ARTF (\$185 million), Global Partnership for Education (GPE) (\$180 million), and the Lebanon Syrian Crisis trust fund (\$30 million). IBRD/IDA trust funds accounted for 93 percent of WBG disbursements and cash transfers from trust funds in FY19, and IFC trust funds accounted for the remaining 7 percent.

**Figure 2.6. Disbursements and cash transfers from trust funds, FY15-FY19 (US\$ billions)**

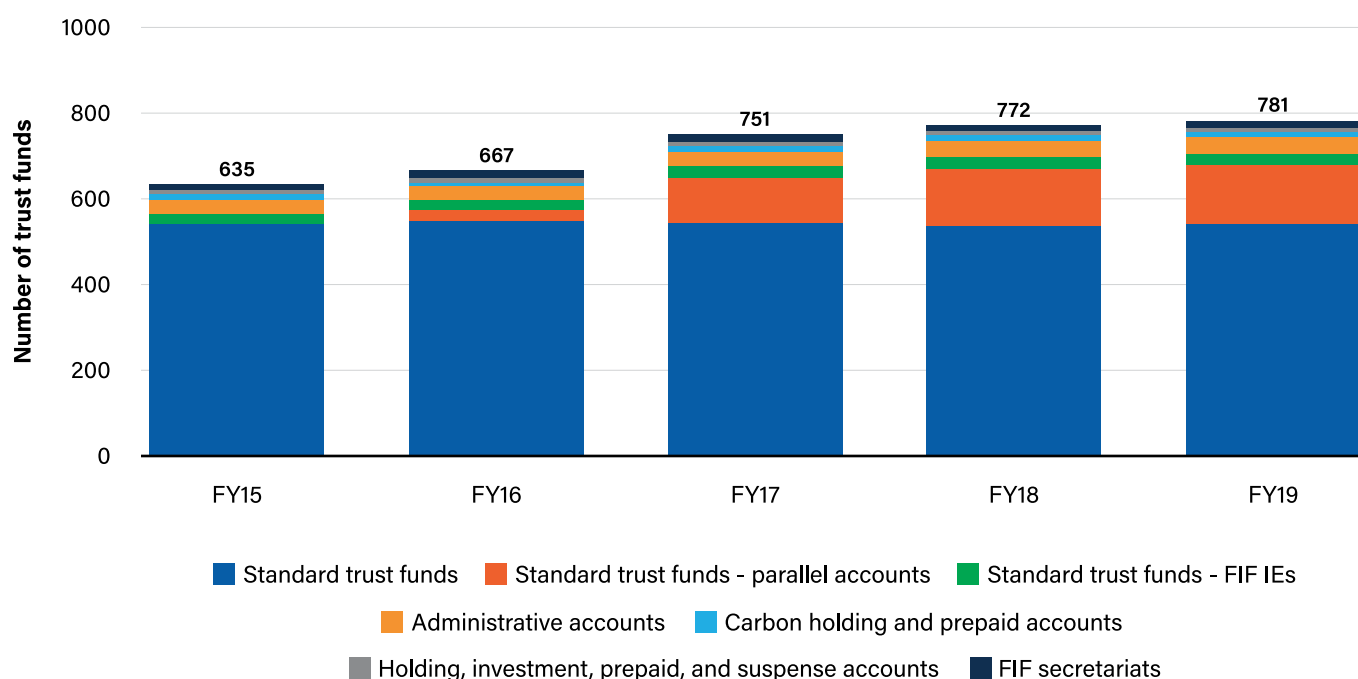




## 7. Number of IBRD/IDA Trust Funds (FY15–FY19)

The number of IBRD/IDA standard trust funds decreased modestly from 544 in FY15 to 539 in FY19, as part of the Bank's efforts to consolidate toward programmatic trust funds and MDTFs.<sup>48,49</sup> The total number of IBRD/IDA trust funds increased over the past five years, from 635 as of end-FY15 to 781 as of end-FY19. The primary reason for the increase was the introduction of the cost recovery framework in FY16, which required setting up parallel accounts for existing trust funds.<sup>50,51</sup> In FY19, the total number of IBRD/IDA trust funds included 140 parallel accounts, while in FY18, FY17, and FY16 there were only 135, 107, and 27 parallel accounts, respectively. The number of other trust fund account types as of end-FY19 remains unchanged compared to end-FY18.<sup>52</sup>

**Figure 2.7. Number of IBRD/IDA trust fund accounts, FY15–FY19**



<sup>48</sup> *Standard trust funds*: a financing arrangement set up to accept contributions from one or more donors to be held and disbursed/transferred by a WBG entity as trustee in accordance with agreed terms. *Standard trust fund–FIF IE*: a financing arrangement set up to accept contributions from an FIF to be held and disbursed/transferred by a WBG entity as an FIF IE trustee in accordance with agreed terms. Progress in implementing trust fund reforms and reducing fragmentation of the trust fund portfolio will be monitored. This monitoring will focus on the trust fund accounts that directly support the World Bank's operational work, which at end-FY19 represented 570 trust fund accounts, comprising 539 standard trust funds, 3 parallel accounts whose parent accounts have closed, and 28 FIF IE accounts.

<sup>49</sup> Because of the reclassification of trust fund accounts, the total number of FIF secretariats and administrative accounts reported in this report is different from the number reported in the 2017 Trust Fund Annual Report. See Endnote 1 for detailed explanation.

<sup>50</sup> The trust fund costs recovery structure is as follows: (a) an indirect rate equal to 17 percent of the cost of personnel will be charged to the BETF; and (ii) a fee will be charged to the trust fund on the RETF portion of new hybrid (BETF and RETF) trust funds, based on the cumulative amount of the RETF committed amounts, as follows: a 5 percent fee on the first \$50 million (or equivalent) committed, plus a 4 percent fee on the next \$450 million (equivalent) committed, plus a 3 percent fee on the next \$500 million (or equivalent) committed, plus a 2 percent fee on any further amounts committed.

<sup>51</sup> *Parallel account*: to apply the World Bank's new cost recovery framework on additional contributions to an existing trust fund (original trust fund), a new parallel trust fund account is established for the purposes of receiving new donor contributions to trust funds that had "old" cost recovery arrangements. For this group of trust funds, there are then essentially two trustee-level accounts (until the original one is fully disbursed).

<sup>52</sup> *Other trust funds*: (a) FIF Secretariats—a trust fund established to carry out the secretariat activities for an FIF; (b) carbon-holding and pre-paid accounts—an administrative trust fund established to hold contributions related to carbon programs until they are allocated to an operational trust fund; (c) administrative accounts—trust funds established to hold and manage the administrative costs for an FIF or an IBRD/IDA trust fund; and (d) holding, investment, prepaid, and suspense accounts—an administrative trust fund established to hold contributions until they are allocated to an operational trust fund.



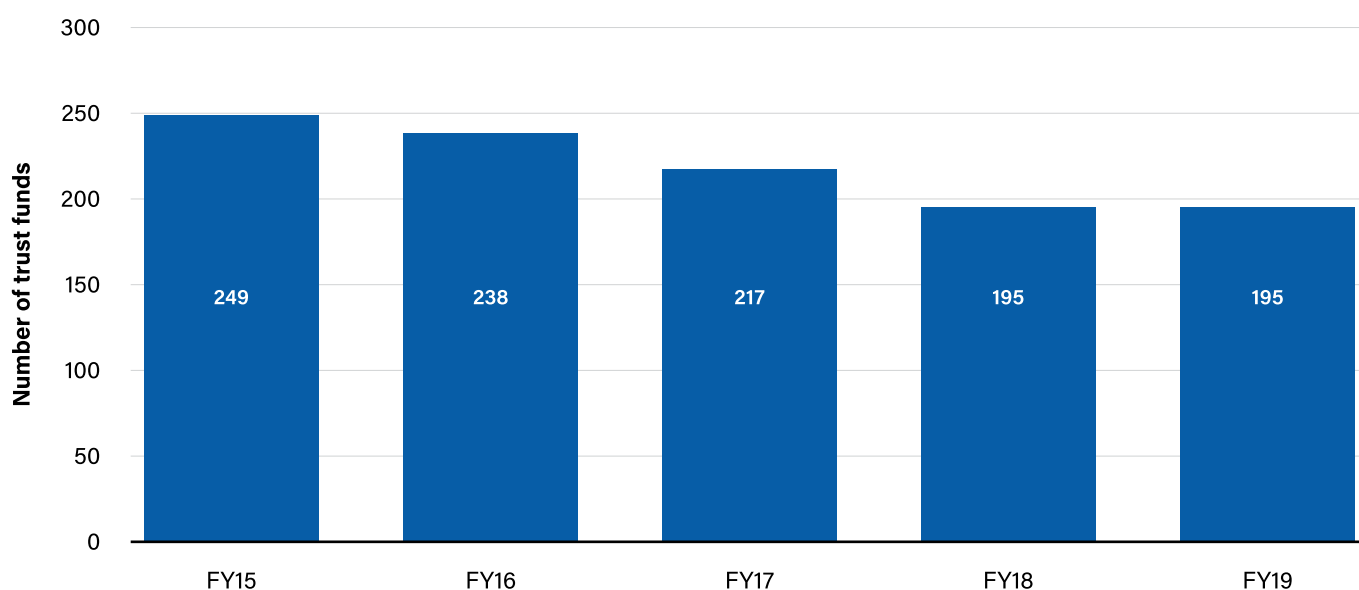
**Figure 2.7, continued**

Trust fund account types	FY15	FY16	FY17	FY18	FY19
Standard trust funds	544	550	544	535	539
Standard trust funds - parallel accounts		27	107	135	140
Standard trust funds - FIF as IE	24	24	26	28	28
<b>Subtotal - standard trust funds</b>	<b>568</b>	<b>601</b>	<b>677</b>	<b>698</b>	<b>707</b>
FIF Secretariat	15	15	17	16	16
Carbon holding and prepaid account	14	13	15	15	15
Administrative accounts	29	29	33	34	34
Holding, investment, prepaid, and suspense account	9	9	9	9	9
<b>Subtotal - other trust funds</b>	<b>67</b>	<b>66</b>	<b>74</b>	<b>74</b>	<b>74</b>
<b>Grand Total</b>	<b>635</b>	<b>667</b>	<b>751</b>	<b>772</b>	<b>781</b>

## 8. Number of IFC Trust Funds (FY15-FY19)

The total number of IFC trust funds declined from 249 as of end-FY15 to 195 as of end-FY19. Over the last few years, IFC has made a concerted effort to consolidate its trust fund portfolio, creating large Single-Donor Global/Regional Partnership trust funds, which help to reduce transaction costs in negotiating individual agreements with donors. Under this consolidated Single-Donor Trust Fund (SDTF) approach, donors can channel all their funds to the various IFC initiatives using one trust fund. For donors that are highly decentralized, IFC has encouraged them to channel their funds to thematic MDTFs, as part of the consolidation effort. While there are differences in the size and scope of IBRD/IDA trust funds and IFC trust funds, there may be lessons that IBRD/IDA trust funds can learn from IFC trust funds in terms of consolidating the trust fund portfolio in the ongoing trust fund reforms.

**Figure 2.8. Number of IFC trust funds, FY15-FY19**

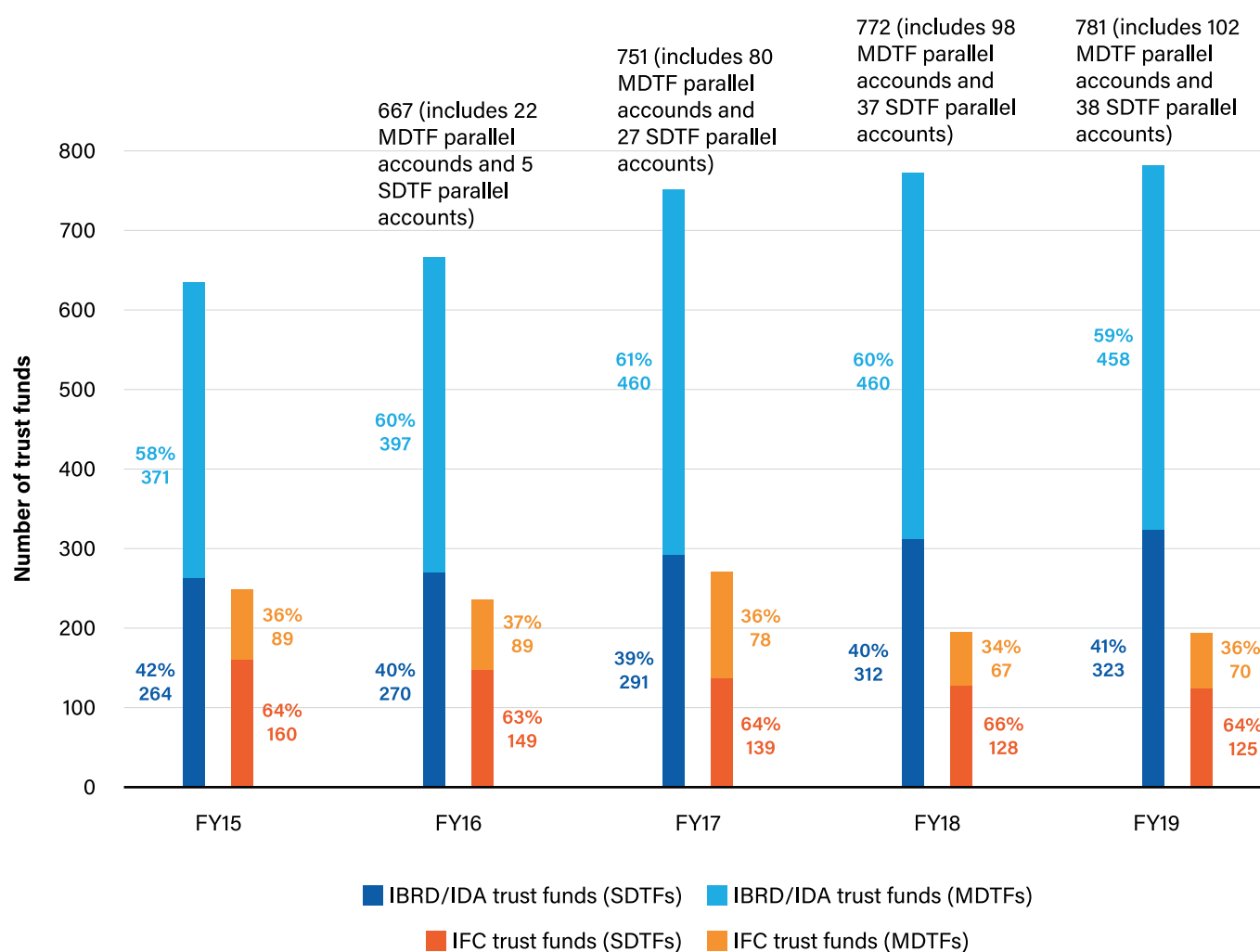




## 9. Multidonor Trust Funds and Single-Donor Trust Funds (FY15–FY19)

The share of IBRD/IDA MDTFs has increased slightly over the past five years, growing from 58 percent of trust funds as of end-FY15 to 59 percent at end-FY19. Of the total IBRD/IDA active funds, 18 percent were parallel accounts at end-FY19, as compared to 17 percent as of FY18; of these, 73 percent were MDTFs. By contrast, SDTFs represent the majority (64%) of IFC trust funds as of end-FY19.

**Figure 2.9. WBG MDTFs and SDTFs, FY15–FY19**

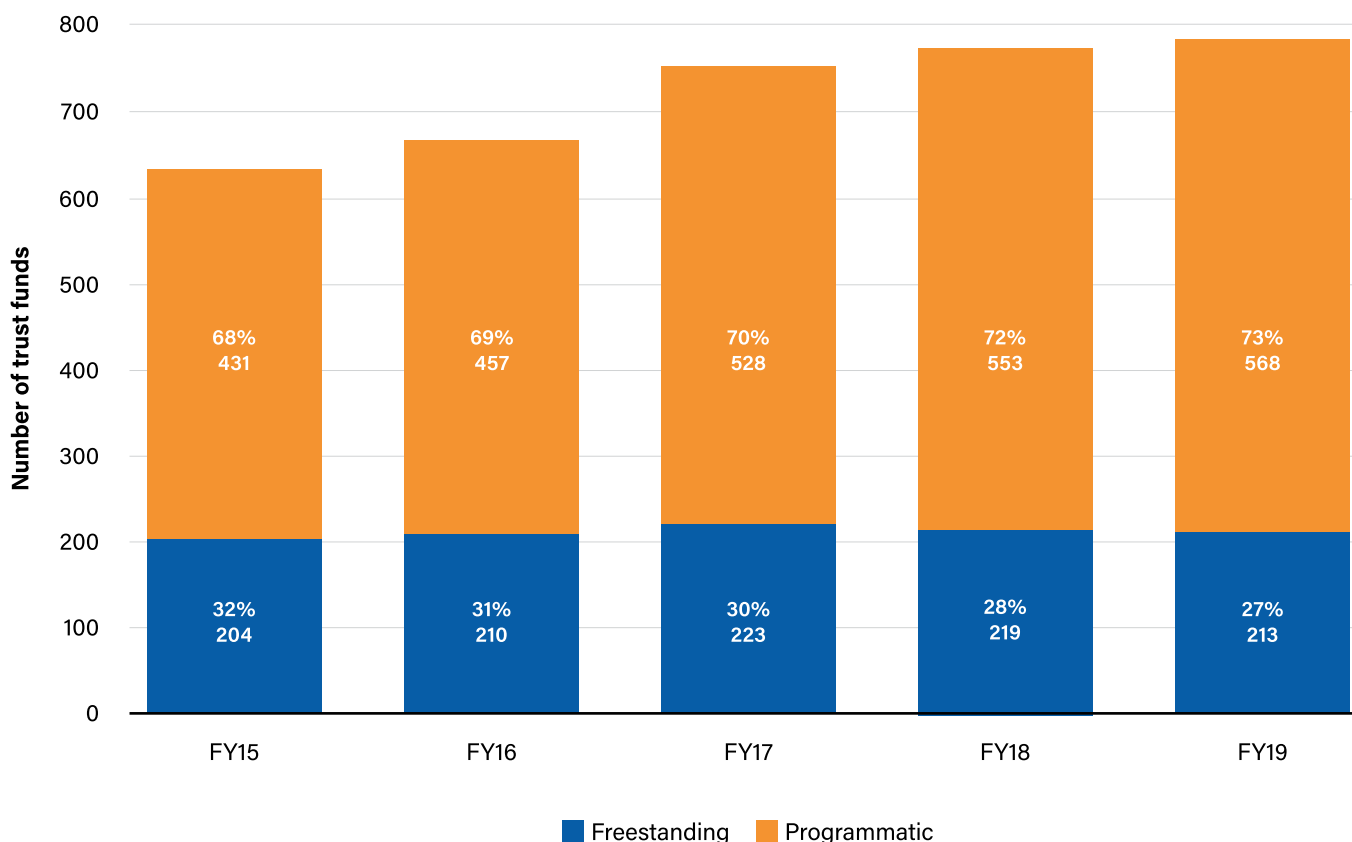




## 10. Programmatic and Freestanding IBRD/IDA Trust Funds (FY15–FY19)

The share of programmatic IBRD/IDA trust funds increased from 68 percent in FY15 to 73 percent in FY19, as the share of freestanding IBRD/IDA trust funds declined (from 32% to 27%).<sup>53</sup> Previous trust fund reform efforts have resulted in a less fragmented portfolio, and this trend will be accelerated by the current trust fund reform efforts.<sup>54</sup>

**Figure 2.10. Programmatic and freestanding IBRD/IDA trust funds, FY15–FY19**



<sup>53</sup> A *programmatic trust fund* finances multiple grants under a two-stage mechanism: in the first stage, one or more donors agree to a thematic framework with criteria for supporting a program of activities, and the donors commit their funds to the trust fund on this basis; and in the second stage, grants are approved for specific activities on the agreed criteria. A *freestanding trust fund* supports an activity or set of activities globally or in a specific country or region. The objectives of the fund's activities are known up front and are specified in the Administration Agreement and the Grant Agreement for the trust fund.

<sup>54</sup> Chapter 3, "Trust Fund Reform," provides more details.



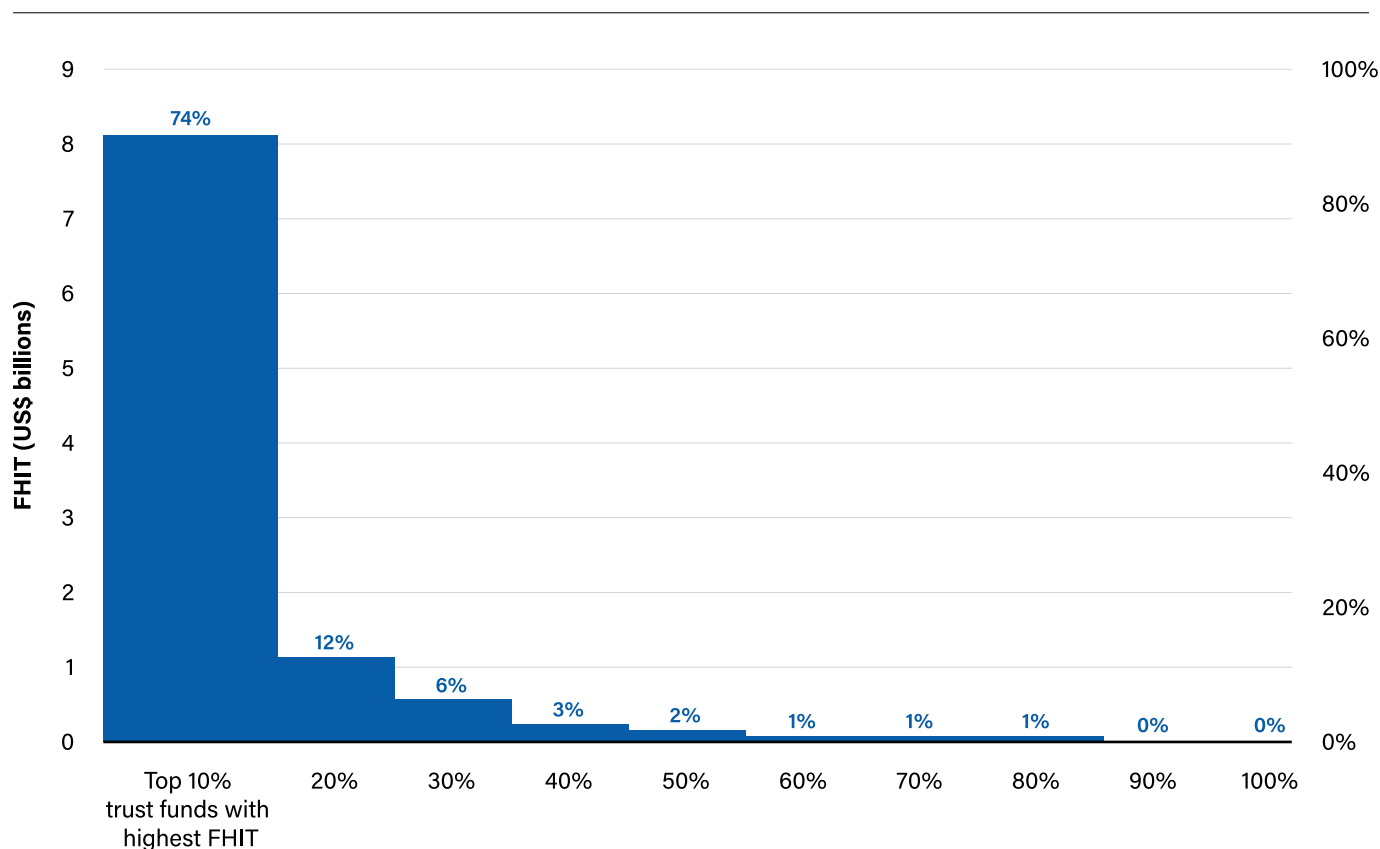
## 2.2 IBRD/IDA TRUST FUNDS

IBRD/IDA trust funds are an important instrument through which the World Bank engages in a wide range of partnerships, leverages development assistance to client countries, and channels concessional development finance. These funds can be disbursed in the form of recipient-executed trust funds (RETFs) or Bank-executed trust funds (BETFs). Under RETFs, the Bank channels donor funds to recipients who implement the agreed activities. The Bank normally appraises and supervises the activities, but rarely implements them directly. Hence, RETFs are comparable to IBRD and IDA financing. Under BETFs, the Bank itself is responsible for implementing the agreed activities. BETFs therefore support the World Bank's work program and are comparable to the WBG administrative budget. Many IBRD/IDA trust funds support both Bank- and recipient-executed activities.

### 11. Distribution of Funds Held in Trust (as of end-FY19)

The top decile of the trust funds (measured by FHIT) held 74 percent of total FHIT, as of end-FY19. These trust funds broadly demonstrate a clear link to high-priority areas such as fragile states/areas (Afghanistan, and West Bank and Gaza), themes (climate change), and support to the SDGs (health, nutrition, and population). The bottom eight deciles held less than 14 percent of total FHIT. While the long tail of smaller funds can provide important funding for innovation and knowledge, fragmentation makes it harder to establish a clear link to strategic priorities and higher development outcomes. Small, customized trust funds may also increase the transaction costs of fundraising, establishment, heterogeneous governance, results frameworks, and reporting requirements.

**Figure 2.11. Distribution of FHIT, as of end-FY19 (US\$ billions)**

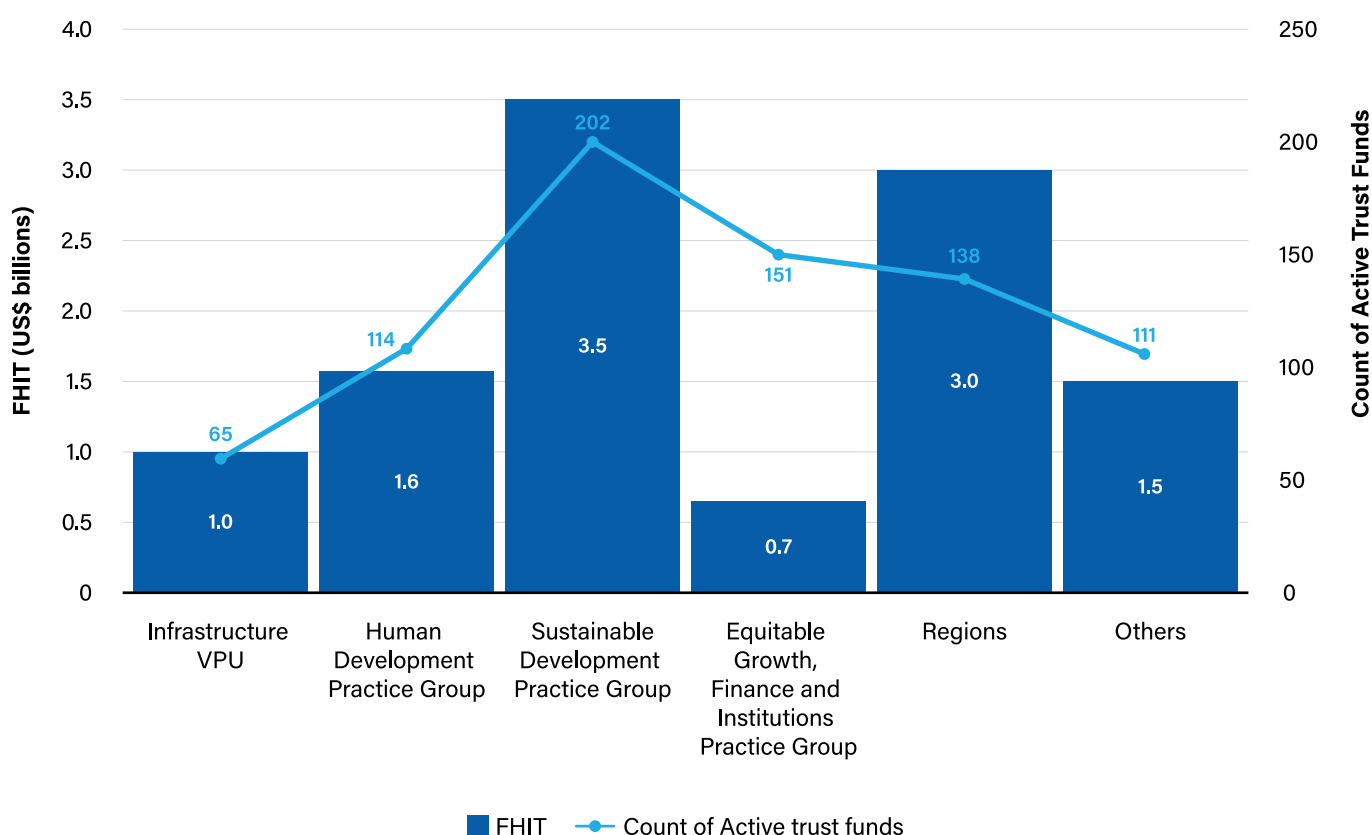




## 12. IBRD/IDA Trust Fund Count and FHIT Distribution by World Bank Units (as of end-FY19)

In FY15, the WBG implemented a new organizational structure and created 14 Global Practices and five Cross-Cutting Solution Areas.<sup>1</sup> The Global Practices are organized into three practice groups: (a) Equitable Growth, Finance, and Institutions Practice Group; (b) Human Development Practice Group; and (c) Sustainable Development Practice Group.<sup>55</sup> As of end-FY19, the highest numbers of active trust funds were mapped to the Sustainable Development and to the Equitable Growth, Finance, and Institutions Practice Groups (202 and 151, respectively). The highest FHIT were in the Sustainable Development Practice Group (\$3.5 billion) and the Regions (\$3.0 billion), driven by the Climate Change funds and the ARTF, respectively.<sup>56</sup> Other units<sup>57</sup> accounted for 15 percent of total FHIT. Compared to FY18, the largest percent increase in trust fund count occurred in FY19 (18%), and the largest percent increase in terms of FHIT as of end-FY19 took place in trust funds mapped to the Human Development Practice Group.

**Figure 2.12. IBRD/IDA trust fund distribution by World Bank units, as of end-FY19**



<sup>55</sup> The Equitable Growth, Finance, and Institutions Practice Group included Finance and Markets, Governance, Macro and Fiscal Management, Poverty, and Trade and Competitiveness; the Human Development Practice Group included Education, Health, Nutrition and Population, Social Protection and Labor and Jobs (dual-mapped to Cross-Cutting Solution Areas); and the Sustainable Development Practice Group included Agriculture, Climate Change (dual-mapped to Cross-Cutting Solution Areas), Energy and Extractives, Environment and Natural Resources, Public-Private Partnerships (dual-mapped to Cross-Cutting Solution Areas), Transport and ICT, Social, Urban, Rural, and Resilience, and Water. The Cross-Cutting Solution Areas include FCV and Gender.

<sup>56</sup> Climate Change is mapped to both the Sustainable Development Practice Group and the Cross-Cutting Solution Areas (Global Themes). In this report, Climate Change is considered as part of the Sustainable Development Practice Group.

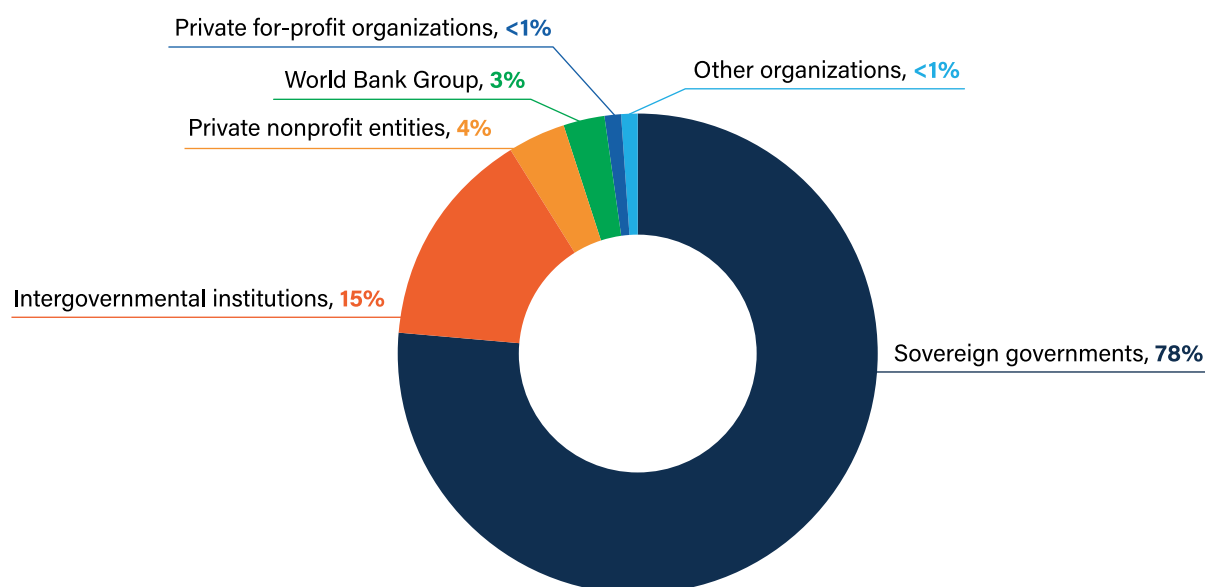
<sup>57</sup> Other units include External and Corporate Relations, Development Economics, Development Finance, GEF, Independent Evaluation Group, Legal, Treasury, Corporate Secretariat, and Operations Policy and Country Services.



### 13. IBRD/IDA Trust Funds Cash Contributions by Donor Type (FY19)

Sovereign governments remain the largest contributors to IBRD/IDA trust funds, accounting for 78 percent of total cash contributions received in FY19 (\$3.0 billion), an increase of over \$800 million compared to FY18.<sup>58</sup> Intergovernmental institutions contributed 15 percent (\$572 million) in FY19, an increase of \$210 million from FY18.<sup>59</sup> This increase is primarily attributed to growth in cash contributions by the European Union to various trust fund programs, including EC-ECA World Bank Partnership Program (\$33 million) and Global Facility for Disaster Reduction & Recovery (\$30 million). Private nonprofit entities contributed 4 percent (\$158 million) in FY19, a decrease of \$16 million from FY18.<sup>60</sup> Other organizations and private for-profit organizations contributed less than 1 percent.<sup>61</sup> Over the past 10 years, cash contributions from private donors averaged 4 percent of total cash contributions, but in FY19 their share increased to 5 percent. The European Union contributed 82 percent of total intergovernmental institution cash contributions in FY19, while the Bill & Melinda Gates Foundation contributed 65 percent of total private nonprofit entity cash contributions.

**Figure 2.13. IBRD/IDA trust funds cash contributions by donor type, FY19**



<sup>58</sup> Cash contributions include encashment of promissory notes and cash receipts from donors and do not include transfers from FIFs to trust funds of the WBG as IE.

<sup>59</sup> Intergovernmental institutions include organizations such as the European Union, Organization of Petroleum Exporting Countries, and International Fund for Agricultural Development.

<sup>60</sup> Private nonprofit entities refers to nonprofit organizations, also known as nonbusiness entities, that are dedicated to furthering a particular social cause or advocating a shared point of view.

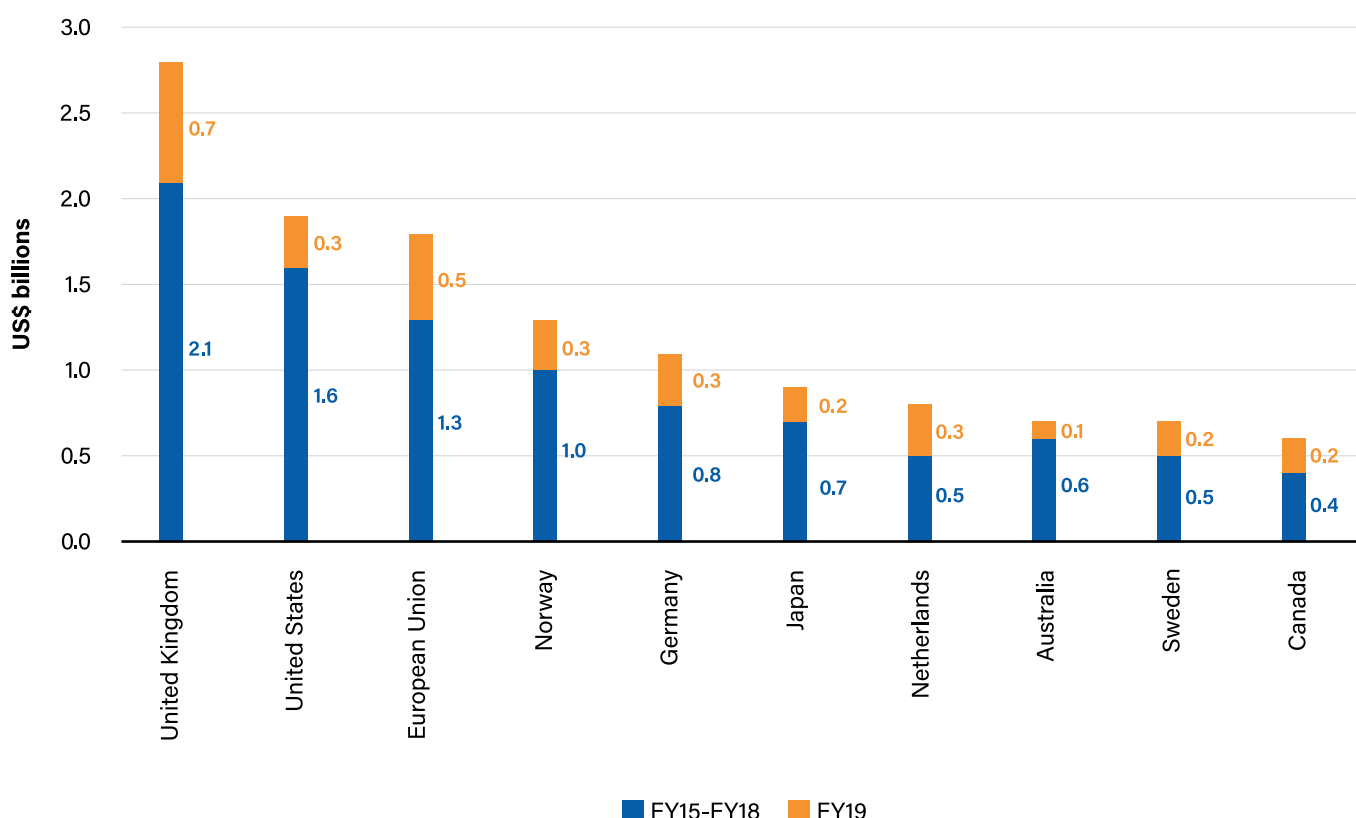
<sup>61</sup> Academic organizations like the Korea Development Institute are typically grouped under Other organizations. Private for-profit organizations refers to private organizations that exist solely for making profits.



## 14. Cumulative Cash Contributions by Top 10 IBRD/IDA Trust Fund Donors

Between FY15 and FY19 the United Kingdom was the largest cumulative cash contribution<sup>62</sup> donor to IBRD/IDA trust funds at \$2.8 billion, followed by the United States at \$1.9 billion and the European Union at \$1.8 billion.<sup>63</sup> In FY19, the United Kingdom made the highest total cash contributions of \$660 million to IBRD/IDA trust funds. The top three donors for FY19 continued to be the United Kingdom, the United States, and the European Union, with increased contributions from the United States (\$341 million, compared to \$308 million in FY18) and the European Union (\$467 million, compared to \$331 million in FY18).

**Figure 2.14. IBRD/IDA trust funds: cumulative cash contributions by top 10 donors, FY15-FY19 (US\$ billions)**



<sup>62</sup> Cash contributions include encashment of promissory notes and cash receipts from donors and do not include transfers from FIFs to IBRD/IDA trust funds as IE.

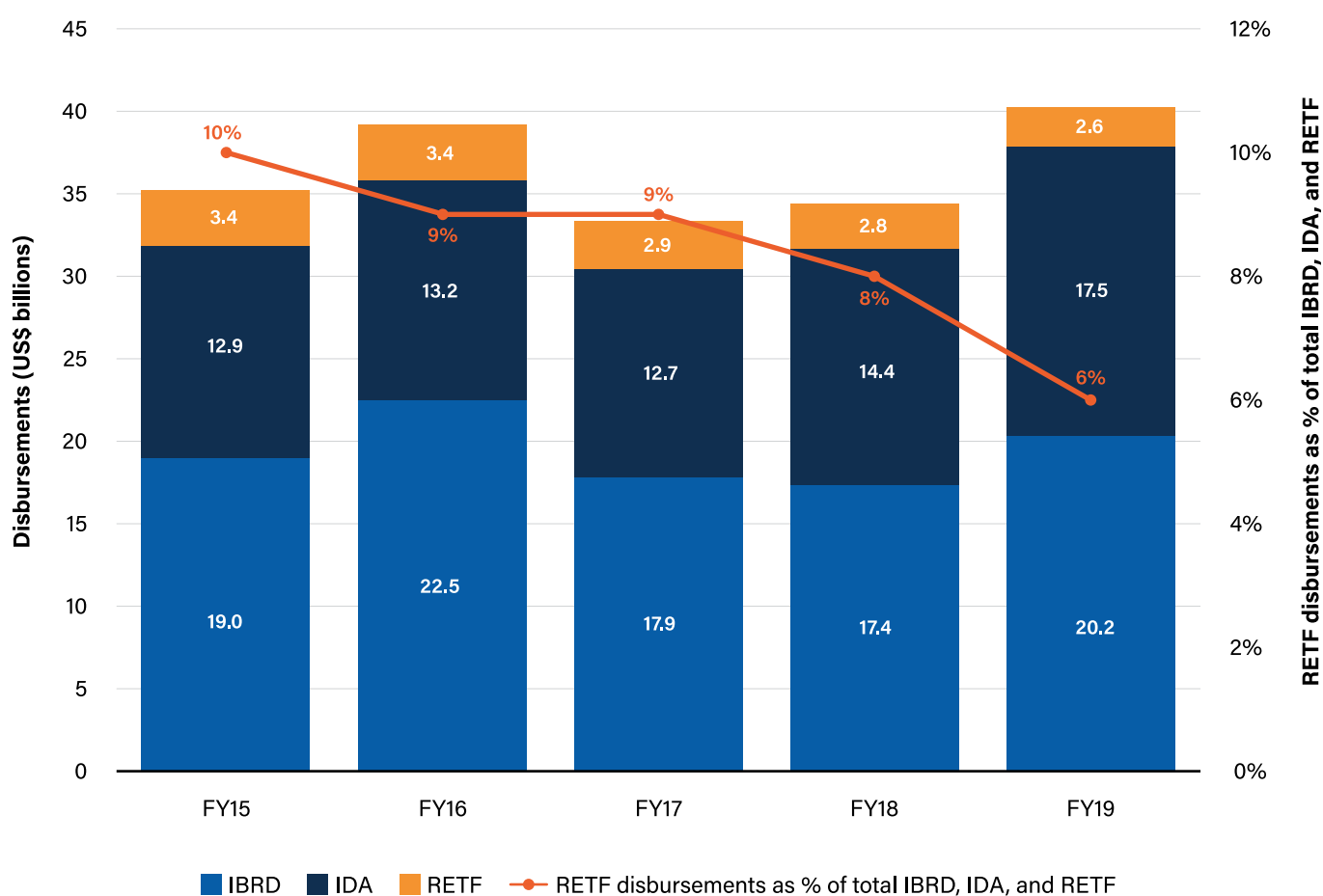
<sup>63</sup> Transfers from FIFs to IBRD/IDA trust funds as IE during FY15–FY19 amounted to \$5.5 billion. These transfers, when aggregated, accounted for the highest inflows to IBRD/IDA trust funds when compared with direct contributions made by any single sovereign donor to trust funds over the five-year period.



## 15. Disbursements from IBRD, IDA, and RETFs (FY15–FY19)

Total disbursements from all RETFs, which include stand-alone RETFs, cofinancing RETFs, and other RETFs, remained steady at around \$3.4 billion between FY15 and FY16, and then started to decline, reaching \$2.6 billion in FY19.<sup>64</sup> This decline was primarily due to a decrease in disbursements by the following programs: ARTF, Global Environment Facility (GEF) as IE, Polio Buy-Down, Climate Investment Funds (CIFs) as IE, GPE Trust Fund, Montreal Protocol/Ozone Funds, Program for Community Empowerment, Ethiopia Protection of Basic Services, Bangladesh Multi-Donor Trust Fund For Climate Change, and Global Food Crisis Response Program; altogether, RETF disbursements for these trust funds decreased by \$773 million between FY16 and FY19). IBRD and IDA disbursements fluctuated between FY15 and FY19, with disbursements higher in FY19 than in FY15. The share of RETFs has declined over the past five years, from 10 percent (\$3.4 billion) of total disbursements to client countries in FY15 to 6 percent (\$2.6 billion) in FY19. On average, RETFs accounted for 76 percent of total trust fund disbursements over the past five years.

**Figure 2.15. Disbursements from IBRD, IDA, and RETFs, FY15–FY19 (US\$ billions)**



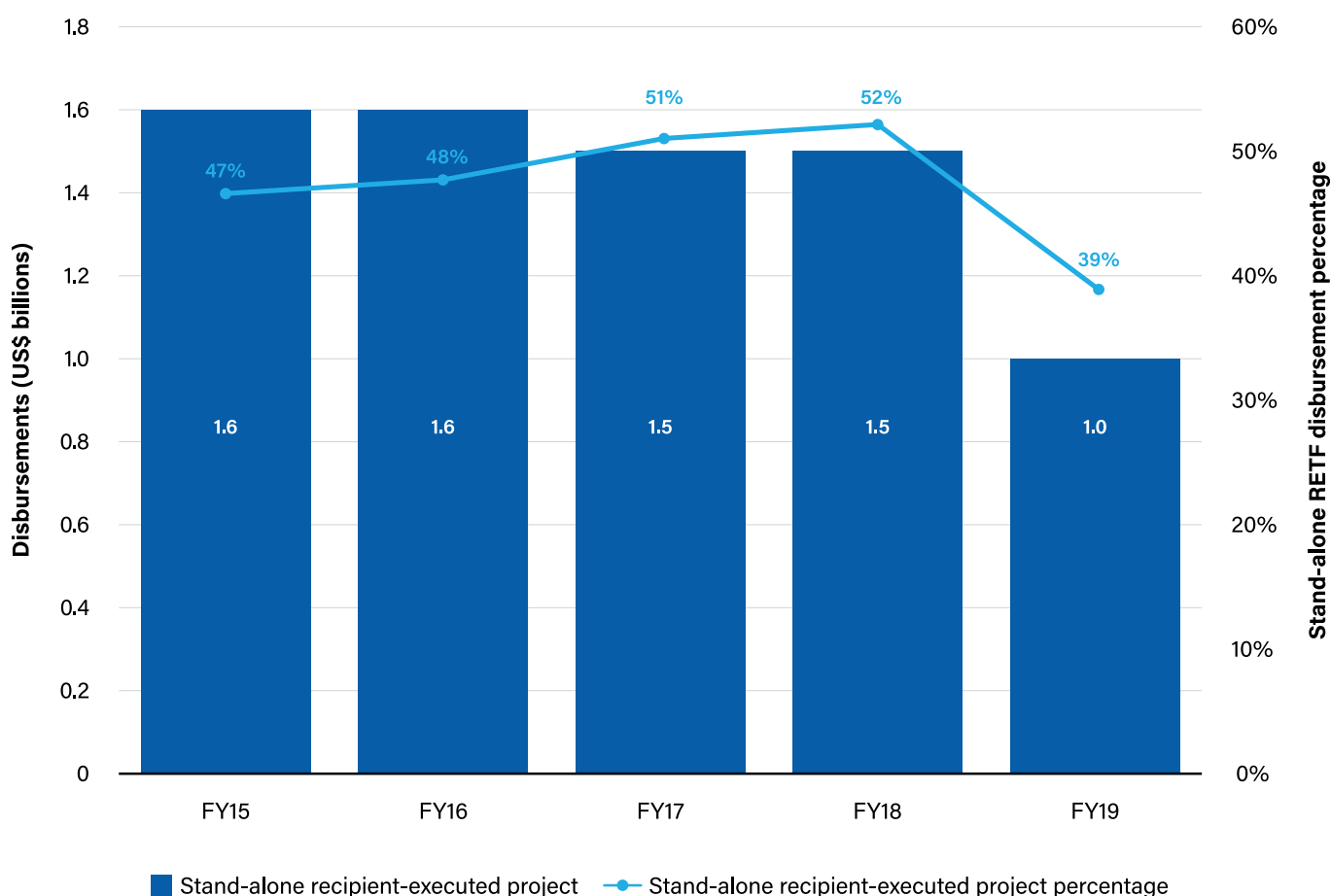
<sup>64</sup> Other RETFs include Transfers-outs and such trust funds as the GEF and Montreal Protocol trust fund.



## 16. Disbursements from Stand-alone RETFs (FY15-FY19)

In FY19, of total RETF disbursements (\$2.6 billion), 39 percent (\$1.0 billion) were from stand-alone RETFs. Stand-alone RETF disbursements decreased from \$1.6 billion in FY15 to \$1.5 billion in FY17 and to \$1.0 billion in FY19. Over the past five years, 37 percent of the stand-alone RETF disbursements were from ARTF (\$2.7 billion), 17 percent from IBRD as an IE for GPE, and 5 percent from IBRD as an IE for CIFs.

**Figure 2.16. Disbursements from stand-alone RETFs, FY15-FY19 (US\$ billions)**

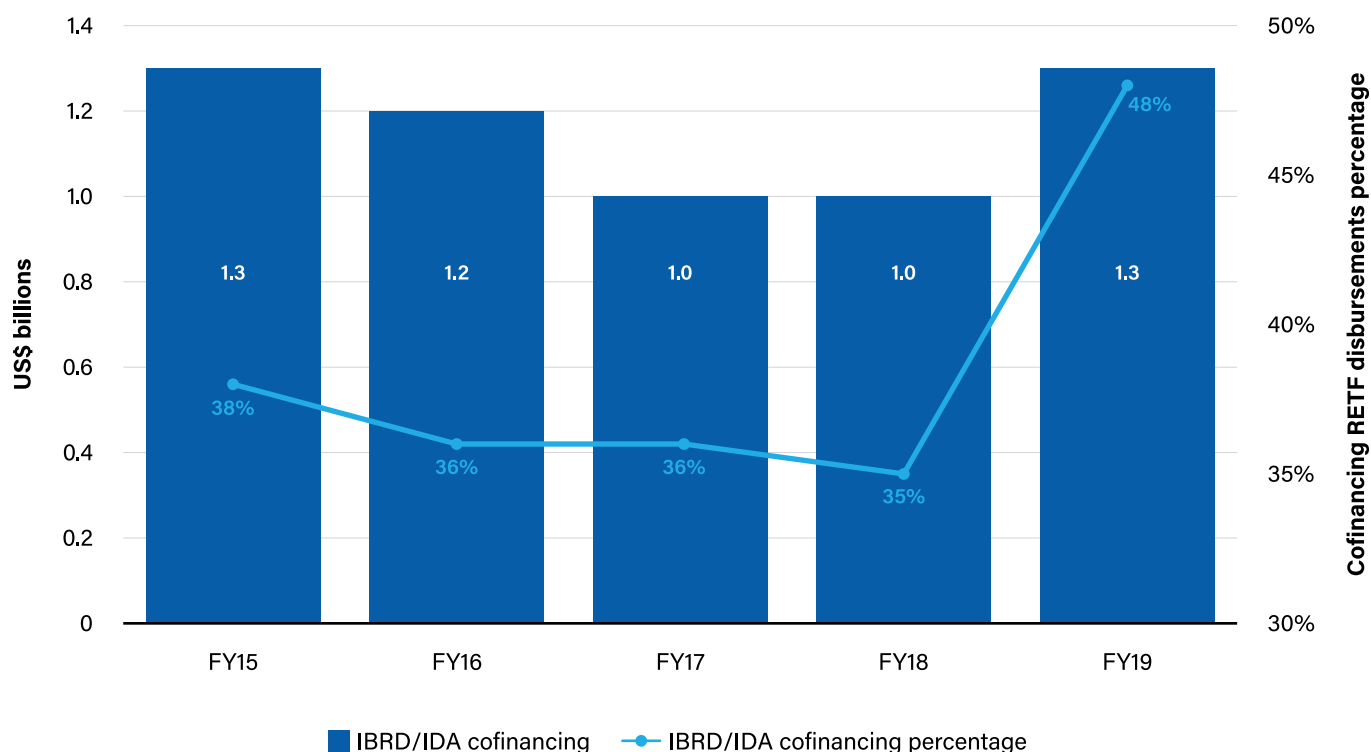




## 17. Disbursements from RETFs Cofinancing IBRD and IDA, (FY15–FY19)

Trust funds regularly cofinance IBRD and IDA projects, increasing their scale and reach and filling knowledge and financing gaps. They provide grant financing where client countries are reluctant to borrow, reducing transaction costs and allowing donors to maximize impact by leveraging the WBG's technical and operational capacity. Over the past five years, cofinancing RETFs declined from 38 percent of RETF disbursements in FY15 to 35 percent in FY18, before increasing to 48 percent in FY19. ARTF (\$1.7 billion) accounted for 30 percent, IBRD as an IE of CIF (\$742 million) for 13 percent, and GPE (\$440 million) for 8 percent of cofinancing RETF disbursements during the last five years.

**Figure 2.17. Disbursements from RETFs cofinancing IBRD and IDA, FY15–FY19**





## 18. RETF Disbursements by Country Eligibility (FY15–FY19)<sup>65</sup>

Cumulative total RETF disbursements were \$15.1 billion between FY15 and FY19, with the highest annual level of \$3.4 billion in FY15, decreasing 24 percent to \$2.6 billion in FY19. The IDA countries continue to receive the largest share of RETF disbursements year after year—63 percent of total RETF disbursements in FY19. Over the past five years, approximately \$1 out of every \$7 disbursed to IDA-only and blend countries was from RETFs, whereas RETF disbursements to IBRD countries were equivalent to 2 percent of IBRD disbursements.<sup>66</sup>

**Figure 2.18. RETF disbursements by country eligibility, FY15–FY19 (US\$ millions)**

Country eligibility category	FY15	FY16	FY17	FY18	FY19
IDA	2,184	2,229	1,918	1,877	1,633
Blend	211	255	222	253	194
IBRD	579	643	554	447	564
Global/regional/others <sup>a</sup>	427	236	225	226	199
<b>Grand total</b>	<b>3,401</b>	<b>3,363</b>	<b>2,919</b>	<b>2,803</b>	<b>2,590</b>

<sup>a</sup> The Global/regional/others category includes disbursements for regional and global activities and disbursements to non-members like the West Bank and Gaza.

<sup>65</sup> The country eligibility classifications for each particular fiscal year were used.

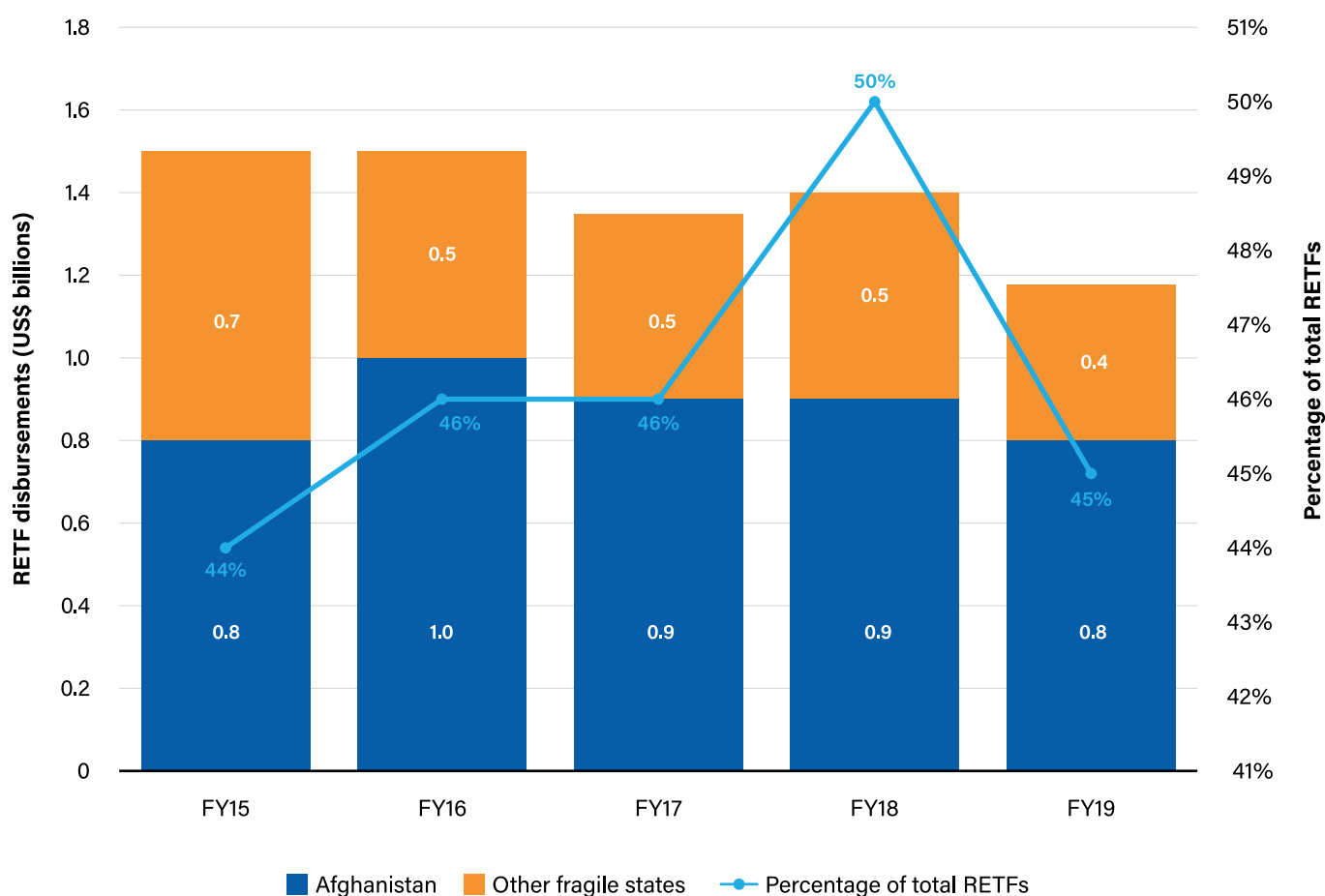
<sup>66</sup> Blend countries—for example, Nigeria and Pakistan—are IDA-eligible based on per capita income levels and are also creditworthy for some IBRD borrowing.



## 19. RETF Disbursements in Fragile and Conflict-Affected States (FY15–FY19)

RETFs are an important financing instrument to respond to the needs of fragile and conflict-affected states (FCS). RETF disbursements in FCS decreased from \$1.5 billion in FY16 to \$1.2 billion in FY19. The share of RETF in FCS out of total RETF disbursements also declined, from 50 percent in FY18 to 45 percent in FY19. Disbursements to Afghanistan in FY19 continued to account for a significant portion—65 percent—of total RETF disbursements in FCS (\$0.8 billion). RETF disbursements to FCS other than Afghanistan averaged around \$0.5 billion over the past five years. In FY19, besides Afghanistan, the five FCS that received the highest RETF disbursements were the West Bank and Gaza (\$96 million), Somalia (\$55 million), Mozambique (\$50 million), Democratic Republic of Congo (\$44 million), and Liberia (\$23 million).

**Figure 2.19. RETF disbursements in fragile and conflict-affected states, FY15–FY19**

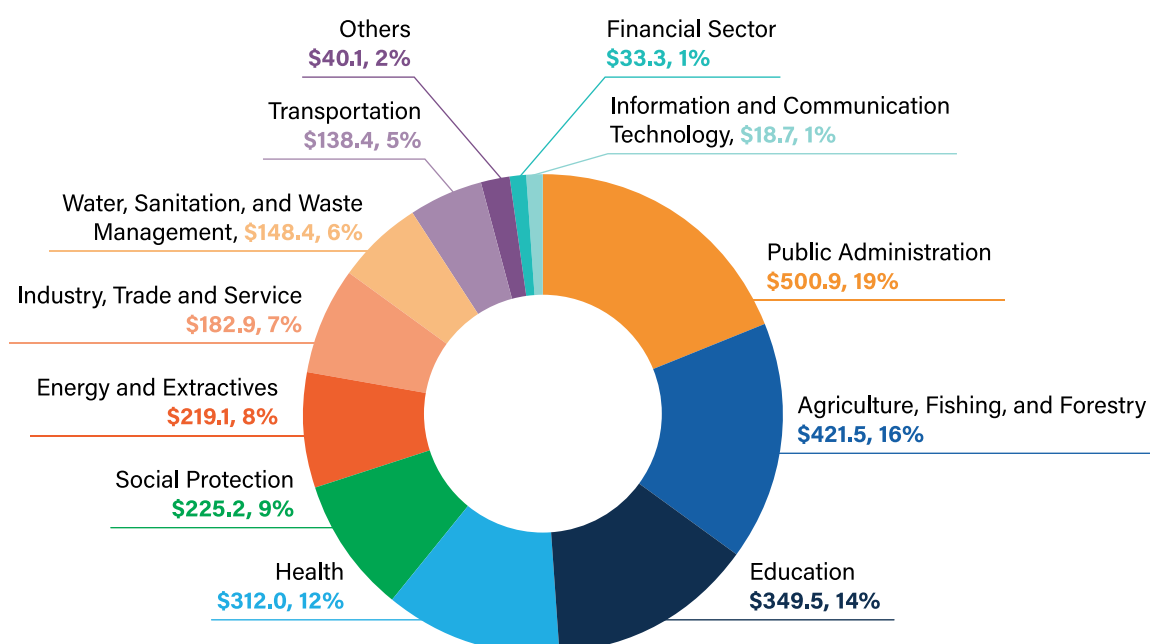




## 20. Sectoral Allocation of RETF Disbursements (FY19)

The majority of RETF disbursements went to the following three sectors: (a) public administration, (which includes the World Bank's work on governance and anticorruption), 19 percent; (b) agriculture, fishing, and forestry, 16 percent; and (c) education,<sup>67</sup> 14 percent. Together, the three sectors accounted for 49 percent of total RETF disbursements in FY19. Even so, in FY19 disbursements in the public administration and education sectors decreased significantly (\$156 million and \$222 million, respectively) as compared to FY18, primarily because of decreased disbursements in GPE (by \$177 million) and ARTF (by \$219 million). Disbursements in the social protection sector increased by \$120 million in FY19 over FY18, and disbursements in the industry, trade, and services sector increased by \$72 million because of increased disbursements in the Global Concessional Financing Facility (by \$36 million) and ARTF (\$68 million).

**Figure 2.20. Sectoral allocation of RETF disbursements, FY19 (US\$ millions)**



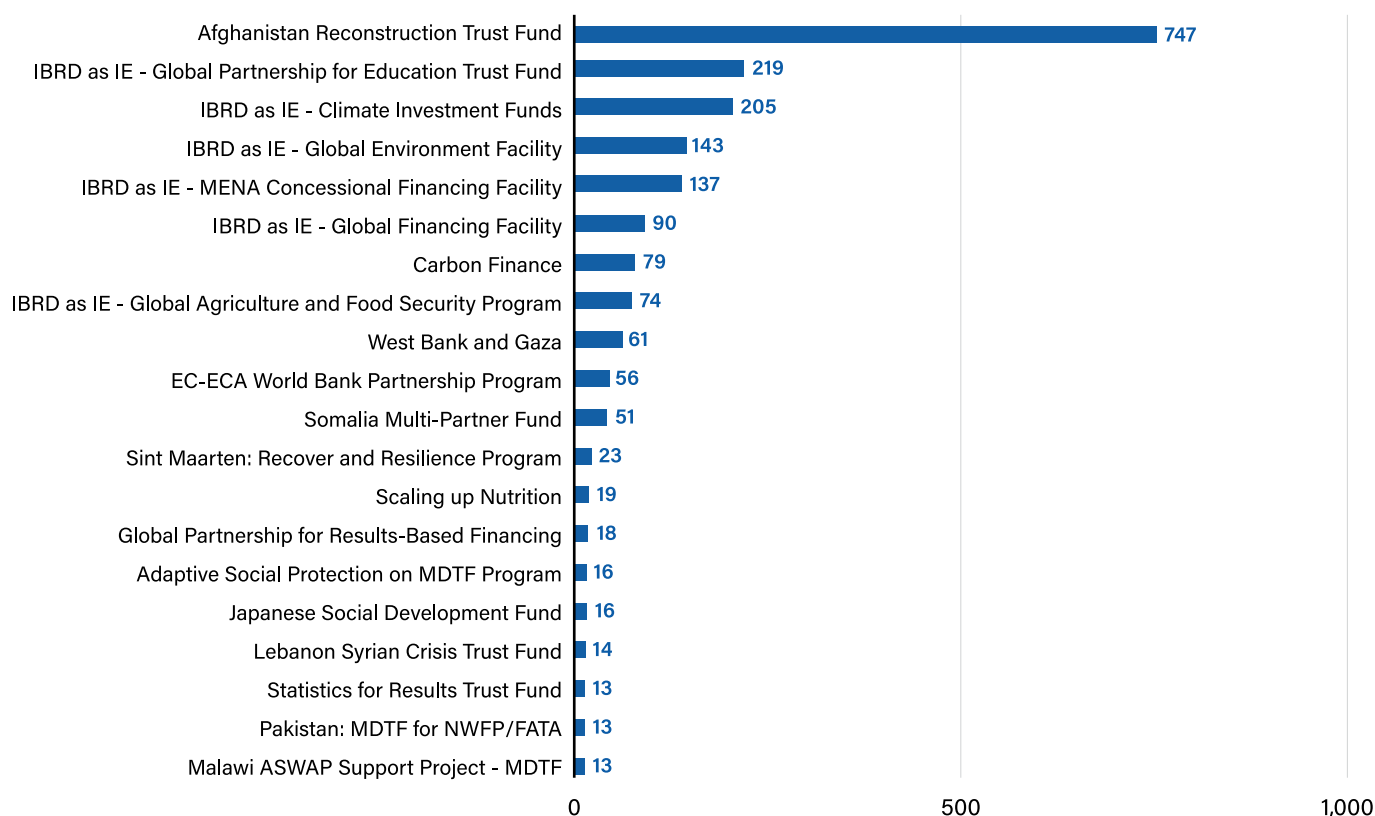
<sup>67</sup> The World Bank sector taxonomy that was applicable in FY17 has been used to generate this figure.



## 21. RETF Disbursements—Top 20 Trust Fund Programs (FY19)

In FY19 the top 20 trust fund programs disbursed 78 percent of the total \$2.6 billion RETF disbursements. The ARTF program disbursed the most, \$747 million, followed by IBRD as IE for GPE (\$219 million), IBRD as IE for CIFs (\$205 million), and IBRD as IE for GEF (\$143 million.) In FY19, 6 of the top 20 programs, in which the IBRD is an IE for FIFs, cumulatively disbursed \$868 million.

**Figure 2.21. RETF disbursements—top 20 trust fund programs, FY19 (US\$ millions)**

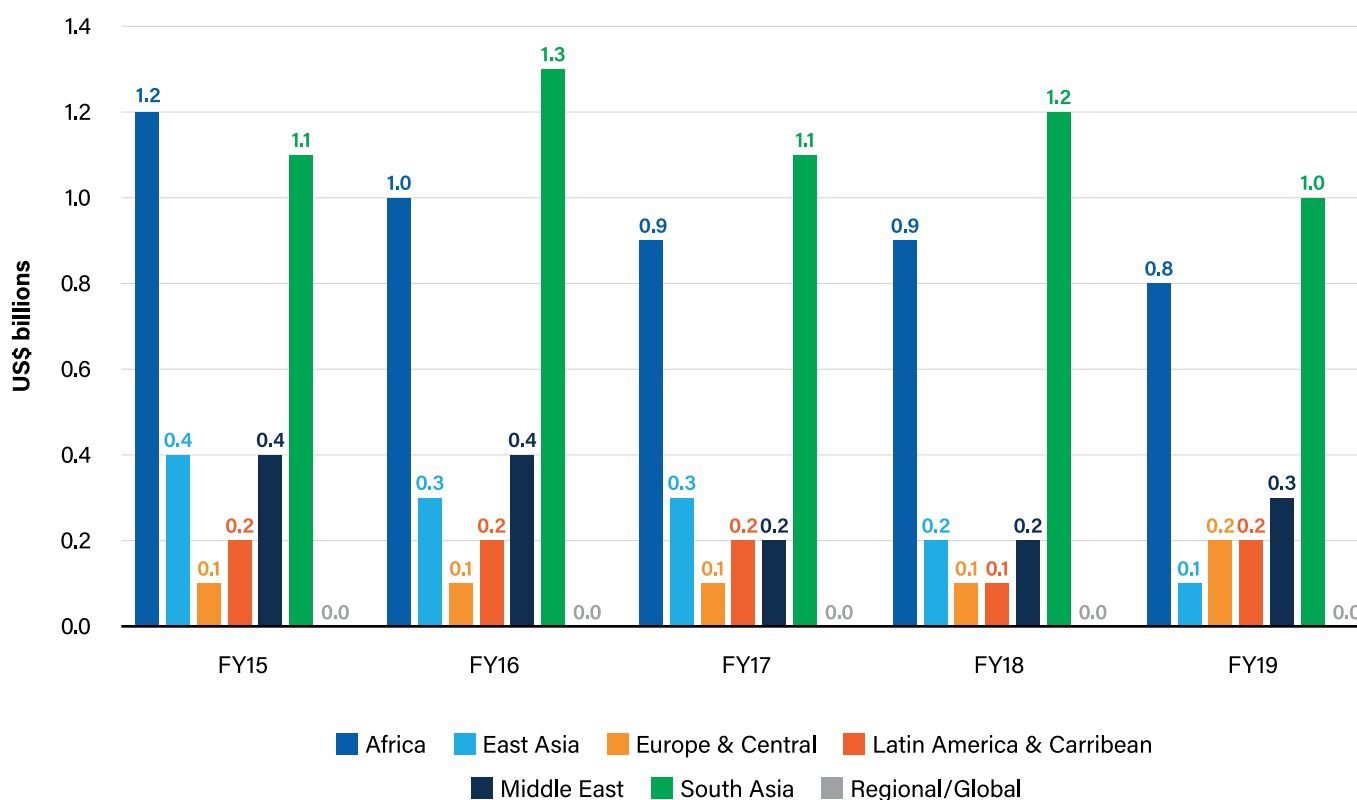




## 22. Regional Shares of RETF Disbursements (FY15-FY19)

Among the World Bank's Regional units, South Asia (SAR) was the largest beneficiary of RETFs in FY19 with \$1 billion, primarily because of the ARTF. The Africa Region (AFR, \$840 million) was the second-largest beneficiary, followed by the Middle East and North Africa (MNA, \$345 million). RETF disbursements in East Asia and Pacific (EAP), Latin America and Caribbean (LCR), and Europe and Central Asia (ECA) were \$126 million, \$187 million, and \$166 million, respectively. Compared with FY18, RETF disbursements decreased in AFR; and in EAP, RETF disbursements decreased by 39 percent from \$207 million in FY18 to \$126 million in FY19, primarily because of the decrease in disbursement from the IBRD as an IE of Clean Technology Fund (CTF) (\$37 million), the Indonesia Program for Community Empowerment (\$18 million), and Pacific Catastrophe Risk Assessment and Financing Initiative (\$12 million).

**Figure 2.22. RETF disbursements by Region, FY15-FY19 (US\$ billions)<sup>a,b</sup>**



<sup>a</sup> Because of rounding of numbers, disbursements below \$50 million are displayed as \$0.0. For instance, in FY16 Regional/Global disbursements were \$26 million..

<sup>b</sup> Includes disbursements for regional/global activities, such as the Debt Management Facility II Trust Fund and the Stolen Asset Recovery Initiative MDTF.



## 23. BETF Disbursements by Country Eligibility (FY15–FY19)<sup>68</sup>

BETF disbursements increased by 38 percent (\$306 million), from \$770 million in FY15 to \$1.1 billion in FY19. In FY19, 59 percent of BETFs were disbursed for country engagement work and 16 percent for global engagement work, up from 58 percent and 14 percent, respectively, in FY15. More than half of BETF disbursements in FY19 went to support regional work (such as the Global Facility for Disaster Reduction & Risk Trust Fund for Africa) or global work (such as the Consultative Group to Assist the Poorest Trust Fund) and non-members such as the West Bank and Gaza. Out of approximately \$4.8 billion in BETF disbursements over the last five years, about \$965 million were for activities that support IDA countries. During FY15–FY19, BETF disbursements for activities to support IDA countries grew by 40 percent to \$217 million in FY19; BETF disbursements for activities to support blend countries grew by 22 percent to \$66 million in FY19; and BETF disbursements for activities to support IBRD countries grew by 67 percent to \$205 million in FY19.

**Figure 2.23. BETF disbursements by country eligibility, FY15–FY19 (US\$ millions)**

Country eligibility category <sup>a</sup>	FY15	FY16	FY17	FY18	FY19
IDA	154	179	204	211	217
Blend	55	63	67	67	66
IBRD	123	128	152	198	205
Global/regional/others <sup>b</sup>	438	491	529	595	588
<b>Grand total</b>	<b>770</b>	<b>861</b>	<b>952</b>	<b>1,071</b>	<b>1,076</b>

<sup>a</sup> Due to reclassification of trust funds, BETF disbursements in this report are different from those reported in the FY17 Trust Fund Annual Report. See Endnote 2 for detailed explanation.

<sup>b</sup> The Global/regional/others category includes disbursements for regional and global activities and disbursements for activities associated with non-members in addition to administrative costs for program secretariats; see Endnote 3.

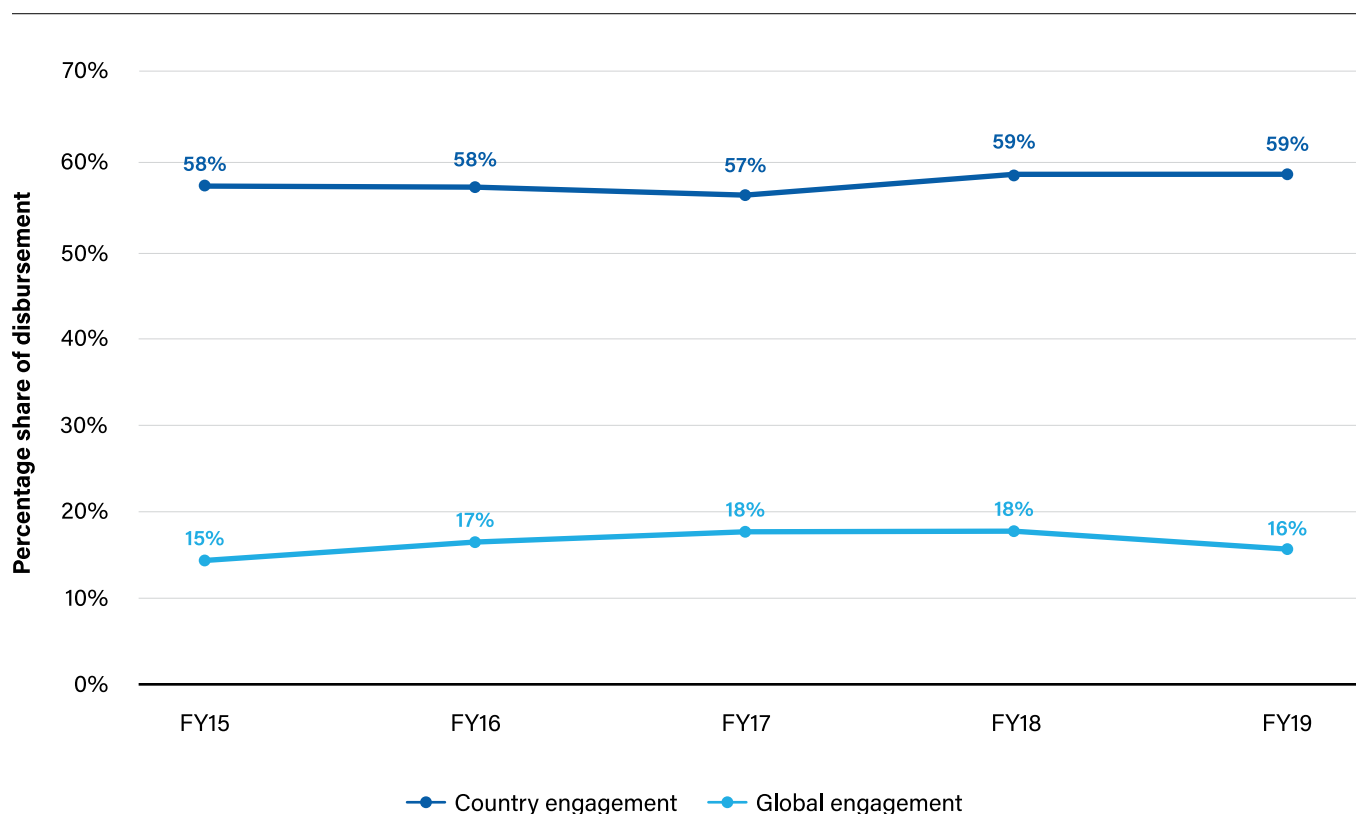
<sup>68</sup> The country eligibility classifications for each particular fiscal year were used.



## 24. Share of BETF Disbursements by Country Engagement and Global Engagement Activities (FY15-FY19)

During FY15-FY19, country engagement activities (largely ASA) accounted for the largest share of total BETF disbursements (59% in FY19).<sup>69</sup> Global engagement activities (including global knowledge, research and development and global advocacy) accounted for the second-largest share (16% in FY19).<sup>70</sup>

**Figure 2.24. Share of BETF disbursements by country engagement and global engagement activities, FY15-FY19**



<sup>69</sup> Country engagement refers to country and regional work programs, such as lending, supervision, and advisory services and analytics.

<sup>70</sup> Global engagement is funding for global activities, which are not driven by demand from a specific borrower country, such as global knowledge, research and development, and global advocacy.



## 2.3 IFC ADVISORY TRUST FUNDS<sup>71</sup>

The IFC 3.0 strategy clearly lays out the need to create markets, mobilize trillions of dollars, enable the Private Sector Development agenda globally, and ramp up engagement in the most difficult markets. This ambitious agenda cannot be achieved through finance alone. More than ever, advisory services are crucial. With long-standing experience and expertise in promoting market/sector reform, setting standards, building capacity, structuring public-private partnerships (PPPs), and creating an inclusive global economy, Advisory is helping to make IFC 3.0 a reality.

IFC Advisory spans a continuum from targeted, firm-specific advice to marketwide reforms. It addresses the short-term needs of corporate clients to make them investment-ready, but just as importantly, it builds long-term relationships through multiyear, multifaceted engagements that address challenges in the toughest markets. It helps industries to adopt good practices and standards, works with governments to structure PPPs that improve their citizens' access to infrastructure and basic services, and helps countries implement reforms that crowd in investments.

Advisory's business model is one of leverage. To increase its reach and impact, Advisory makes strategic use of partnerships—partnerships with sovereign governments, foundations, other multilaterals, and leading multinational corporations that contribute technical expertise, thought leadership, and complementary convening power.

IFC trust funds are the main instrument for financing IFC Advisory Services, with funding coming from development partners, IFC, and clients. As of end-FY19, there were 195 IFC active trust fund accounts.<sup>72</sup> Through 783 active projects (as of end-FY19), IFC is providing advisory solutions for private sector clients in about 100 countries, focusing on fragile and conflict-affected areas and on IDA countries.

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<sup>71</sup> The data for this section are provided by the IFC Trust Funds and Advisory Portfolio Management team.

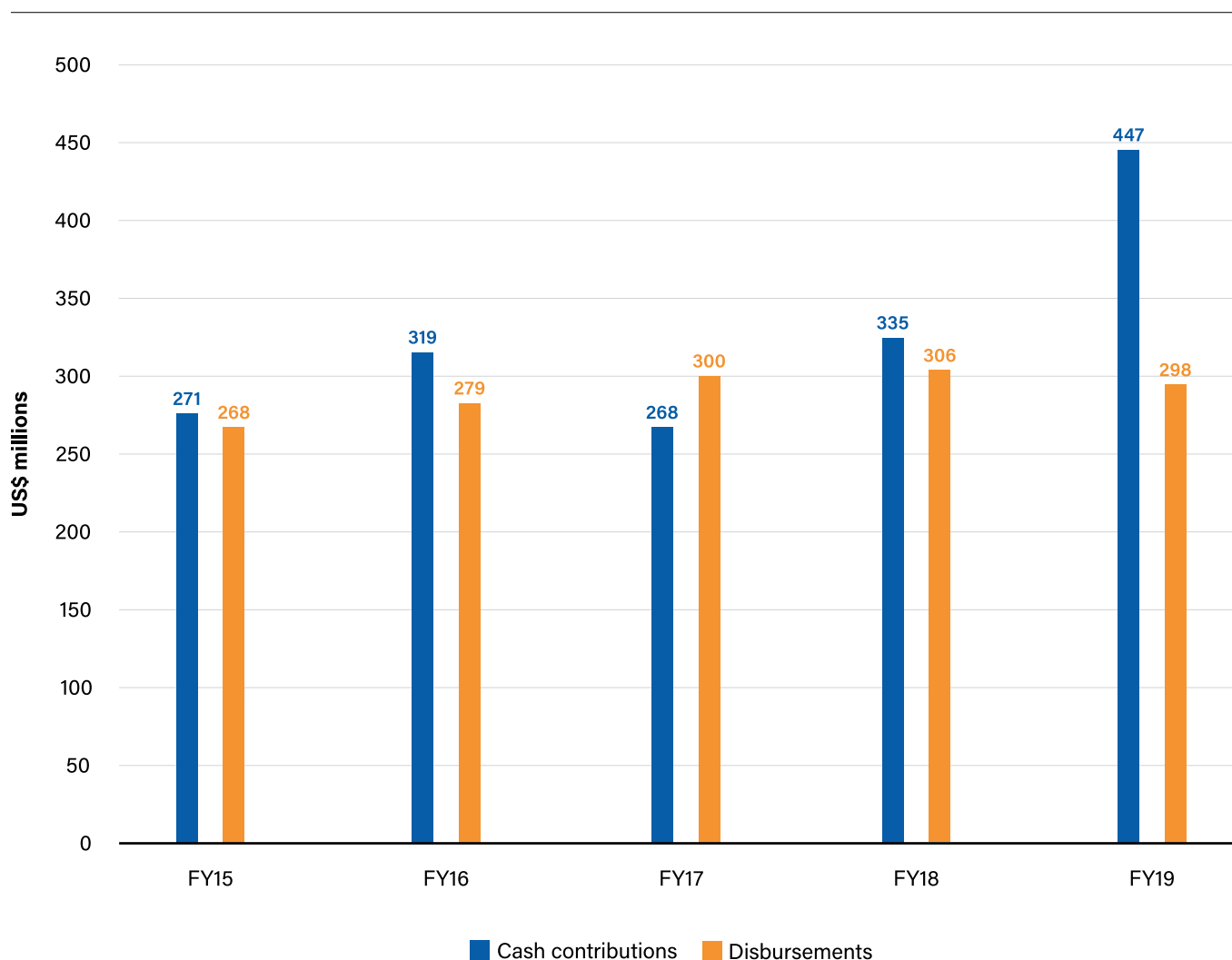
<sup>72</sup> See Figure 2.8 for details of IFC trust fund accounts.



## 25. IFC Advisory Services Trust Funds Cash Contributions and Disbursements (FY15-FY19)<sup>73</sup>

Cash contributions to IFC trust funds increased from \$335 million in FY18 to \$447 million in FY19. Cash disbursements from IFC Advisory trust funds increased from \$271 million in FY15 to \$306 million in FY18 before decreasing to \$298 million in FY19.

**Figure 2.25. IFC Advisory Services trust fund cash contributions and disbursements, FY15-FY19 (US\$ millions)**



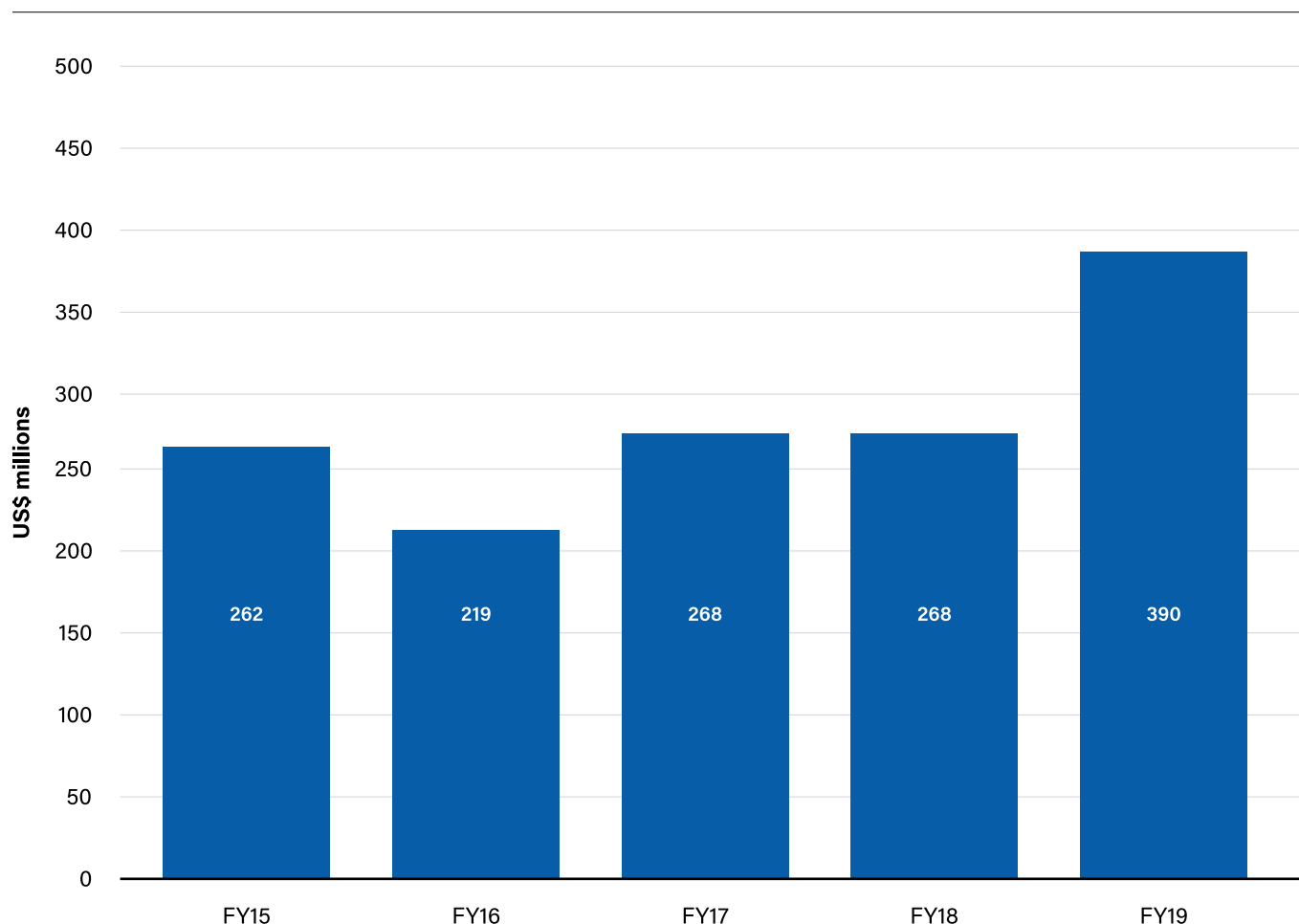
<sup>73</sup> This report does not include \$55 million in transfers from FIFs to trust funds of IFC as IE, during FY15-FY19.



## 26. Signed Contributions to IFC Advisory Trust Funds (FY15–FY19)

Signed contributions have steadily increased since FY16, reaching \$390 million in FY19, indicating higher cash contributions in the coming years.<sup>74</sup> Over the past five years, the Energy Efficiency Support Program for Ukraine (\$71 million), Ukraine Energy Efficiency Fund (\$62 million), Multi-Country Investment Climate Program (\$45 million), Improving Business Environment for Prosperity (\$37 million), and Mobilizing Private Sector Investment for Infrastructure in Developing Countries through PPPs (\$34 million) were the top programs with the highest value of signed contributions.

**Figure 2.26. Signed contributions to IFC Advisory trust funds, FY15–FY19 (US\$ millions)**



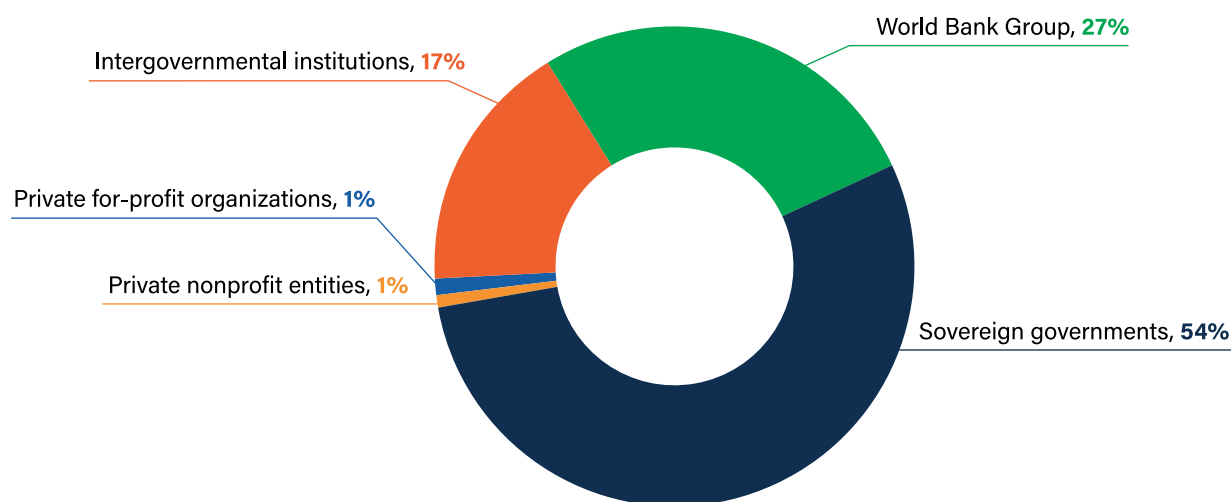
<sup>74</sup> *Signed contribution* is a donor's intent to contribute the amount listed in the Administration Agreement of the trust fund, and *contribution* is the payment received from the donor for the trust fund.



## 27. IFC Advisory Trust Funds Cash Contributions by Donor Type (FY19)<sup>75</sup>

IFC Advisory trust funds received cash contributions predominantly from sovereign governments. In FY19, 27 percent of cash contributions<sup>76</sup> to IFC Advisory trust funds came from IFC, a 3 percent increase over FY18. The share of cash contributions by sovereign governments has declined from 57 percent in FY18 to 54 percent in FY19 because of the increase in cash contributions from intergovernmental institutions and from IFC itself. Among the donors whose cash contributions increased in FY19 are IFC (by \$43 million), Netherlands (by \$29 million), European Union (by \$23 million), Germany (by \$16 million), and Sweden (by \$8 million).

**Figure 2.27. IFC Advisory Services trust funds cash contributions by donor type, FY19**



<sup>75</sup> Whereas the FY17 Trust Fund Annual Report presented the non-sovereign donors to IFC Advisory Services collectively, the FY19 Trust Fund Annual Report provides a more detailed breakdown of IFC Advisory Services donors, including intergovernmental institutions, private nonprofit entities, and private for-profit organizations

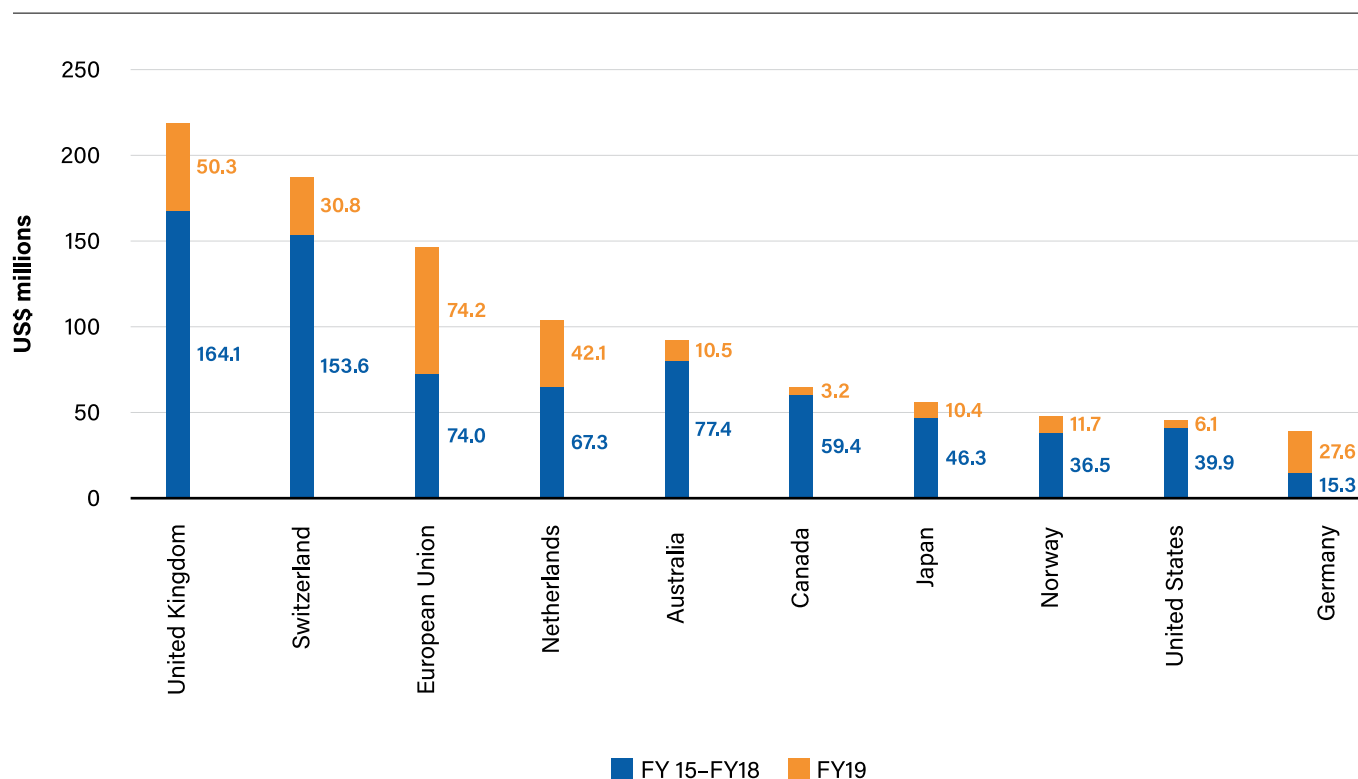
<sup>76</sup> Cash contributions include encashment of promissory notes and cash receipts from donors and do not include transfers from FIFs to trust funds of the WBG as IE.



## 28. Top 10 Donors to IFC Advisory Trust Funds by Cash Contributions (FY15-FY19)<sup>77</sup>

United Kingdom has been the largest sovereign donor to IFC Advisory trust funds between FY15 and FY19, accounting for 13 percent of total cumulative cash contributions (\$214 million), followed by Switzerland with 11 percent (\$184 million) and the European Union with 9 percent (\$148 million).<sup>78</sup> In FY19, the European Union was the largest sovereign donor to IFC trust funds, providing 17 percent (\$74 million) of the cash contributions.

**Figure 2.28. Top 10 donors to IFC Advisory trust funds by cash contributions, FY15-FY19 (US\$ millions)**



<sup>77</sup> IFC is the largest contributor to its Advisory Services trust funds.

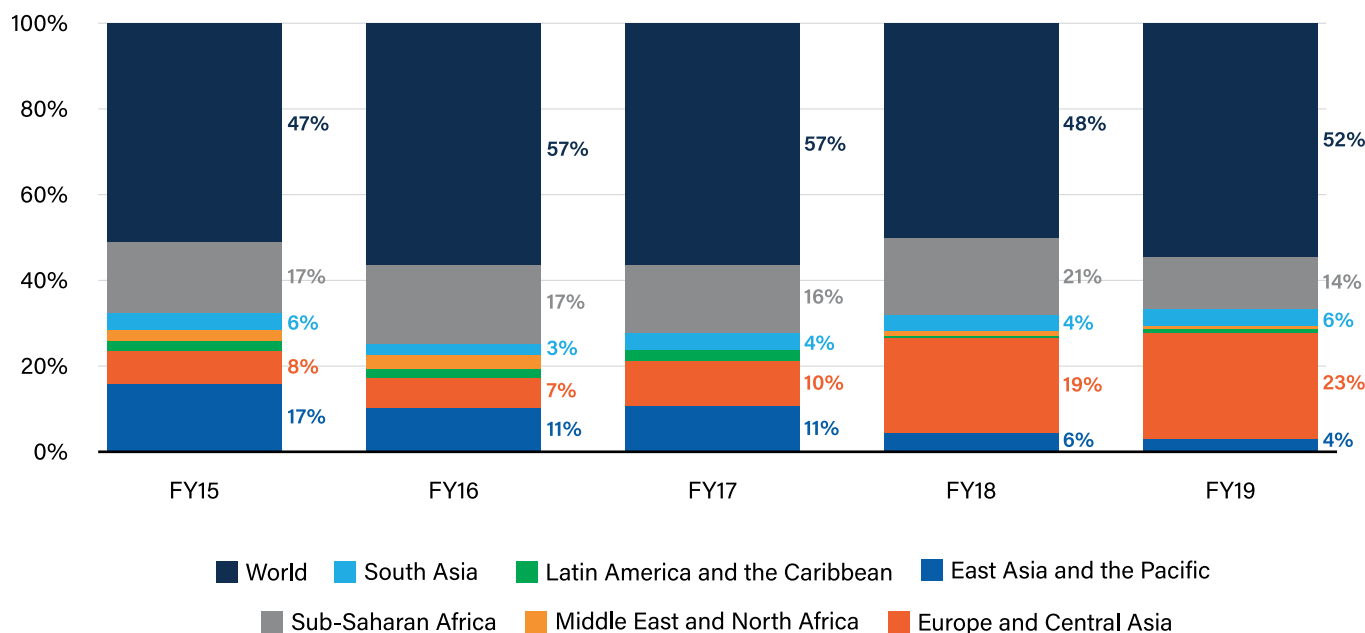
<sup>78</sup> This does not include trust funds that support IFC's Investment Program.



## 29. IFC Advisory Trust Funds Cash Contributions by Regional Distribution (FY15-FY19)<sup>79</sup>

Global trust funds<sup>80</sup> in IFC accounted for the largest share (52%) of contributions received in FY19, a 4 percent increase from the previous FY. The Sub-Saharan Africa region accounted for the second-largest share in FY19 (14%), dropping from 21 percent in FY18.

**Figure 2.29. IFC Advisory trust funds cash contributions by regional distribution, FY15-FY19**



## 30. IFC Advisory Services Program Expenditures and Share in IDA Countries (FY15-FY19)<sup>81,82</sup>

IFC trust funds are the main instrument for financing IFC Advisory Services. Program expenditures for IFC Advisory increased from \$273 million in FY18 to \$295 million in FY19, the highest level in the five-year period. IDA countries accounted for 59 percent of the Advisory Services program expenditures in FY19.<sup>83</sup>

**Figure 2.30. IFC Advisory Services program expenditures and share in IDA countries, FY15-FY19**

Category	FY15	FY16	FY17	FY18	FY19
Advisory program (US\$ millions)	202	221	246	273	295
Share of Advisory program in IDA countries (percent)	65	62	63	57	59

<sup>79</sup> IFC's regional classification is used for this figure. Please refer to Endnote 4 for more details

<sup>80</sup> Trust funds established for global activities, such as Comprehensive Japan Trust Fund and SECO IFC Global Advisory Trust Fund.

<sup>81</sup> Advisory Services Program expenditures stand for disbursements of IFC Advisory Services projects with clients. This is a subset of the entire IFC project portfolio and excludes non-client projects, such as knowledge projects.

<sup>82</sup> The data for this section are provided by the IFC Advisory Services Portfolio Management team.

<sup>83</sup> Excludes global projects.



## 2.4 MIGA TRUST FUNDS

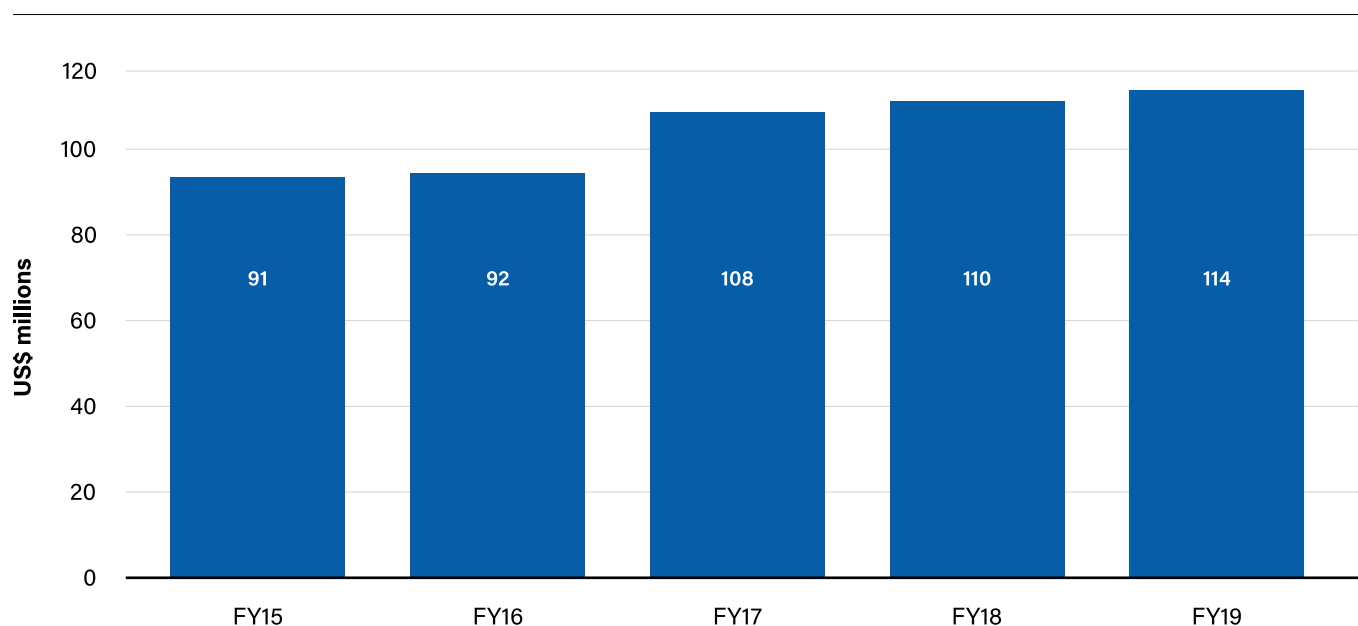
### 31. MIGA Trust Funds

MIGA, one of the five WBG organizations, has a mission to promote foreign direct investment in developing countries to help support economic growth, reduce poverty, and improve people's lives. MIGA provides political risk insurance to private sector investors and lenders. Since its inception in 1988, MIGA has issued more than \$45.0 billion in guarantees in support of over 800 projects in 110 of its member countries. In FY18, MIGA issued \$5.3 billion in guarantees for projects spanning four strategic priority areas—IDA countries, FCS, climate change, and innovations.

Trust funds enable MIGA to work with donors to leverage its limited resources and to increase its risk appetite in the most challenging environments. By partnering with donors to establish specialized guarantee trust funds, MIGA (a) mobilizes guarantee capacity in FCS, where it could not otherwise operate; and (b) underwrites certain highly developmental projects that it could not otherwise support because of restrictions in the MIGA convention.

As of end-FY19, MIGA's portfolio consisted of four trust funds with FHIT amounting to \$114 million, an increase of \$4 million from FY18. MIGA's trust funds are the Afghanistan Investment Guarantee Facility Trust Fund; the Conflict-Affected and Fragile Economies Facility; the West Bank and Gaza Investment Guarantee Trust Fund; and the European Union Investment Guarantee Trust Fund for Bosnia and Herzegovina.<sup>84</sup> These trust funds offer support to fragile and conflict-affected situations and promote the stability and growth of countries in FCS by catalyzing private capital flows from investors and financial institutions to FCS through mobilizing political risk insurance products to these countries, from both MIGA and the global political risk insurance industry.

**Figure 2.31. MIGA FHIT, FY15–FY19 (in US\$ millions)**



<sup>84</sup> The European Union Investment Guarantee Trust Fund for Bosnia and Herzegovina is closed for new business.



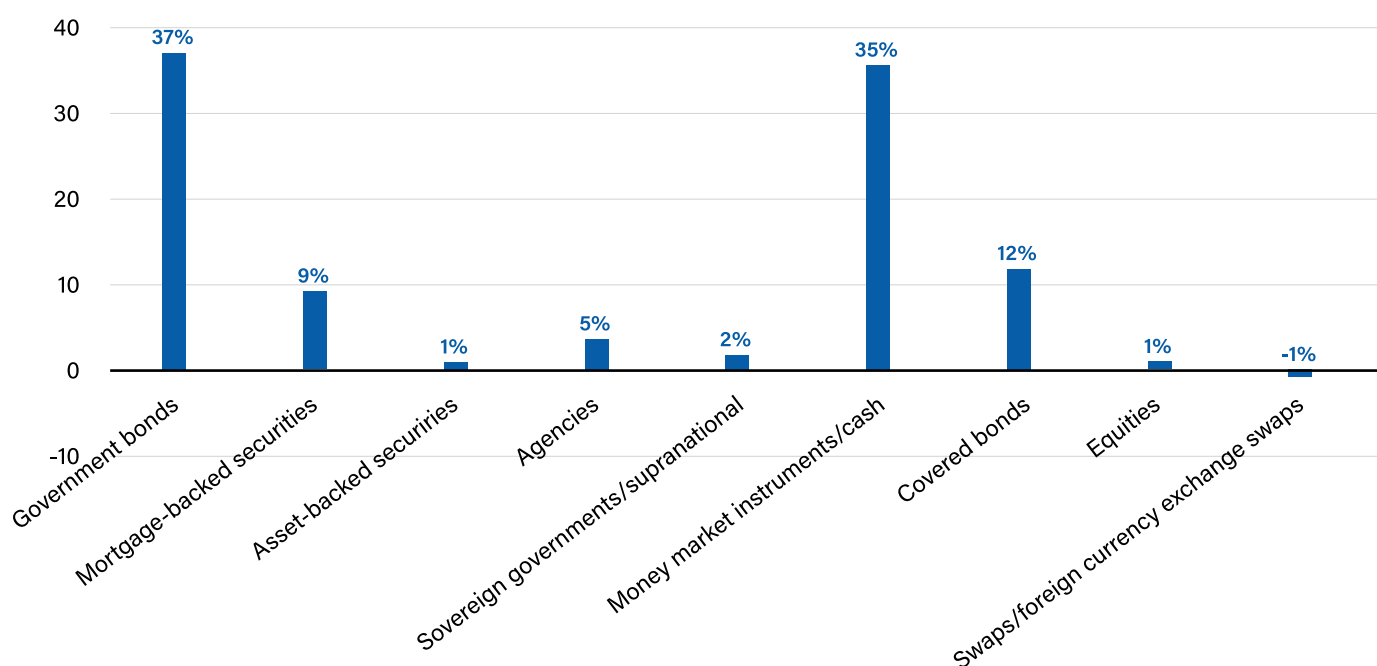
## 2.5 ASSET MIX OF TRUST FUNDS INVESTMENT PORTFOLIO

### 32. Asset Mix of Trust Funds Investment Portfolio (as of end-FY19)

When the World Bank receives donor contributions to the trust funds, it invests these funds in the international capital markets until the funds are disbursed to final recipients. Trust fund assets are managed with the primary investment objective of capital preservation. The provisions of the World Bank Board-approved General Investment Authorizations for IBRD and IDA also apply to the investment of trust funds assets. Accordingly, these assets are managed within conservative overall risk tolerance parameters and invested in high-quality securities: securities issued by sovereign governments, government agencies, and multilateral and other official institutions, as well as asset-backed and agency-guaranteed mortgage-backed securities, swaps, and a range of derivatives. Subject to the primary investment objective, the asset mix among the investment products authorized by the General Investment Authorizations is based on market opportunities available within the applicable risk limits. As part of monitoring and financial and risk management oversight, a quarterly rebalancing of assets is performed to ensure that enough liquidity is available to meet disbursement needs.

The portfolio asset allocation as of end-FY19 is reflective of a conservative investment approach and defensive positioning to maintain the portfolio within the policy risk tolerance. The portfolio includes a large allocation of 37 percent invested in sovereign government bonds, followed by 35 percent to cash and money market instruments, 12 percent in covered bonds, and 9 percent in mortgage-backed securities. The rest of the portfolio is invested in agency securities, short-term sovereign-guaranteed bonds, asset-backed securities, and a small allocation to developed market equities. The negative position in swaps is primarily due to changes in foreign currency exchange rates in cross-currency basis swaps. Such swap instruments are used to implement currency hedges on bond positions within the portfolio.

**Figure 2.32. Asset mix of WBG trust funds investment portfolio, as of end-FY19**





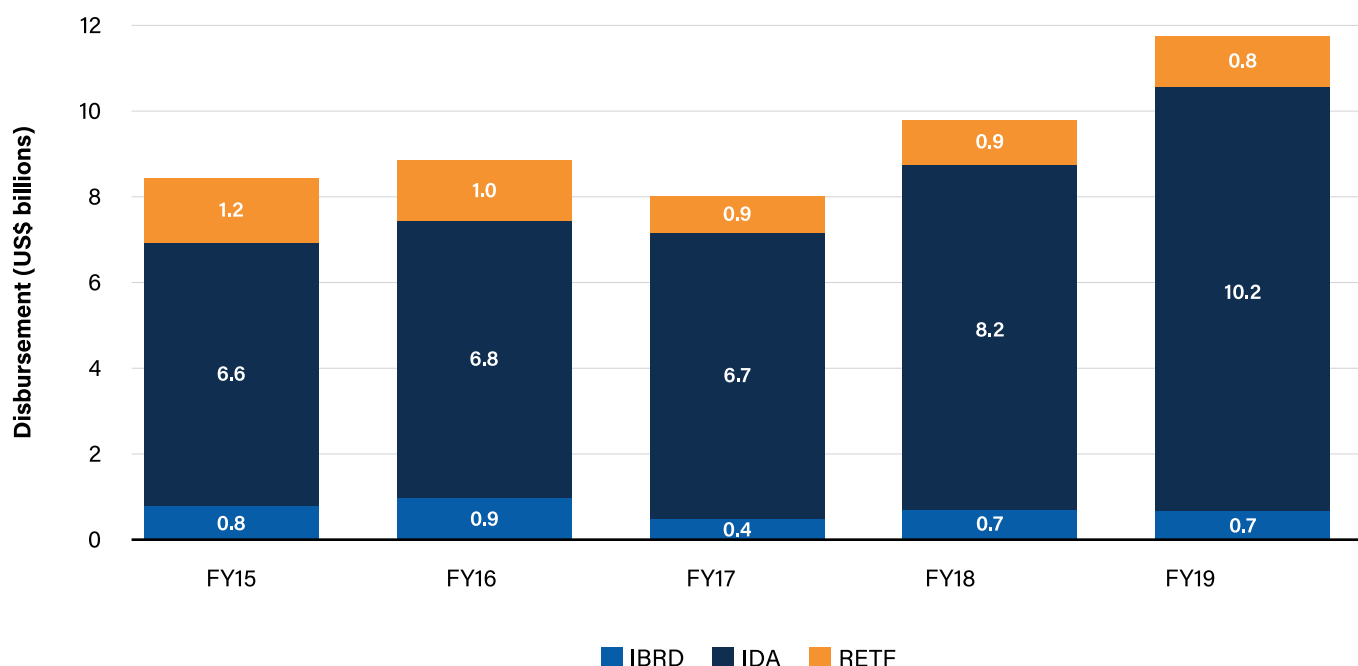
# ATTACHMENT 1: SUPPLEMENTAL FINANCIAL INFORMATION—RECIPIENT-EXECUTED TRUST FUNDS

## 33. Disbursements from IBRD, IDA, and RETFs, by Region (FY15–FY19)

Total annual project disbursements increased from \$35 billion in FY15 to \$40 billion in FY19. RETF disbursements accounted for 6 percent of the total FY19 project disbursements.

Of all Regions, in FY19 the **Africa Region** had the highest annual project disbursements of \$11.7 billion, of which RETF disbursements accounted for 7 percent. While RETF disbursements in the Region fluctuated between \$1.2 billion and \$0.8 billion over FY15–FY19, the Region received the second highest cumulative volume of RETFs over the five years—\$4.8 billion.

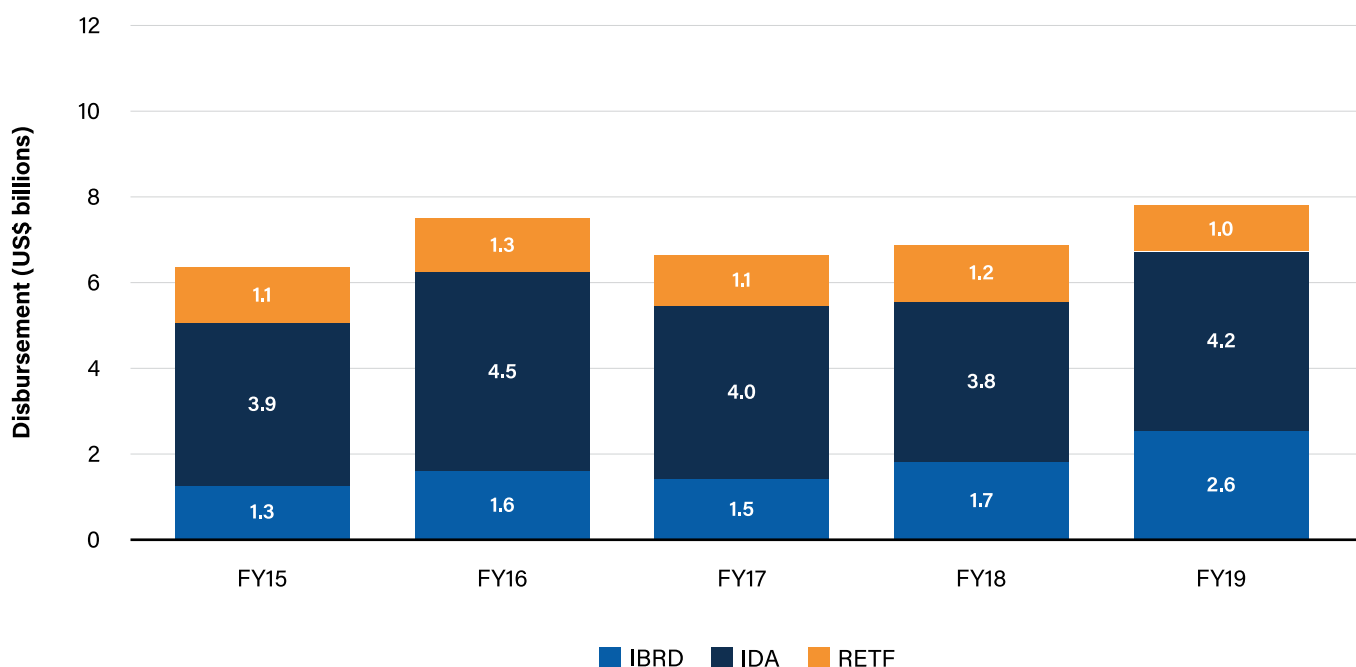
Figure 2.33. Africa Region disbursements from IBRD, IDA, and RETFs, FY15–FY19 (US\$ billions)





The **South Asia Region** had the second-highest annual project disbursements in FY19 with \$7.8 billion, of which RETF disbursements accounted for 12 percent. Over FY15-FY19, the Region received the highest volume in cumulative RETF disbursements (\$5.6 billion). ARTF accounted for approximately 75 percent of total RETF disbursements in the Region over this period.

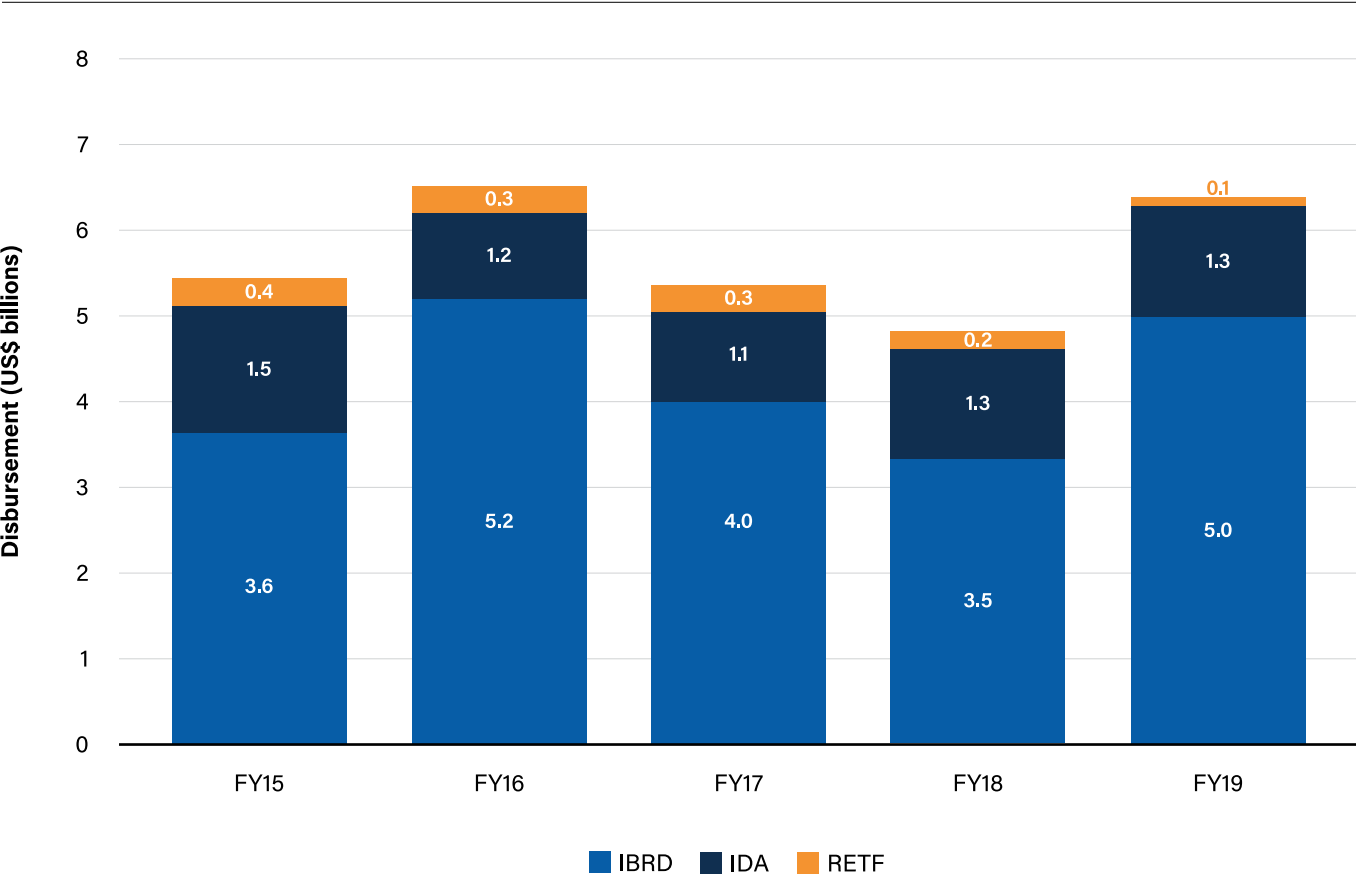
**Figure 2.34. South Asia Region disbursements from IBRD, IDA, and RETFs, FY15-FY19 (US\$ billions)**





The **East Asia and Pacific Region** accounted for the third-largest share of annual project disbursements in FY19 with \$6.4 billion, of which RETF disbursements accounted for 2 percent. RETF disbursements in the Region declined from \$0.4 billion in FY15 to \$0.1 billion in FY19, proportionally the largest decrease in RETF disbursements. Cumulatively, RETF disbursements to the Region were \$1.3 billion over the five-year period. Programs that declined for the Region during FY15-FY19 were Ozone Fund (down by \$54 million), GPE (down by \$49 million), and Program for Community Empowerment (down by \$18 million).

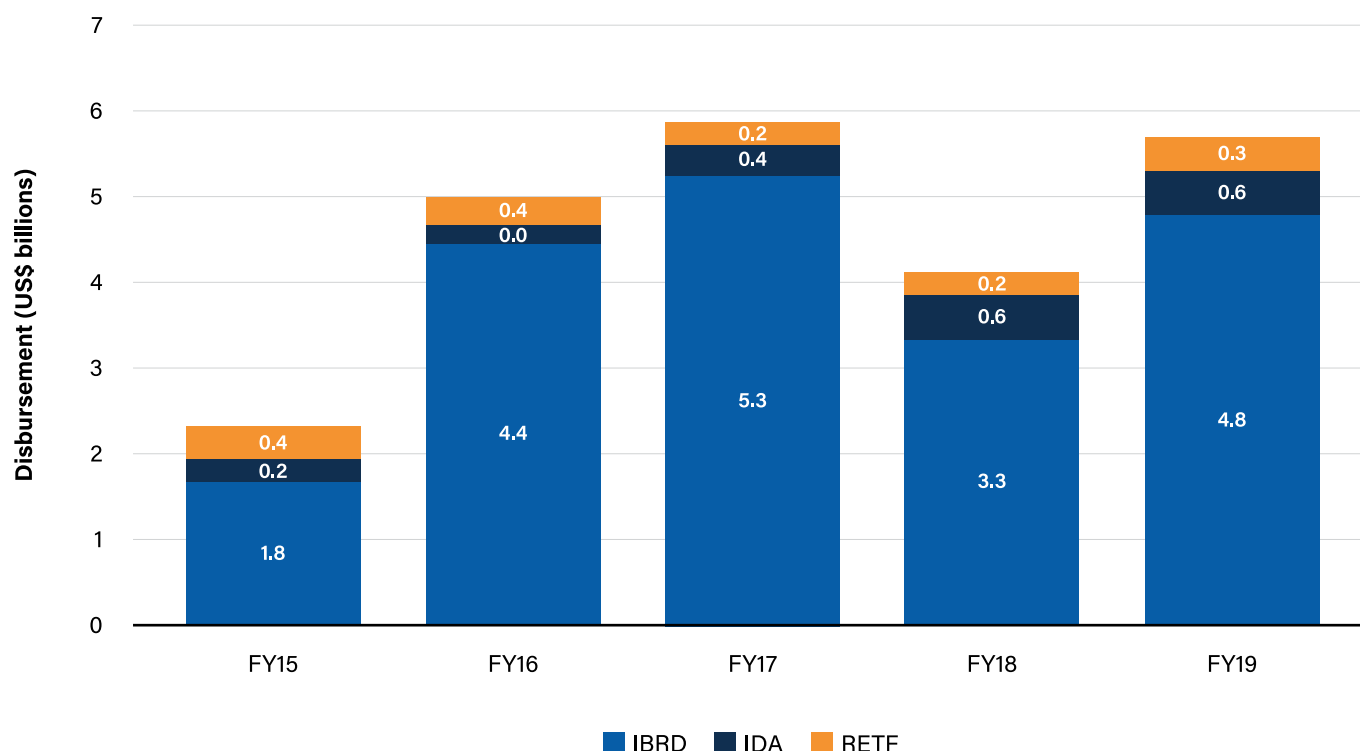
**Figure 2.35. East Asia and Pacific Region disbursements from IBRD, IDA, and RETFs, FY15–FY19 (US\$ billions)**





The **Middle East and North Africa Region** had the fourth-largest share of annual project disbursements in FY19, with \$5.7 billion, 41 percent more than in FY18, (\$4.1 billion). The RETF disbursements accounted for 6 percent in FY19, and the cumulative RETF disbursements over FY15–FY19 for the Region were \$1.7 billion. Two programs had increased disbursement in FY19: Global Concessional Financing Facility (up by \$107 million) and CIFs (up by \$49 million).

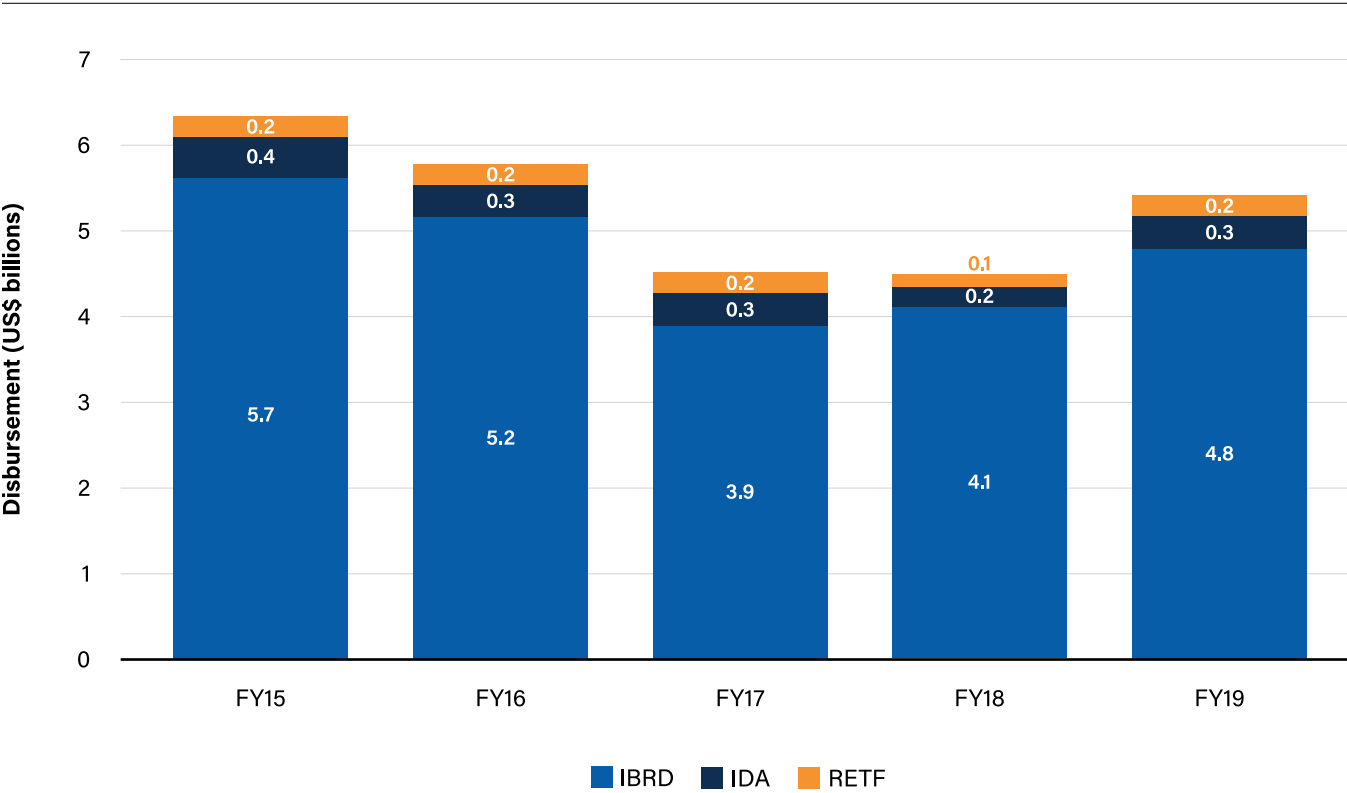
**Figure 2.36. Middle East and North Africa Region disbursements from IBRD, IDA, and RETFs, FY15–FY19 (US\$ billions)**





The **Latin America and Caribbean Region** accounted for the fifth-largest share of annual project disbursements in FY19, with \$5.3 billion, of which RETF disbursements accounted for 3 percent. From FY15 to FY19, RETF disbursements in the Region fluctuated around \$0.2 billion, with cumulative disbursements of \$0.9 billion over the five-year period.

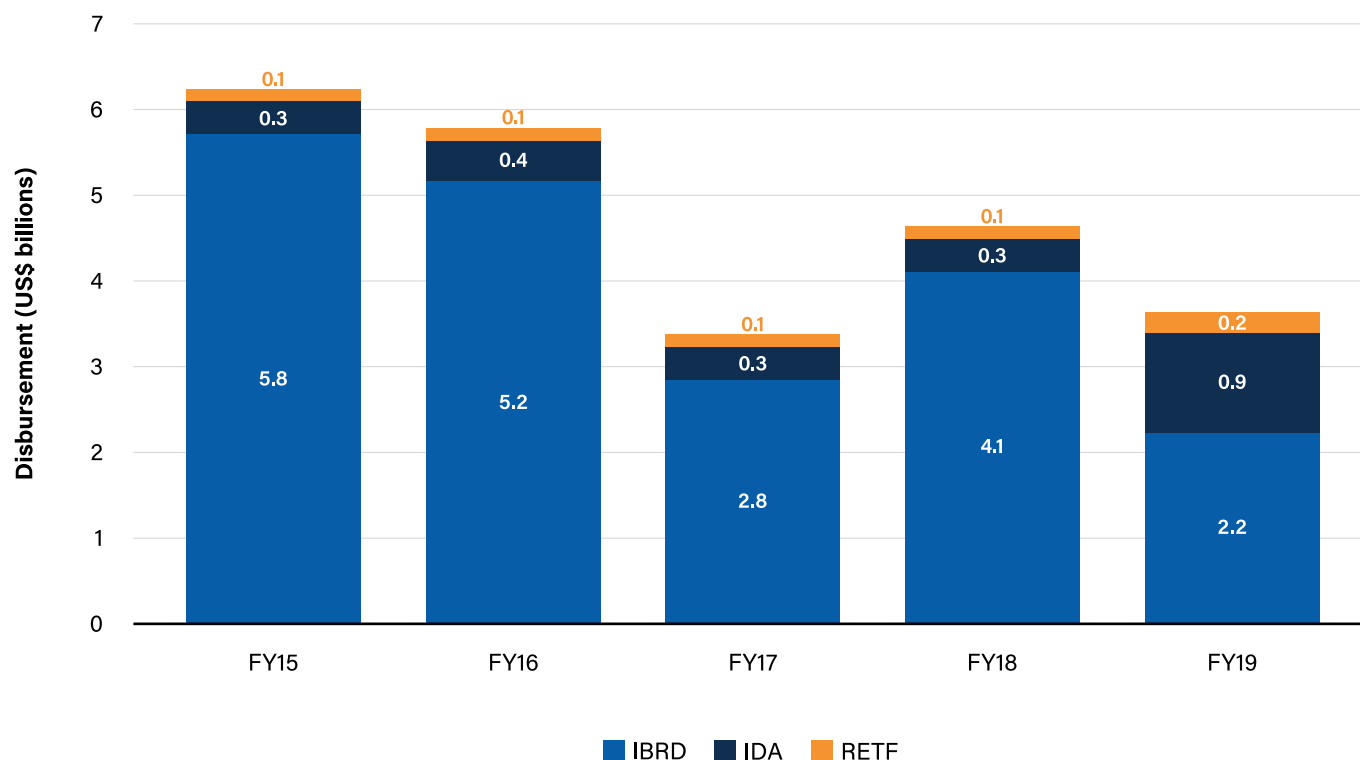
**Figure 2.37. Latin America and Caribbean Region disbursements from IBRD, IDA, and RETFs, FY15–FY19 (US\$ billions)**





The **Europe and Central Asia Region** represented the smallest share of annual project disbursements in FY19 at \$3.3 billion, of which RETF disbursements accounted for 5 percent. RETF disbursements in the Region increased from \$0.1 billion in FY15 to \$0.2 billion in FY19, with cumulative disbursements of \$0.6 billion over the five-year period. Programs for which disbursements increased during FY15–FY19 for ECA include ECA WB Partnership Program (up by \$56 million) and CIFs—IBRD as IE (up by \$19 million).

**Figure 2.38. Europe and Central Asia Region disbursements from IBRD, IDA, and RETFs, FY15–FY19 (US\$ billions)**

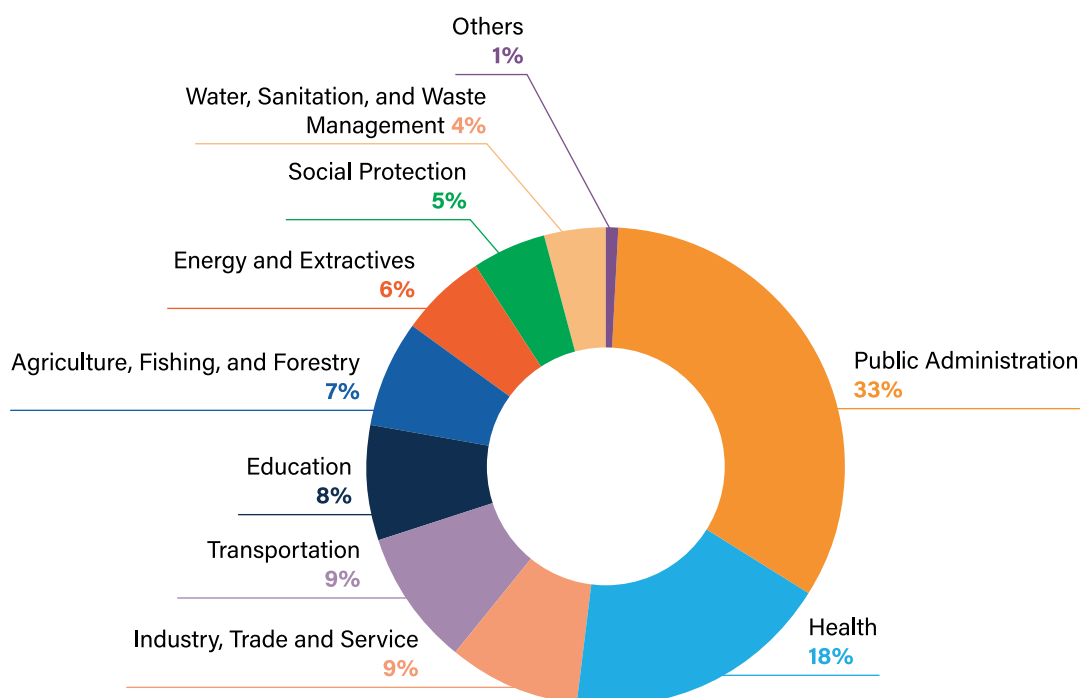




## 34. Regional RETF Disbursements by Sector (FY19)<sup>85</sup>

Looking at RETF disbursement volume, SAR was the largest beneficiary of RETFs in FY19, and the public administration sector had the highest share of disbursements in the Region—33 percent. AFR had the second-highest RETF disbursements in FY19, and the education sector led the Region with 25 percent. The energy and extractives sector led MNA with 23 percent. In LCR, the agriculture, fishing, and forestry sector led with 53 percent. The education and public administration sectors led with 23 percent and 22 percent, respectively, in ECA, and the agriculture, fishing, and forestry sector led EAP with 23 percent of the disbursement share.

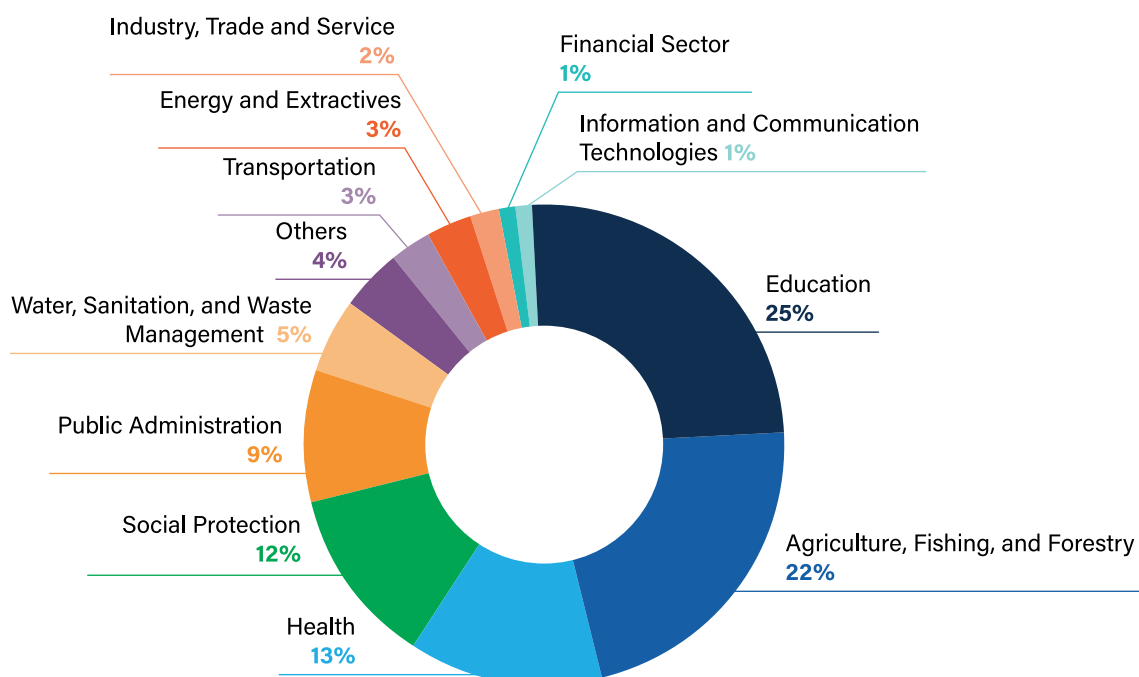
**Figure 2.39. South Asia Region RETF disbursements, by sector, FY19**



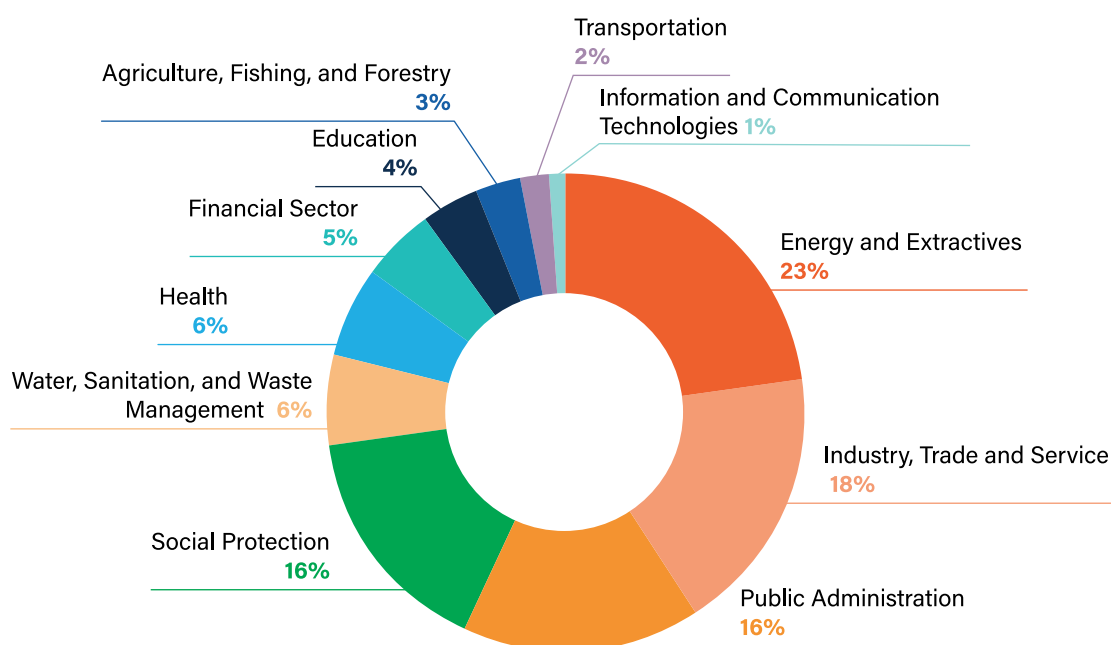
<sup>85</sup> Because of rounding, disbursements below 0.5% are displayed as 0% in the figure.



**Figure 2.40. Africa Region RETF disbursements, by sector, FY19**

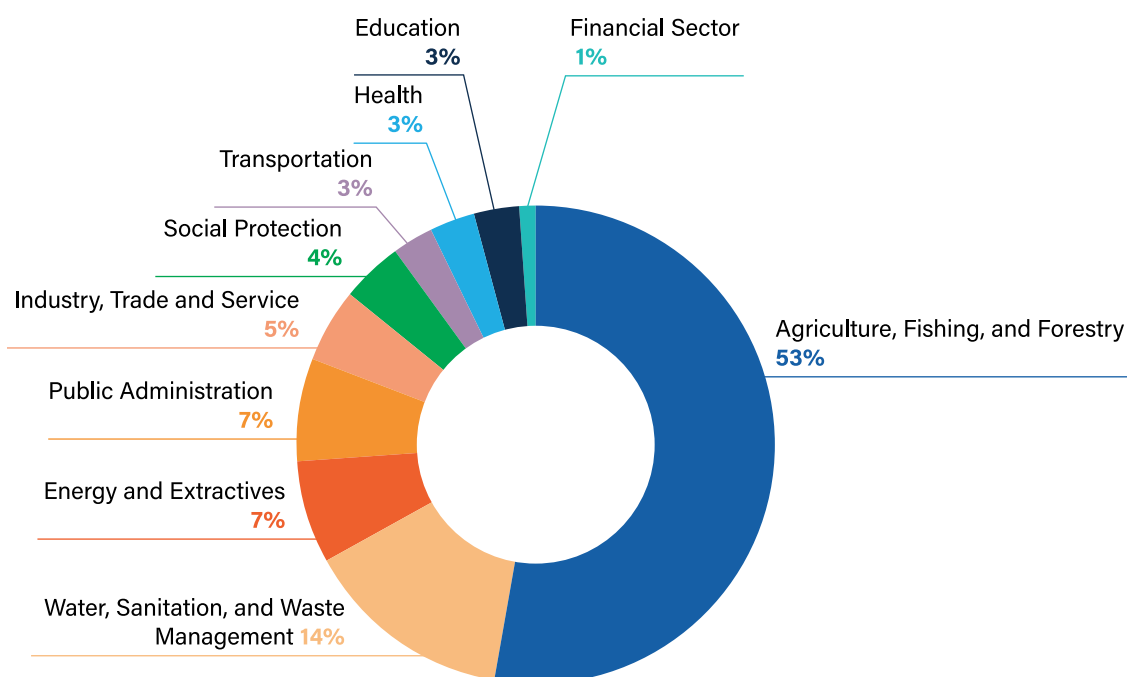


**Figure 2.41. Middle East and North Africa Region RETF disbursements, by sector, FY19**

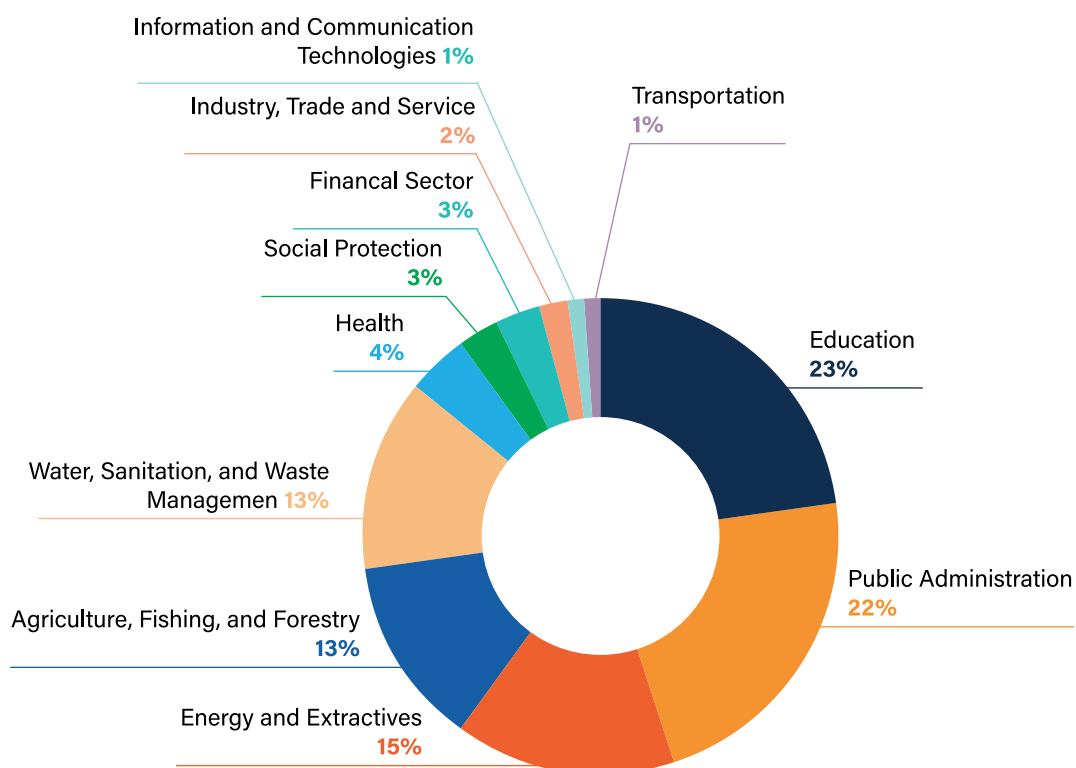




**Figure 2.42. Latin America and Caribbean Region RETF disbursements, by sector, FY19**

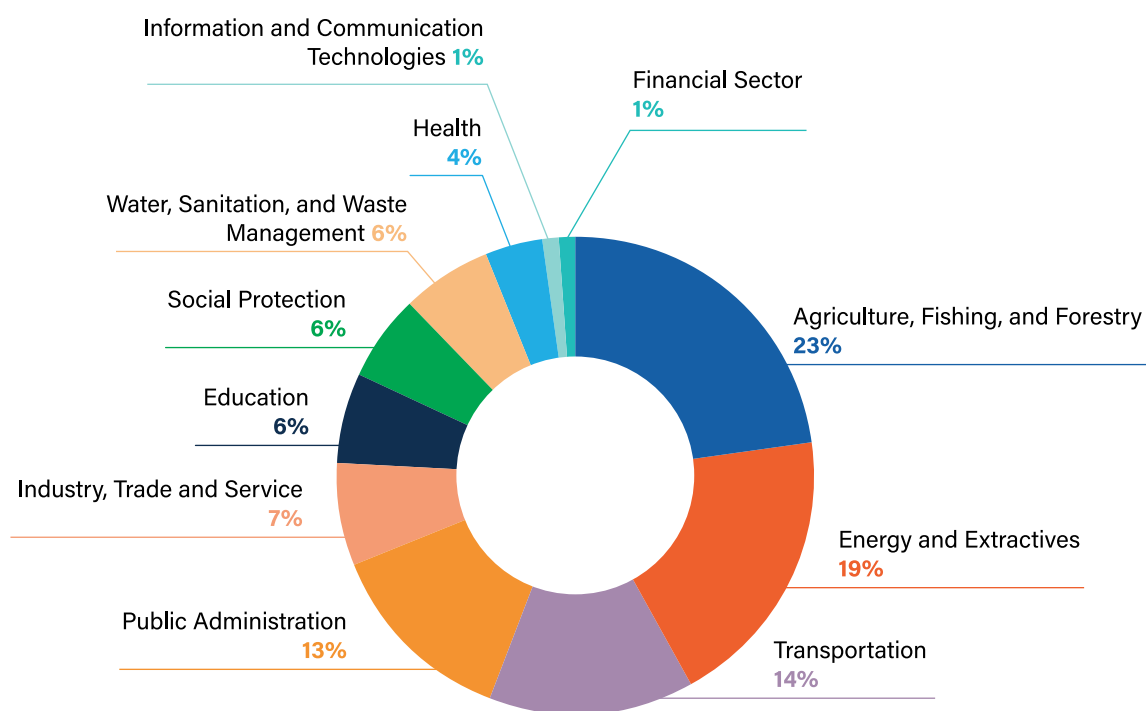


**Figure 2.43. Europe and Central Asia Region RETF disbursements, by sector, FY19**





**Figure 2.44. East Asia and Pacific Region RETF disbursements, by sector, FY19**



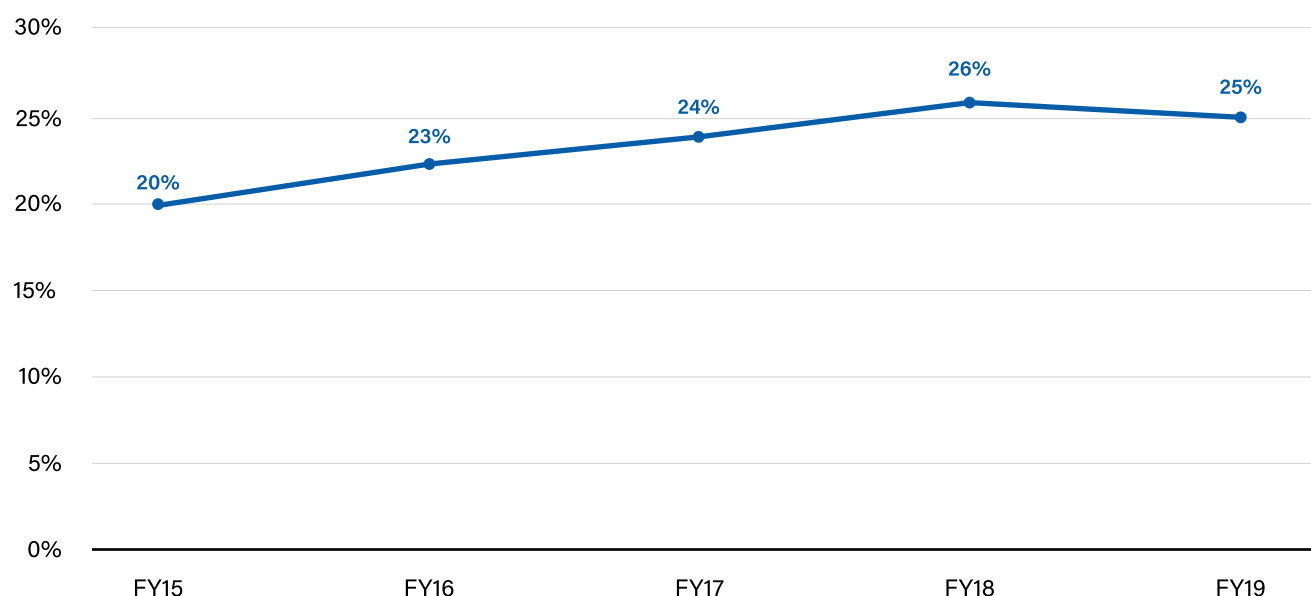


## ATTACHMENT 2: SUPPLEMENTAL FINANCIAL INFORMATION—BANK-EXECUTED TRUST FUNDS

### 35. World Bank Administrative Expenditures (FY15–FY19)

The share of BETF disbursements in total World Bank administrative expenditures increased from 20 percent in FY15 to 26 percent in FY18, dropping slightly to 25 percent in FY19. Administrative expenditures are the expenses incurred to administer the work program of WBG institutions, including WBG-executed trust fund programs, such as staff salary, travel, and short-term consultant charges. Administrative expenditures can also be for business activities, such as lending, supervision, and knowledge services.

**Figure 2.45. BETF disbursements as share of the World Bank administrative budget, FY15–FY19**

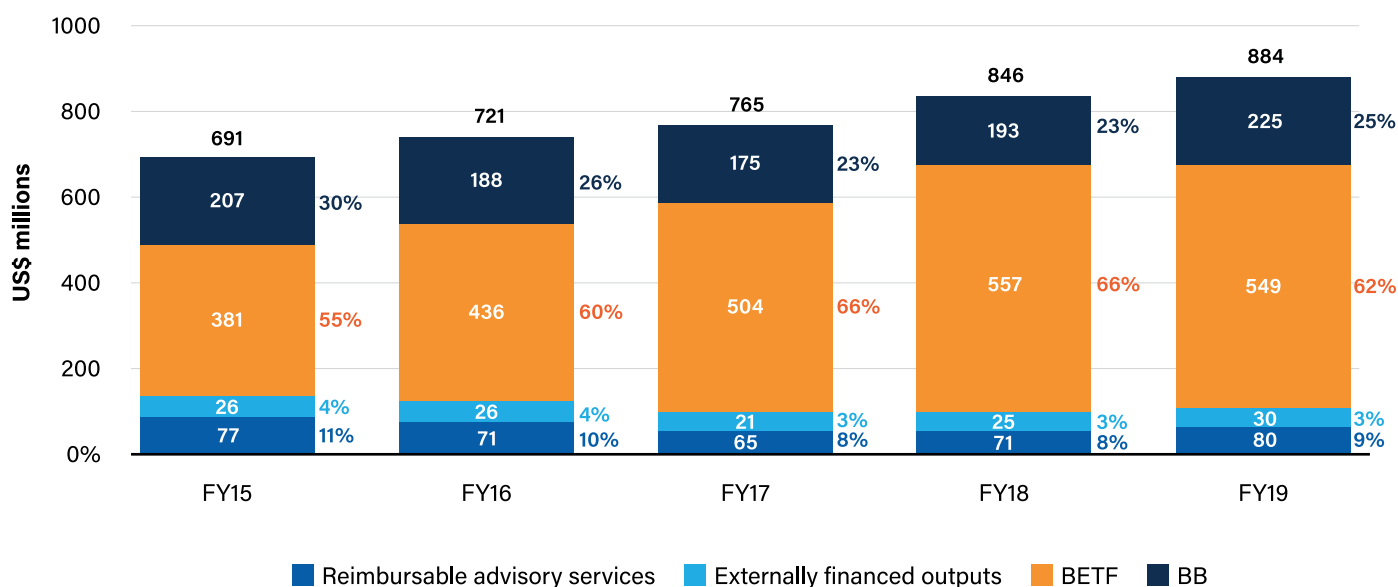




## 36. Distribution of ASA Funding (FY15-FY19)<sup>19</sup>

BETF financing represents a significant share of the Bank's ASA expenditures (62% in FY19). This large share of externally financed ASA provides opportunities to partner with donors around the knowledge agenda but also presents challenges for the WBG's ability to plan and align its work to its strategic priorities. These challenges are being addressed as a part of the ongoing trust fund reform and ASA reform.

**Figure 2.46. Distribution of ASA funding, FY15-FY19 (US\$ millions)**





# ENDNOTES

<sup>1</sup>The following differences are noted between the 2017 Trust Fund Annual Report (TFAR) and this report on the trust fund count: TF071833 was reclassified as an administrative account during the period FY14-FY18. This trust fund was classified as a FIF secretariat trust fund in the 2017 TFAR. These funds have been reclassified based on a review of their activities.

<sup>2</sup>TF071518 and TF072396, IFC trust funds, have been reclassified as a single-donor trust funds beginning July 2017 and July 2018, respectively. These trust funds were reported as multidonor trust funds in the 2017 TFAR.

<sup>3</sup>The following differences in BETF disbursements, caused by reclassifications with regard to trust fund beneficiary countries, are noted between the 2017 TFAR and this report:

- (a) For FY15, the 2017 TFAR documented \$171 million in IDA BETF disbursements, and this report documents \$154 million. The 2017 TFAR documented \$139 million in IBRD BETF disbursements, and this report documents \$123 million. The 2017 TFAR documented \$403 million in Global/regional/others BETF disbursements, and this report documents \$438 million.
- (b) For FY16, the 2017 TFAR documented \$197 million in IDA BETF disbursements, and this report documents \$179 million. The 2017 TFAR documented \$65 million in blend BETF disbursements in FY16, and this report documents \$63 million. The 2017 TFAR documented \$141 million in IBRD BETF disbursements, and this report documents \$128 million. The 2017 TFAR documented \$458 million in Global/regional/others BETF disbursements in FY16, and this report documents \$491 million.
- (c) For 2017, the 2017 TFAR documented \$214 million in IDA BETF disbursements, and this report documents \$204 million. The 2017 TFAR documented \$72 million in blend BETF disbursements in FY17, and this report documents \$67 million. The 2017 TFAR documented \$157 million in IBRD BETF disbursements, and this report documents \$152 million. The 2017 TFAR documented \$510 million in Global/regional/others BETF disbursements, and this report documents \$529 million.
- (d) Sint Maarten has been classified under Global/regional/others in FY18 as no country classification is available.

<sup>4</sup>The following differences are noted with respect to the 2017 TFAR and this report on IFC Cash Contributions by Regional Distribution:

- (a) The 2017 TFAR documented FY15 shares as follows - 41% for Global, 19% for Sub-Saharan Africa, 4% for South Asia, 4% for Middle East and North Africa, 3% for Latin America and Caribbean, 14% for Europe and Central Asia, and 16% for East Asia and the Pacific. This report documented FY15 shares as follows: 47% for World, 17% for Sub-Saharan Africa, 6% for South Asia, 3% for Middle East and North Africa, 3% for Latin America and Caribbean, 8% for Europe and Central Asia, and 17% for East Asia and the Pacific.
- (b) The 2017 TFAR documented FY16 shares as follows: 45% for Global, 20% for Sub-Saharan Africa, 2% for South Asia, 5% for Middle East and North Africa, 2% for Latin America and Caribbean, 15% for Europe and Central Asia, and 12% for East Asia and the Pacific. This report documents FY16 shares as follows: 57% for World, 17% for Sub-Saharan Africa, 3% for South Asia, 2% for Middle East and North Africa, 1% for Latin America and Caribbean, 7% for Europe and Central Asia, and 11% for East Asia and the Pacific.
- (c) The 2017 TFAR documented FY17 shares as follows: 41% for Global, 23% for Sub-Saharan Africa, 4% for South Asia, 1% for Middle East and North Africa, 2% for Latin America and Caribbean, 17% for Europe and Central Asia, and 13% for East Asia and the Pacific. This report documents FY17 shares as follows: 57% for World, 16% for Sub-Saharan Africa, 4% for South Asia, 0% for Middle East and North Africa, 2% for Latin America and Caribbean, 10% for Europe and Central Asia, and 11% for East Asia and the Pacific.
- (d) The differences are due to the change in methodology to prepare this information. The information in the 2017 TFAR was prepared based on the IFC Advisory Services parameters. In this report, the WBG accounting system parameters have been adopted for consistency purposes to prepare the IFC Cash Contributions by Regional Distribution for the IFC trust fund portfolio.





◆ **Photo Credit:** Vincent Tremeau © World Bank

## ◆ CHAPTER 3

# Trust Fund Reform

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3.1 Keeping Trust Funds Fit for Purpose	79
3.2 Summary of Past Phases	79
3.3 Focus of Reforms	80
3.4 Vision of Current Reforms	80
3.5 Implementation and Next Steps	83



## 3.1 KEEPING TRUST FUNDS FIT FOR PURPOSE

This chapter highlights how the ongoing trust fund process, as part of pillar 4 of the *Forward Look* (Improving the Business Model), will contribute to the WBG's efficiency, effectiveness, and overall development impact for clients and donors.

The WBG's trust fund portfolio has grown over time, reflecting partners' confidence in the WBG's ability to manage funds, oversee the implementation of activities,

and produce results. As the international development context evolves, the WBG itself responds and adapts—an evolution that includes its management of trust funds. Accordingly, the WBG is implementing a comprehensive vision for structural trust fund reform, building on previous phases.

## 3.2 SUMMARY OF PAST PHASES

**Phase I (2001-2007)** of the reform process focused on strengthening financial controls and oversight, transitioning trust funds to the World Bank's overall operational, financial, and administrative controls. One of the biggest successes has been the development and continuing implementation of the trust fund fiduciary framework. Now fully mainstreamed into regular business processes, the fiduciary framework constitutes one of the World Bank's strongest assets, bolstering the trust that has underpinned the growth of donor contributions over time.

**Phase II (2007-2013)** was largely centered on mainstreaming the trust fund business and taking a risk-based approach to integrating trust funds into Bank processes and procedures. It clarified the distinction between BETFs, RETFs, and FIFs, and the policy framework applying to each, and strengthened oversight at entry for new trust funds. It also improved cost recovery and sought economies of scale by raising the minimum threshold to establish a trust fund to \$1 million.

**Phase III (2013-2017)** focused on improving the strategic oversight and management of the entire trust fund life cycle, from fundraising to closure. In particular,

review and approval processes for new trust funds were revised to improve cross-institutional inputs, enhancing alignment with country and thematic strategies. In addition, this phase continued to improve efficiencies by integrating trust fund and operational systems and processes, further raising the minimum trust fund size to \$2 million, and developing simplified processes for smaller RETF grants. Cost recovery was strengthened, and the Development Partner Center was launched.

**Phase IV (2017-ongoing).** In 2016 the *Forward Look* exercise represented the WBG's response to today's far-reaching development agenda, encompassing the SDGs for 2030, the Addis Ababa Action Agenda, and the Paris and Sendai Agreements. The *Forward Look* calls for a stronger and better WBG that will advance both its own twin goals of reducing poverty and boosting shared prosperity, and the ambitious 2030 Agenda. The new phase of trust fund reform aligns trust funds and FIFs with both the *Forward Look* and the achievement of the Bank's twin goals. With support from partners and clients, this will transform the trust fund business to better serve countries and communities in a changing world.



## 3.3 FOCUS ON REFORMS

Through the previous reforms the World Bank has made significant progress toward increasing efficiency, alignment, oversight, and the use of larger programmatic MDTFs. However, the portfolio of trust funds remains fragmented, with many small funds—at end-FY18 just 10 percent of trust funds accounted for more than 74 percent of total portfolio value. While several of these small trust funds have provided vital support for innovation and knowledge, they are often highly customized, with heterogeneous governance mechanisms, resource allocation, reporting, results, and so on. Thus there are opportunities for increased efficiencies.

There is also scope for improving trust funds' alignment with the World Bank's priorities and their integration with the World Bank's strategy, planning, budgeting, and staffing processes. These changes will improve the way Management allocates all resources (IBRD, IDA, IFC,

and trust funds) to support the World Bank's and clients' priorities, in a "whole-of-finance" approach.

The World Bank continues its efforts to increase efficiencies related to the administration and use of trust funds by reviewing processes to identify opportunities for streamlining, eliminating duplicate or redundant steps, adjusting systems, and improving guidance and support to staff.

The ultimate goal of trust fund reforms is to deliver results on the ground and improve development impact for client countries. As the World Bank makes its trust funds more strategic, streamlined, and focused, continued to be underpinned by a sustainable recovery framework, client countries benefit from fewer transaction costs and donors benefit by having their resources leveraged to achieve greater impact.

## 3.4 VISION OF CURRENT REFORMS

### **Fewer, Larger Umbrella 2.0 Trust Funds.**<sup>86</sup>

To reduce fragmentation, the reforms will drive the World Bank's future trust fund portfolio toward fewer, larger "Umbrella 2.0" Programs that could include multiple "associated" trust funds. All Global Practices and Regions will establish a limited (but not centrally mandated) number of Umbrella 2.0s, aligned to their highest strategic priorities, that will channel most trust fund resources. These Programs could be global, regional, or country-based in geographic scope.

Umbrella 2.0 Programs will enable donors and the World Bank to take a more strategic approach in partnering and financing their priorities. They will allow high-level policy dialogue and enhance the opportunities for donors to collectively tackle big development challenges and achieve meaningful results at scale. Moving to fewer and larger programs will enable efficiency gains by reducing the number of distinct governance mechanisms and allowing the mutualization of program management resources. Strengthened program management functions

<sup>86</sup>An Umbrella Program supports the World Bank's main priority objectives, is anchored by an MDTF, and may include other associated trust funds. Each Umbrella Program operates on the basis of the following core principles: one overarching development objective, a unified results framework, a single annual report to donors, one governance body (a partnership council), and a communication and visibility plan.





◆ **Photo Credit:** Almin Zrno © World Bank

will in turn help increase the focus on results and improve reporting, communications, and visibility. Governance bodies for Umbrellas will focus on strategic guidance based on multiyear work programs and budgets, allowing a genuine interaction with donors on achieving the desired results around shared priorities. Global Practices and Regions will still be able to establish simpler “stand-alone” trust funds to finance activities that do not fit into these Umbrella Programs, to respond to unanticipated events, and to support the testing of innovative development solutions that may later become priorities.

Ongoing reforms will continue to improve the alignment of trust fund resources to the priorities of the Bank’s Global Practices and Regions, which themselves reflect the international community’s 2030 Agenda and country needs and priorities expressed in CPFs.

### **Trust Funds Integration into Strategy, Planning and Budgeting**

Further strengthening trust funds’ integration into World Bank processes is essential to enhancing the trust funds’ role in the broader institutional delivery for shareholders and clients, ensuring that resources support priorities and allowing effective use of all Bank resources. Work to strengthen integration is largely focused on two areas: (a) improving the link between upstream decisions to

mobilize trust fund resources and priorities for work program delivery; and (b) strengthening alignment of trust fund allocation cycles with the World Bank planning and budgeting cycle so that trust-funded activities and resources can be more fully taken into consideration as part of the overall planning process.

Today, to ensure strong technical dialogue and program design, decisions about whether to mobilize trust fund resources and for what are largely devolved to program managers and task team leads. Mobilization decisions are often based on project-specific needs rather than on a more holistic approach. Management endeavors to strengthen oversight of fundraising decisions, including focusing future fundraising on the highest priorities to be anchored by the Umbrella 2.0 Programs.

By aligning trust fund program planning with World Bank planning cycle, upstream trust fund resource planning can serve as an input during regional and country business planning processes. In addition, Umbrella trust funds will enable such information to be available in a more systematic and less fragmented manner. The Bank’s budget planning process for Regions and Practice Groups continues to incorporate available trust fund planning allocations. Therefore, enhancing the alignment of the trust fund program planning cycle will





◆ **Photo Credit:** Vincent Tremeau © World Bank

further support the Bank's planning mechanism. As part of the trust fund reforms, a pilot in South Asia designed and implemented an approach for better integrating trust fund resources and activities into the annual planning process, informing the design of planning and allocation cycles for the Umbrella 2.0s. Initial results show that efforts to fund country-specific and regional integration activities from trust funds will benefit from cross-matrix discussions among Global Practices and Regions to reaffirm client demand and priorities before all potential sources of funds are considered. Such discussions can help identify gaps in funding, weigh trade-offs among potentially competing priorities, and reduce fragmentation of activities where appropriate, reducing potential strain on clients.

### **Efficiency Measures**

A range of efficiency measures are also being developed and implemented to streamline and simplify internal processes and systems. New steps have been introduced in the integration of trust fund and operational systems, removing duplicative processes. Better guidance has been made available to staff in a

number of areas, including trust funds that finance both Bank and IFC activities, due diligence processes for new donors, and procedures for timely closure of trust funds. A support system that offers staff a single point of entry for questions and support related to trust funds is being rolled out, with up-to-date guidance on the entire trust fund life cycle.

These ongoing reforms will reinforce the value proposition of trust funds. Trust funds that are more efficiently managed, that focus on the World Bank's core priorities, reflecting its "global to local" comparative advantage, and that are more tightly integrated with IBRD and IDA resources in a "whole-of-finance" approach will be even better at leveraging the Bank's comparative advantage, with predictable multiyear funding that complements IBRD and IDA lending. They will have improved capacity to scale up the World Bank's reach and to deepen and broaden its ability to generate and share knowledge. They will remain flexible and reactive instruments to support challenging situations, such as those found in fragile states, or to expand the Bank's work on GPGs like climate change and cross-cutting issues such as gender.



## 3.5 IMPLEMENTATION AND NEXT STEPS

The World Bank is implementing these reforms through an iterative process. The rollout of the new instruments has begun with a pilot phase, initiated in the second half of 2018, involving a few Global Practices and Regions. The pilots offer a range of characteristics that allow the institution to learn by doing, and to avoid a one-size-fits-all approach to the design of the Umbrella Programs (see Box 3.1). Lessons from the pilots and feedback from partners and clients are being reflected in the final design of the rules and procedures for the Umbrella Programs and stand-alone trust funds, before they are launched Bankwide at the end of 2019. Measures to improve the efficiency and agility of trust fund processes and systems continue to be rolled out. Progress in implementing the reforms and reducing the fragmentation of the trust fund

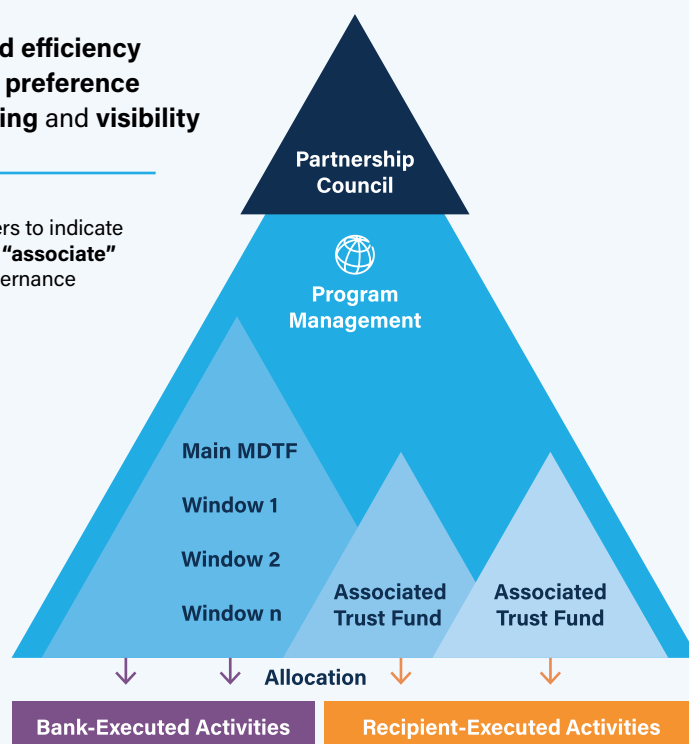
portfolio will be monitored, with a focus on the trust fund accounts that directly support the Bank's operational work (which at end-FY19 represented 570 of the 781 accounts reported in Chapter 2).

Extensive engagement and consultation with internal stakeholders, shareholders, funding partners, and clients are an integral part of the reform process, ensuring strong buy-in for the detailed recommendations that address these challenges and opportunities. Over the past 18 months Management has organized a series of consultations with and provided updates to the Bank's Board of Executive Directors and its main donor partners, and these consultations will continue as the reforms are implemented.

**Figure 3.1: Key principles of the Umbrella 2.0 Programs**

**Umbrella 2.0 Programs** will provide **scale and efficiency** while maintaining the possibility for donors to **preference** their contribution and offering detailed **reporting** and **visibility**

- Primary multidonor trust fund, with possibility for partners to indicate **non-binding preferences** for their contributions and to **"associate" other trust funds and programs**, sharing the same governance and using a common results and reporting framework.
- Effective **communication** of umbrella results providing **visibility** for donors.
- **Governance** structure focuses dialogue between the Bank and its partners on strategic issues.
- Bank decides on allocation of funds to individual activities based on annual work programs and budgets endorsed by partners.
- Detailed **reporting** with strong focus on **results**, with clear theory of change and indicative results framework.





## Box 3.1 Umbrella 2.0

The Umbrellas 2.0 Programs' broad scope and clear strategic focus will elevate the dialogue with partners around shared strategic priorities and mutually desired outcomes, while still being able to accommodate donors' interests. They will be anchored by a primary MDTF. Partners interested in a specific theme or geographic area will have the option to indicate non-binding preferences for their contributions. Other trust funds and programs can also be "associated" within the Umbrella, sharing the same governance and using a common result and reporting framework. This will streamline administration, governance, and reporting, and will maximize the impact of partner resources (see Figure 3.1).

Umbrella 2.0 Programs will provide a flexible instrument for aligning and managing development resources for results. Each Umbrella's results framework, developed in consultation with donors, will be an important monitoring tool to help development partners and the Bank assess how individual activities are contributing to the Program's overall development objectives. It will also help identify areas where more resources may be needed or shifts in priorities may be required. Moreover, the results framework will be a dynamic tool that can be revisited regularly and adapted to new priorities that arise, avoiding the need to create new trust funds and incur the associated transaction costs. Associated trust-funded activities will be brought together under a unified results framework to ensure greater complementarity of development partner resources. Similarly, reporting on progress will be provided at the Umbrella level, highlighting contributions from associated trust funds in a comprehensive report.

The Umbrella 2.0 Programs will provide greater opportunity for development partners and the Bank to work together strategically and efficiently and deliver better results for clients. A single governance structure for all funds associated with the Umbrella 2.0 Programs will bring the Bank's Senior Management and partners to the same table around common development objectives, help avoid fragmentation of resources, and increase efficiency. By participating in the Partnership Council, development partners will review progress against the unified results framework; provide strategic advice on setting priorities, including adjusting to changes in the local or global context; and collaborate in and benefit from knowledge-sharing activities. This strategic, program-level dialogue will allow the Bank and partners to work together to help advance policy dialogue and to ensure that individual activities are aligned around common outcomes. On the basis of annual work programs and budgets endorsed by the Partnership Council, the Bank will decide on the allocation of funds to individual activities.

Umbrella 2.0 Programs will ensure wide communication and dissemination of the activities and results achieved, and will highlight the support provided by all development partners. They will develop Strategic Communication and Visibility Plans that will be discussed with the Partnership Council. Contributors will receive recognition for the outputs and results achieved by the program. Umbrella 2.0 Programs will also benefit from the Bank's recognized position as a thought leader and reliable source of development solutions. Strategic communications, advocacy efforts, and media outreach will bring the work supported by the Umbrellas to the attention of the public and decision-makers around the globe.



## Box 3.2 IFC Trust Fund Reform

IFC's trust funds are an integral part of IFC's resource envelope: approximately 60 percent of all Advisory Services in IFC are funded by donor contributions, so that they are a crucial element of the Advisory funding mix. Advisory Services are a critical part of IFC's strategy to create markets and mobilize private investment. Continuous support from donors is important for the successful implementation of IFC's strategy.

In certain ways IFC trust funds have benefited from the World Bank's past trust fund reforms. Established in 2001–2007, IFC trust funds form an integral part of the WBG trust fund ledger, sharing the same control framework, quality assurance and compliance reviews, and independent audits.

Between 2009 and 2012, the development of IFC trust funds focused on standardizing legal agreements and enhancing trust funds management and reporting. The introduction of the Advisory Services operational portal in 2011 allowed for the connection of advisory project information with trust fund data to improve the overall supervision and monitoring of IFC trust funds and standardize reporting to donors. In 2012, IFC introduced staff accreditation in trust funds, integrated IFC trust funds in the standard financial statements and reporting, and automated trust fund processes through the introduction of an e-trust fund platform.

In 2016, IFC trust funds became part of the WBG's Development Partner Center, allowing donors real-time access to financial information related to their trust funds.

In 2017, IFC worked closely with the World Bank on revising the Administration Agreement template with donors to align it with the World Bank's. It is important to note, however, that the new IFC Administration Agreement template will maintain IFC-specific provisions that reflect the private sector focus of IFC's business.

In 2018, as part of the WBG trust fund reform program, IFC evaluated how trust funds could support IFC 3.0 strategy. IFC's trust fund reforms aim to strengthen trust funds' alignment with strategic priorities; better integrate trust funds into budgeting, planning, and portfolio management; and increase efficiencies in management and reporting. IFC and the Bank are working to improve collaboration, ensuring that joint projects are supported by trust funds that are easily accessible by both institutions. IFC also continues to actively manage its trust fund portfolio to decrease the number of small stand-alone programs and, to the extent possible, consolidate donor contributions into regional, global, and thematic trust funds.







# SECTION B

Financial Intermediary Funds





◆ **Photo Credit:** Sarah Farhat © World Bank

## ◆ CHAPTER 4

# Overview of Financial Intermediary Funds

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4.1 Introduction	89
4.2 The World Bank's Role in Financial Intermediary Funds	90
4.3 Examples of Financial Intermediary Funds	93



## 4.1 INTRODUCTION

Trust funds are valuable instruments for pooling donor funds to address specific development challenges, with projects implemented or supervised by the World Bank. However, to meet development challenges that are not sufficiently addressed by existing funds and financing mechanisms, the World Bank sometimes partners with other institutions or organizations, such as other MDBs or UN agencies, to support collective action through large global or regional initiatives, implemented through financial intermediary funds (FIFs). FIFs are a special type of trust fund that provide large-scale funding for broad, coordinated interventions, usually focused on particular themes, and typically aimed at achieving GPGs. Trust funds and FIFs exist on a continuum of financing options that are available to support global calls to collective action: (a) topic-specific multi-institutional policy coordination platforms (such as the platform to coordinate support on Economic Migration and Forced Displacement established following the 2017 G7 Summit in Bari, Italy); (b) core multilateral development instruments such as IBRD, IDA, and IBRD/IDA trust funds; and (c) FIFs, with their own customized multilateral mechanisms in the international aid architecture.

FIFs provide the global development community with independently governed multilateral platforms that support multiple implementing entities (IEs).<sup>87</sup> FIFs add particular value to the development finance toolkit when a set of the following factors come together: (a) a global call for collective action for a GPG requiring large-scale additional pooled funds; (b) closely coordinated decision-making; and (c) joint implementation at scale across a significant number of multilateral organizations, when no existing instrument can fulfill these functions.

The World Bank has a large and growing portfolio of FIFs. Since the establishment of the first FIF in 1974,<sup>88</sup> total cumulative funding to FIFs as of end-FY19 has amounted

to \$104.4 billion, of which \$7 billion was contributed in FY19. FIFs address a diverse range of themes, including climate change, the environment, health, education, migration, crisis response, and debt relief—and are often established to underpin initiatives launched at high-level global multilateral fora. The number of active FIFs has more than doubled from 12 at end-FY08 to 27 at end-FY19, with newer FIFs typically having relatively narrower mandates and lower levels of contributions. Between FY15 and FY19, eight new FIFs were established and one FIF was closed.<sup>89</sup>



◆ **Photo Credit:** Stephan Gladie © World Bank

<sup>87</sup> *Implementing entity or implementing agency* refers to any agency that receives funds from a FIF and is responsible for managing those funds for project activities approved by the governing body.

<sup>88</sup> The African Program for Onchocerciasis Control.

<sup>89</sup> Data on the FIF portfolio exclude the AIIB Trust Fund, opened in 2016 and closed in 2019, which operated on an interim basis to enable the World Bank's Treasury to provide asset management services to the Asian Infrastructure Investment Bank (AIIB). This entailed holding and investing part of AIIB's initial paid-in capital subscriptions until AIIB's own treasury functions were established.



## 4.2 THE WORLD BANK'S ROLE IN FINANCIAL INTERMEDIARY FUNDS

The World Bank serves as limited trustee of all FIFs, providing a set of agreed financial services that include receiving, holding, and investing contributed funds, and transferring them when instructed by the FIF governing body. Under some FIFs, the World Bank also provides customized treasury management or other agreed financial services, such as bond and swap issuance, hedging intermediation, the purchase of insurance products, and monetization of carbon credits. The World Bank as trustee provides these services on a full cost recovery basis.



◆ **Photo Credit:** Graham Crouch © World Bank

FIF trusteeship does not involve overseeing or supervising the use of funds; that is the specific role of the IEs that receive funding from FIFs and are responsible for project or program implementation. The World Bank and IFC can serve, alongside other entities, as IEs to which the trusteeship transfers resources. When the FIF governing body selects the World Bank as an IE, resources are transferred to World Bank operational units for implementation of activities through IBRD/IDA trust funds.

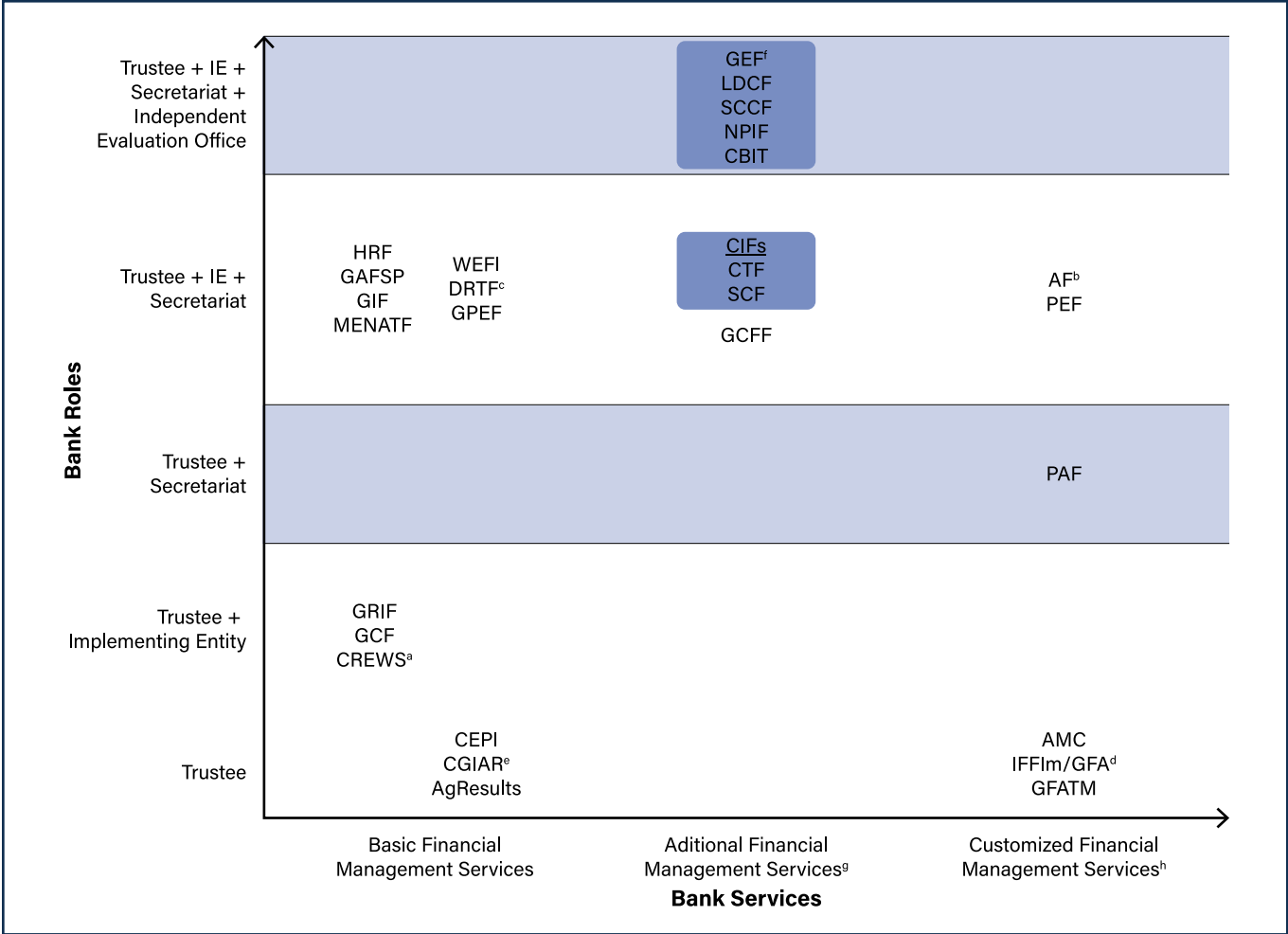
Besides the trustees and IEs, FIFs have secretariats. The World Bank's trusteeship portfolio has two basic models for hosting FIF secretariats:

- For nine FIFs in the current portfolio, the World Bank provides trustee services to an independent external legal entity that has its own secretariat. In most cases under this model the World Bank is not an IE (as in the CGIAR, formerly known as the Consultative Group on International Agricultural Research), but in a few cases it is one IE among others, as in the Green Climate Fund Trust Fund.
- The World Bank provides trustee services to FIFs that do not have their own legal personality. In all 18 of the FIFs for which the World Bank provides the legal personality—for example, GAFSP, GEF, GPE, and We-Fi—the World Bank hosts the FIF secretariats. While the World Bank often serves as one of the IEs under this model, it does not always do so—it depends on the specific design and objective of the FIF. For example, there are no direct IEs for the Pilot Auction Facility for Methane and Climate Change Mitigation (PAF), for which the World Bank issues bonds to support the PAF's performance-based payments.

In a few rare cases in the past, the World Bank has contributed to FIFs as a donor. For certain FIFs, the World Bank has also been deeply involved in conceptualization, design, and fundraising. Figure 4.1 provides an overview of the World Bank's roles and services in FIFs.



**Figure 4.1. Matrix of the World Bank's roles and services in FIFs**



Source: Development Finance, World Bank

<sup>a</sup> World Bank staff are seconded to the CREWS Secretariat at WMO.

<sup>b</sup> As part of its role as trustee, the World Bank generates additional revenue through the sale of carbon assets (for example, Certified Emission Reductions) held by the Adaptation Fund.

<sup>c</sup> The World Bank's implementing role is as a multilateral creditor.

<sup>d</sup> In addition to trustee services, the World Bank, as Treasury Manager of IFFIm, offers financial policy advice, funding transaction execution services (including bond issuance), and risk management services (including hedges and credit rating maintenance).

<sup>e</sup> The World Bank is also a donor to CGIAR.

<sup>f</sup> As part of its role as trustee, the World Bank is also responsible for GEF resource mobilization through an established replenishment process.

<sup>g</sup> Additional Financial Management Services include replenishment support, cash flow projections, and reflows/repayment management.

<sup>h</sup> Customized Financial Management Services include customized treasury management services and reporting, e.g. for AMC, IFFIm, and GFATM. Also includes Certified Emission Reductions management for AF, support to pandemic bonds and swaps in the PEF, and managing auctions and bond issuances for PAF.



A distinguishing feature of FIFs compared to IBRD/IDA trust funds is the World Bank's limited involvement and responsibilities in their management, because they typically have independent governance and other institutions supervising their implementation. Another key feature is the clear separation of roles and responsibilities within the World Bank between trustee, secretariat host, and implementing units (where applicable), to manage potential conflicts of interest related to funding decisions.

The roles and responsibilities of the World Bank are highlighted in independent evaluations of individual FIFs, as part of the overall assessments of the FIFs. Evaluations can be commissioned by one or more contributors to a FIF, a FIF governing body or secretariat, or third-party institutions such as the Multilateral Organization Performance Assessment Network (MOPAN).

Throughout FY18 and FY19, several independent evaluations of FIFs were published, primarily of FIFs hosted by the World Bank.<sup>90</sup> Common themes among the evaluations of FIFs hosted by the World Bank were that the operations of FIFs are supported by strong management systems and financial controls and that hosted secretariats benefit from the strengths of the underlying infrastructure provided by the World Bank. Several evaluations also noted that FIFs can add value to the global aid architecture through their focus on a theme or issue, although FIF partnerships can be complex to manage, and complementarity would be improved by greater collaboration and cooperation between IEs and, where relevant, between windows within FIFs and between funds within sectors.

More information on the FIF portfolio and the different roles played by the World Bank and others is available in the annex to the Financial Intermediary Fund Management Framework.



◆ **Photo Credit:** Yang Aijun © World Bank

<sup>90</sup> Evaluations of FIFs published in FY18 and FY19:

- Adaptation Fund evaluation conducted on behalf of the Adaptation Fund's Board - [http://bit.ly/AF\\_eval](http://bit.ly/AF_eval)
- Climate Investment Funds (CIFs) evaluations, commissioned by the CIF Evaluation and Learning initiative - Transformational Change in the Climate Investment Funds - [http://bit.ly/CIF\\_eval](http://bit.ly/CIF_eval), Transformational Change in the Climate Investment Funds: A synthesis of the evidence [http://bit.ly/CIF\\_synth](http://bit.ly/CIF_synth), and Evaluation of the Climate Investment Funds Programmatic Approach - [http://bit.ly/CIFPA\\_eval](http://bit.ly/CIFPA_eval)
- Global Agriculture and Food Security Program (GAFSP) mid-term evaluation, conducted on behalf of the GAFSP Steering Committee - [http://bit.ly/GAFSP\\_eval](http://bit.ly/GAFSP_eval)
- Global Environment Facility (GEF) assessment by MOPAN - [http://bit.ly/GEF\\_eval](http://bit.ly/GEF_eval), Sixth Comprehensive Evaluation of the GEF, conducted by the GEF Independent Evaluation Office - <http://bit.ly/GEF6theval>
- Global Partnership for Education (GPE) assessment by MOPAN - [http://bit.ly/GPE\\_eval](http://bit.ly/GPE_eval)
- Green Climate Fund (GCF) Forward Looking Performance Review, published by the Independent Evaluation Unit of the Green Climate Fund - [http://bit.ly/GCF\\_eval](http://bit.ly/GCF_eval)
- Middle East and North Africa Transition Fund (MENATF) evaluation, undertaken for MENATF's Steering Committee - [http://bit.ly/MENATF\\_eval](http://bit.ly/MENATF_eval)
- Pilot Auction Facility (PAF) evaluation, commissioned by the PAF Secretariat - [http://bit.ly/PAF\\_eval](http://bit.ly/PAF_eval)
- Special Climate Change Fund program evaluation, commissioned by the GEF Independent Evaluation Office - [http://bit.ly/SCCF\\_eval](http://bit.ly/SCCF_eval)



## 4.3 EXAMPLES OF FINANCIAL INTERMEDIARY FUNDS

This section provides five examples of how FIFs delivered for the global development community in FY18 and FY19 by serving as platforms for finance at scale and supporting collective action to address key development challenges. Given the scale and diversity of the FIF portfolio, it is not

possible to highlight all FIFs in this report, and for each FIF highlighted below, other equally impactful FIFs exist. More information on other FIFs can be found on the FIF trustee website,<sup>91</sup> and updates on other FIFs will also be provided in subsequent Trust Fund Annual Reports.

### Contributors



Australia



Bill & Melinda  
Gates Foundation



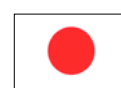
Canada



Germany



Ireland



Japan



Netherlands



Republic of Korea



Spain



United Kingdom



United States

### Global Agriculture and Food Security Program

**The Global Agriculture and Food Security Program (GAFSP)** is a demand-driven and recipient-led global partnership and multilateral financing mechanism dedicated to fighting hunger, malnutrition, and poverty in developing countries.<sup>92</sup> In line with SDG 2—zero hunger<sup>93</sup>—GAFSP supports resilient and sustainable agriculture that benefits and empowers poor and vulnerable smallholder farmers, particularly women and youth, through a combination of public and private investments. GAFSP was created in the aftermath of the 2008 food crisis to assist in the implementation of pledges made by the G8++ at the July 2009 L'Aquila Summit and was set up in response to a request from the G20 in Pittsburgh in September 2009. Since its inception, GAFSP has provided \$1.6 billion in total financing to low-income countries: \$1.3 billion in grant financing from the Public Sector Window and \$332 million from the

Private Sector Window. As of December 2018, GAFSP's Public Sector Window has directly supported over 10.3 million people in enhancing their livelihoods. As of 2017, projects financed by GAFSP's Private Sector Window had reached 1 million farmers and supported 6,100 jobs.<sup>94</sup>

Almost half of GAFSP public sector funding contributes to climate change adaptation or mitigation. In The Gambia, the GAFSP-supported project is improving community resilience and household coping strategies through activities such as improved land conservation and management, erosion control schemes, and the establishment of seed banks. GAFSP also encourages improved practices for crops, livestock, forestry, and fisheries to safeguard plant and animal varieties. Close to 20 percent of its public sector funds support nutrition-related activities. In Rwanda, GAFSP finances kitchen gardens to increase the availability of nutritious foods for self-consumption, the production of fruits and vegetables, and training in growing and consuming

<sup>91</sup> Financial Intermediary Funds External Website <http://fiftrustee.worldbank.org>

<sup>92</sup> The GAFSP Steering Committee comprises equal numbers of voting members from contributor and recipient countries.

<sup>93</sup> Visit <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

<sup>94</sup> GAFSP Annual Report, 2017 <https://www.gafspfund.org/news/annual-report-2017>



nutritious foods. For one-third of GAFSP's public sector projects, more than half—and in Nepal as much as 70 percent—of the beneficiaries are expected to be women. GAFSP is also investing in upgraded technologies, inputs, and better market access to increase agricultural productivity, build the bargaining power of smallholder farmers, and boost incomes.

The GAFSP midterm evaluation, which took place between August 2017 and March 2018, highlighted the program's organizational and operational effectiveness. Taking into account the recommendations made in the evaluation, the GAFSP Steering Committee endorsed

the overall vision for GAFSP through 2030 to maintain alignment with the SDG timeframe. In April 2018, the GAFSP Steering Committee approved a new operational and governance structure for GAFSP with a single window of unallocated funds from which allocations for both public and private sector financing can be made, including for producer organization-led projects. These changes are intended to enhance synergies across GAFSP's public and private sector activities, and to reinforce country-level dialogue and analysis of the complementary roles of the public and private sectors.

## Contributors



Argentina



Australia



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Bangladesh



Belgium



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Canada



China



Côte d'Ivoire



Czech Republic



Denmark



Egypt



Finland



France



Germany



Greece



India



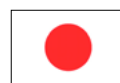
Indonesia



Ireland



Italy



Japan



Luxembourg



Mexico



Netherlands



New Zealand



Nigeria



Norway



Pakistan



Portugal



Republic of Korea



Russian Federation



Slovak Republic



Slovenia



South Africa



Spain



Sweden



Switzerland



Turkey



United Kingdom



United States

## Global Environment Facility

The **Global Environment Facility (GEF)** was established in the World Bank as a \$1 billion pilot program on the eve of the 1992 Rio Earth Summit to assist in the protection of the global environment and promote environmentally sound and sustainable economic development. The partnership was created by the World Bank, the United

Nations Development Programme (UNDP), and the United Nations Environment Programme (UNEP) as the three IEs of the GEF. Today, the GEF is an international partnership of 183 countries, 18 GEF IEs including international institutions and civil society organizations, and the private sector that addresses global environmental issues. In





♦ **Photo Credit:** Vincent Tremeau © World Bank

in addition to serving as an IE for the GEF, the World Bank serves as the trustee and hosts the GEF secretariat and Independent Evaluation Office.

The GEF occupies a unique place in the global environmental financing architecture. It provides new and additional grant and concessional funding to recipient countries to meet the agreed incremental costs of measures to support countries' commitments to multilateral environmental agreements, and it serves as the financial mechanism to five conventions: (a) Convention on Biological Diversity; (b) United Nations Framework Convention on Climate Change (UNFCCC); (c) Stockholm Convention on Persistent Organic Pollutants; (d) UN Convention to Combat Desertification; and (e) Minamata Convention on Mercury. Under the UNFCCC the GEF also supported the establishment of the Least Developed Countries Fund, the Special Climate Change Fund, and the Capacity Building Initiative for Transparency, and it is responsible for their management.

As trustee, the World Bank supports resource mobilization for the GEF every four years on an agreed replenishment cycle. Since the GEF's inception, approximately \$20 billion

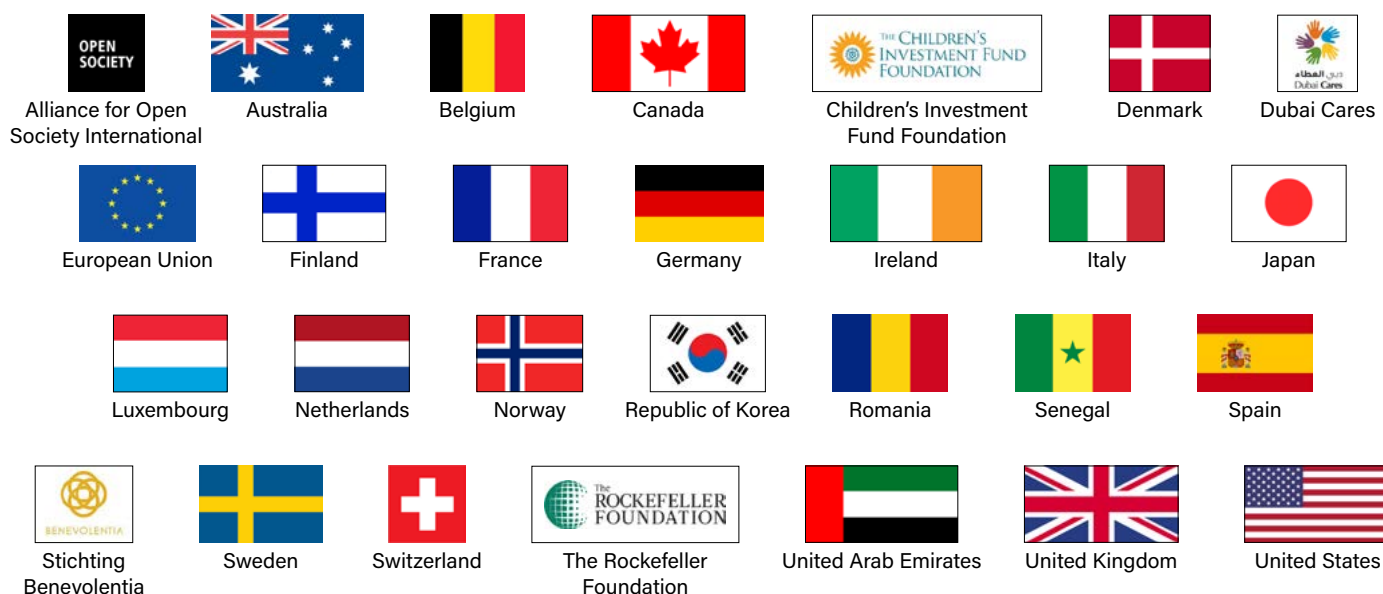
has been mobilized for it through seven replenishment cycles. On April 25, 2018, 30 contributing countries jointly pledged \$4.1 billion to the GEF in its seventh replenishment cycle (GEF-7), providing a strong endorsement of GEF's programming strategy to address environmental challenges facing the world's forests, land, water, climate, and oceans; build green cities; protect threatened wildlife; and tackle new environmental threats due to marine plastic pollution. Cumulatively, the GEF has provided over \$17.9 billion in grants and mobilized an additional \$93.2 billion in cofinancing for more than 4,500 projects in 170 countries. As of June 2018, projects financed by the GEF under the supervision of the GEF's IEs<sup>95</sup> had supported a range of notable achievements, including investment in over 3,300 Protected Areas covering more than 860 million hectares; biodiversity protection and planning for more than 350 million hectares of productive landscapes and seascapes; 940 climate change mitigation projects that are expected to contribute to 8.4 billion tons of direct and indirect greenhouse gas emissions reductions over time; and climate change vulnerability reduction for more than 11 million people in 130 countries.<sup>96</sup>

<sup>95</sup> GEF refers to its IEs as GEF Agencies.

<sup>96</sup> GEF website <https://www.thegef.org/about-us>



## Contributors



## Global Partnership for Education

**The Global Partnership for Education (GPE)** was established as a FIF in 2011 as part of the evolution of the Education for All-Fast Track Initiative, which started in 2002 as an MDTF.

GPE is a multi-stakeholder partnership and funding platform that aims to strengthen education systems in the poorest countries with the most pressing education needs, with the aim of dramatically increasing the number of children in school and learning. GPE brings together developing countries, donors, international organizations, civil society, teacher organizations, the private sector, and foundations. Since its inception, GPE has provided financing totaling more than \$5.5 billion to improve access to, and the quality of, education in 67 partner countries, and an additional 22 countries are eligible for financing. Between 2015 and 2017, programs funded by GPE under the supervision of IEs<sup>97</sup> supported the equivalent of 18.5 million children, 14 million of whom were in fragile and conflict-affected countries.<sup>98</sup>

In 2015, GPE adopted an ambitious strategic plan ("GPE2020") and developed a Financing and Funding Framework to match its ambitions. In support of this, in

February 2018 GPE completed a successful Financing Conference during which 24 donors pledged \$2.3 billion for 2018–2020, a marked increase from 18 donors pledging \$1.3 billion for 2015–2017. In view of these developments, in June 2018 GPE launched a review process to determine the institutional arrangements that would best enable it to achieve its expanding strategic and developmental objectives. This review process involved a highly collaborative effort between the World Bank and the GPE Board of Directors to develop comprehensive hosting arrangements that seek to clarify governance, accountability, roles, and responsibilities, and to provide flexibility to meet the various capabilities that GPE may choose to develop in the coming years. These hosting arrangements, under which GPE will be hosted by the World Bank until at least 2025, were formally accepted by GPE's Board of Directors at their meeting in Dublin on December 7, 2018. The decision to continue being hosted by the World Bank was based on the knowledge that the hosting arrangements will provide the desired level of autonomy, and the necessary operational and administrative capabilities, to enable GPE to achieve its ambitious targets as set out in GPE 2020, and beyond.

<sup>97</sup> GPE refers to its IEs as Grant Agents.

<sup>98</sup> GPE results 2018 <http://bit.ly/2018GPEresults>



## Contributors



Australia



Canada



China



Denmark



Germany



Japan



Netherlands



Norway



Republic of Korea



Russian Federation



Kingdom of Saudi Arabia



United Arab Emirates



United Kingdom



United States

## Women Entrepreneurs Finance Initiative

### The Women Entrepreneurs Finance Initiative (We-Fi)

is a collaborative partnership of 14 donor governments, 8 MDBs, and other public and private stakeholders that was established at the G20 Hamburg Summit in July 2017 to unlock financing for women-led/-owned businesses in developing countries, including in the most challenging environments. In FY18, its first year of operation, We-Fi secured commitments from donors to provide over \$350 million in contributions between FY18 and FY22 and allocated \$250 million in grant funding in two rounds of funding allocations. The first round of funding was directed to three programs led by the Asian Development Bank, Islamic Development Bank, and World Bank Group. In FY19 a second round of funding allocations was made to four programs led by the African Development Bank, Asian Development Bank, European Bank for Reconstruction

and Development, and Inter-American Development Bank Group. Together these programs are expected to reach 114,000 women entrepreneurs and mobilize over \$2.6 billion in public and private sector funding.

In FY18 and FY19, We-Fi also served as a platform to mobilize global support for women entrepreneurs through high-level advocacy initiatives and events, such as the appointment of We-Fi Leadership Champions, nominated by We-Fi contributor governments. It also organized the first Women Entrepreneurs Finance Initiative (We-Fi) Regional Summit, bringing together heads of state, leaders of multilateral development banks, key We-Fi government representatives, private sector executives, and women entrepreneurs to discuss ways to expand opportunities for women-led small and medium-sized enterprises in West Africa.

## Contributors



Asian Infrastructure Investment Bank

## Asian Infrastructure Investment Bank

### The Asian Infrastructure Investment Bank (AIIB)

is a multilateral development bank with a mission to improve social and economic outcomes in Asia and beyond. Headquartered in Beijing, AIIB commenced operations in January 2016 and has now grown to 70 members and 27 prospective members from the region and around the world.

In early 2016, as the newly established AIIB had yet to institute its treasury functions, AIIB formally requested the World Bank's assistance to hold and invest its initial

paid-in capital subscriptions, as an interim solution until AIIB could build its internal capacity. The solution leveraged the World Bank's FIF platform as an efficient mechanism for the World Bank to receive, hold, and invest AIIB assets. Paid-in capital subscription payments were made directly to AIIB by its shareholders, and AIIB then transferred those capital subscriptions into the FIF established at the World Bank. The World Bank managed the balance and returned it to AIIB, along with the investment income, before the agreed termination date of January 31, 2019.





◆ **Photo Credit:** Azerbaijan-Allison Kwezell © World Bank

## ◆ CHAPTER 5

# Financial Trends of Financial Intermediary Funds, FY15–FY19

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5.1 Overview of Financial Intermediary Funds

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# 5.1 OVERVIEW OF FINANCIAL INTERMEDIARY FUNDS<sup>99</sup>

Figure 5.1. Overview of FIFs and their cumulative funding, as of end-FY19<sup>a,b</sup>

Fund	FIF Status	Established (FY)	Cumulative Funding (US\$ millions)	% of Total
<b>Agriculture &amp; Food Security</b>			<b>6,439</b>	<b>6%</b>
Consultative Group on International Agricultural Research (CGIAR)	Active	2006	4,959	5%
Global Agriculture and Food Security Program (GAFSP)	Active	2009	1,375	1%
AgResults Initiative (AGR)	Active	2012	106	0%
<b>Education</b>			<b>3,536</b>	<b>3%</b>
Global Partnership for Education Fund (GPEF)	Active	2012	3,536	3%
<b>Debt Relief</b>			<b>7,113</b>	<b>7%</b>
Debt Relief Trust Fund (DRTF)	Active	1997	7,113	7%
<b>Environment and Climate Change</b>			<b>35,762</b>	<b>34%</b>
Global Environment Facility (GEF) Family of Funds			18,914	18%
<i>Global Environment Facility (GEF)</i>	<i>Active</i>	<i>1991</i>	<i>17,122</i>	<i>16%</i>
<i>Least Developed Countries Fund (LDCF)</i>	<i>Active</i>	<i>2003</i>	<i>1,367</i>	<i>1%</i>
<i>Special Climate Change Fund (SCCF)</i>	<i>Active</i>	<i>2005</i>	<i>347</i>	<i>0%</i>
<i>Nagoya Protocol Implementation Fund (NPIF)</i>	<i>Active</i>	<i>2011</i>	<i>16</i>	<i>0%</i>
<i>Capacity Building Initiative for Transparency (CBIT)</i>	<i>Active</i>	<i>2017</i>	<i>61</i>	<i>0%</i>
Adaptation Fund (AF)	Active	2009	859	1%
Climate Investment Funds (CIFs)		2009	8,658	8%
<i>Clean Technology Fund (CTF)</i>	<i>Active</i>	<i>2009</i>	<i>5,713</i>	<i>5%</i>
<i>Strategic Climate Fund (SCF)</i>	<i>Active</i>	<i>2009</i>	<i>2,945</i>	<i>3%</i>
Guyana REDD + Investment Fund (GRIF)	Active	2011	70	0%
Green Climate Fund Trust Fund (GCF)	Active	2012	7,143	7%
Pilot Auction Facility for Methane and Climate Change Mitigation (PAF)	Active	2015	78	0%
Climate Risk and Early Warning Systems (CREWS)	Active	2016	40	0%
<b>Health</b>			<b>49,981</b>	<b>48%</b>
African Program for Onchocerciasis Control (APOC)	Closed-2017	1974	570	1%
Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)	Active	2002	44,115	42%
International Finance Facility for Immunisation (IFFIm)/GAVI Fund Affiliate (GFA)	Active	2007	3,038	3%
Global Alliance for Vaccines Initiative (GAVI) Fund Trust Fund	Closed-2013	2007	390	0%
Advance Market Commitment (AMC)	Active	2009	1,470	1%
Pandemic Emergency Financing Facility (PEF)	Active	2016	176	0%

<sup>99</sup> Because of rounding, the percentage of Total Cumulative Funding below 0.5% is displayed as 0%. For instance, AGR's percent of Total Cumulative Funding was 0.3%.



Coalition for Epidemic Preparedness Innovations (CEPI)	Active	2018	223	0%
<b>Infrastructure</b>			<b>84</b>	<b>0%</b>
Global Infrastructure Facility (GIF)	Active	2015	84	0%
<b>Natural Disasters</b>			<b>401</b>	<b>0%</b>
Haiti Reconstruction Fund (HRF)	Active	2010	401	0%
<b>Fragility, Conflict, and Violence</b>			<b>868</b>	<b>1%</b>
EBRD Southern and Eastern Mediterranean Trust Fund (EBSM)	Closed-2013	2012	14	0%
Middle East and North Africa Transition Fund (MENATF)	Active	2013	242	0%
Global Concessional Financing Facility (GCFF)	Active	2017	612	1%
<b>Gender</b>			<b>256</b>	<b>0%</b>
Women Entrepreneurs Finance Initiative (We-Fi)	Active	2017	256	0%
<b>Total</b>			<b>104,441</b>	<b>100%</b>

<sup>a</sup> *Cumulative funding* (as of June 30, 2019) represents contributions (cash and promissory notes) and other sources of funds, such as Certified Emissions Reductions and bond issuances, excluding investment income. All contributions are reported based on historical values using the date of receipt. For cash receipts, the foreign exchange value is posted when the foreign exchange conversion has been affected. It may also include contribution transfers from other trust funds. Minor double-counting may occur. Amounts to donor balance and holding accounts have been excluded.

<sup>b</sup> Data on the FIF portfolio exclude the AIIB Trust Fund, opened in 2016 and closed in 2019, operating on an interim basis to enable the World Bank's Treasury to provide asset management services to the Asian Infrastructure Investment Bank (AIIB). This entailed holding and investing part of AIIB's initial paid-in capital subscriptions until AIIB's own treasury functions were established.

## 1. FIF Key Statistics

**Figure 5.2. FIF key statistics, FY15–FY19**

	FY15	FY16	FY17	FY18	FY19
Number of active FIFs <sup>a,b</sup>	22	24	26	27	27
Funds held in trust <sup>c</sup> (US\$ billion)	20.3	20.4	21.1	21.7	23.1
Contributions <sup>d</sup> (US\$ billion)	8.6	6.9	7.1	7.7	7.0
Transfers <sup>e,f</sup> (US\$ billion)	7.4	6.3	6.2	7.1	5.9

<sup>a</sup> The active FIFs category excludes FIFs that were recently closed (GAVI Fund Trust Fund, EBSM, and APOC).

<sup>b</sup> Because of an oversight, the number of active FIFs reported for FY16 in the 2017 Trust Fund Annual Report was 26. See Endnote 1 for a detailed explanation.

<sup>c</sup> *Funds held in trust* include cash, investments, and promissory notes, or similar obligations, received but not encashed.

<sup>d</sup> *Contributions* include contributions or installments provided in the form of cash, promissory notes, or another instrument acceptable to the trustee.

<sup>e</sup> Amount of all funds transferred from FIFs for all purposes such as IE and secretariat.

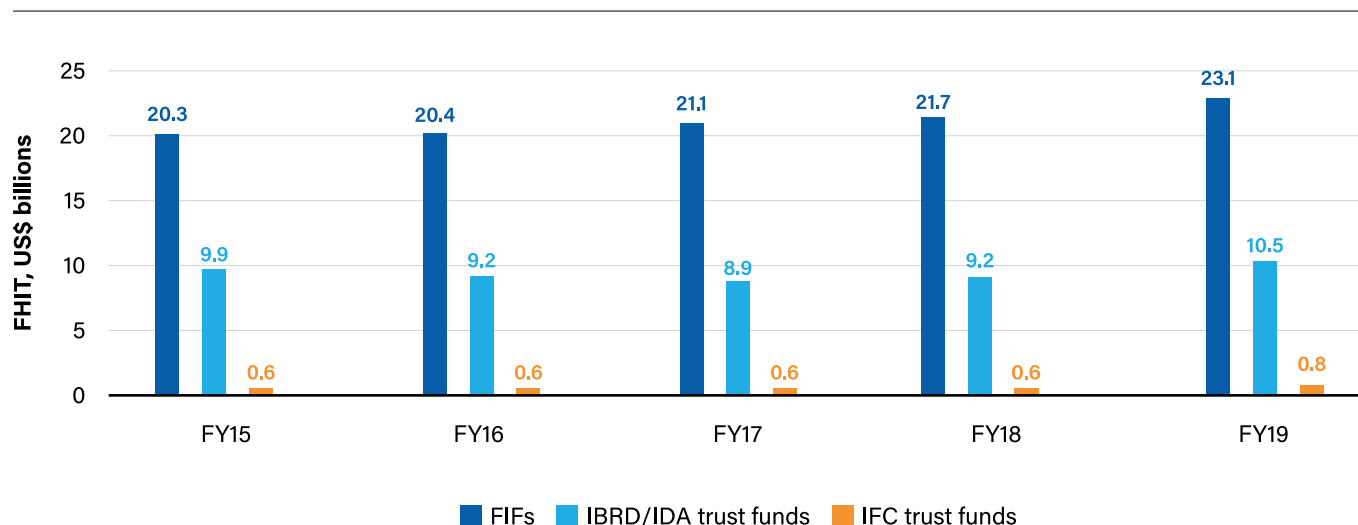
<sup>f</sup> Non-US\$ transfers valued as of June 30, 2019. See Endnote 4 for additional details.



## 2. Funds Held in Trust by FIFs, IBRD/IDA Trust Funds, and IFC Trust Funds

The amount held in trust by FIFs continues to increase, reaching \$23.1 billion in FY19. In FY19, FIFs' share of FHIT amounted to 67 percent of the total FHIT by the WBG trust funds and FIFs.

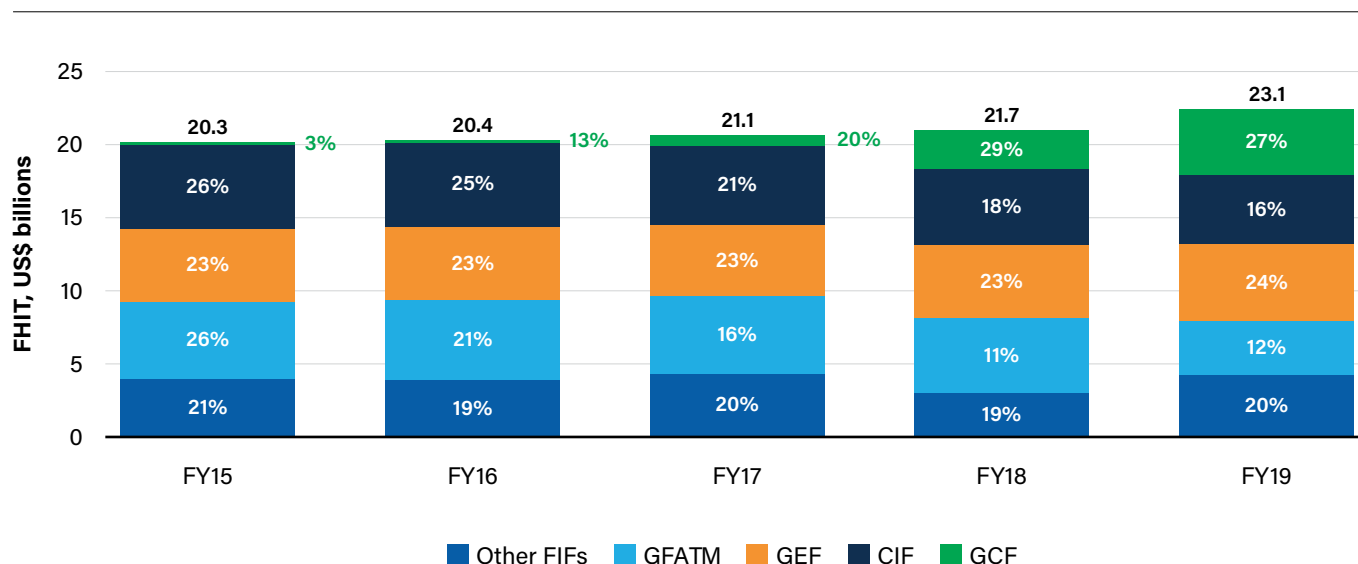
**Figure 5.3. FHIT, FY15-FY19 (US\$ billions)**



## 3. Funds Held in Trust by the Largest FIFs

FHIT for FIFs increased by 13.8 percent from \$20.3 billion at end-FY15 to \$23.1 billion of end-FY19. In FY19, the largest amounts of funds were held in FIFs established for the GCF (\$6.3 billion), GEF (\$5.6 billion), CIF (\$3.8 billion), and GFATM (\$2.9 billion). Together, these four largest funds held more than 80 percent of the total FHIT for FIFs across the five-year period. Between FY18 and FY19, FHIT increased by \$1.4 billion to \$23.1 billion, driven by lower transfers from FIFs in FY19.

**Figure 5.4. FHIT by largest FIFs (US\$ billions and percentage)**



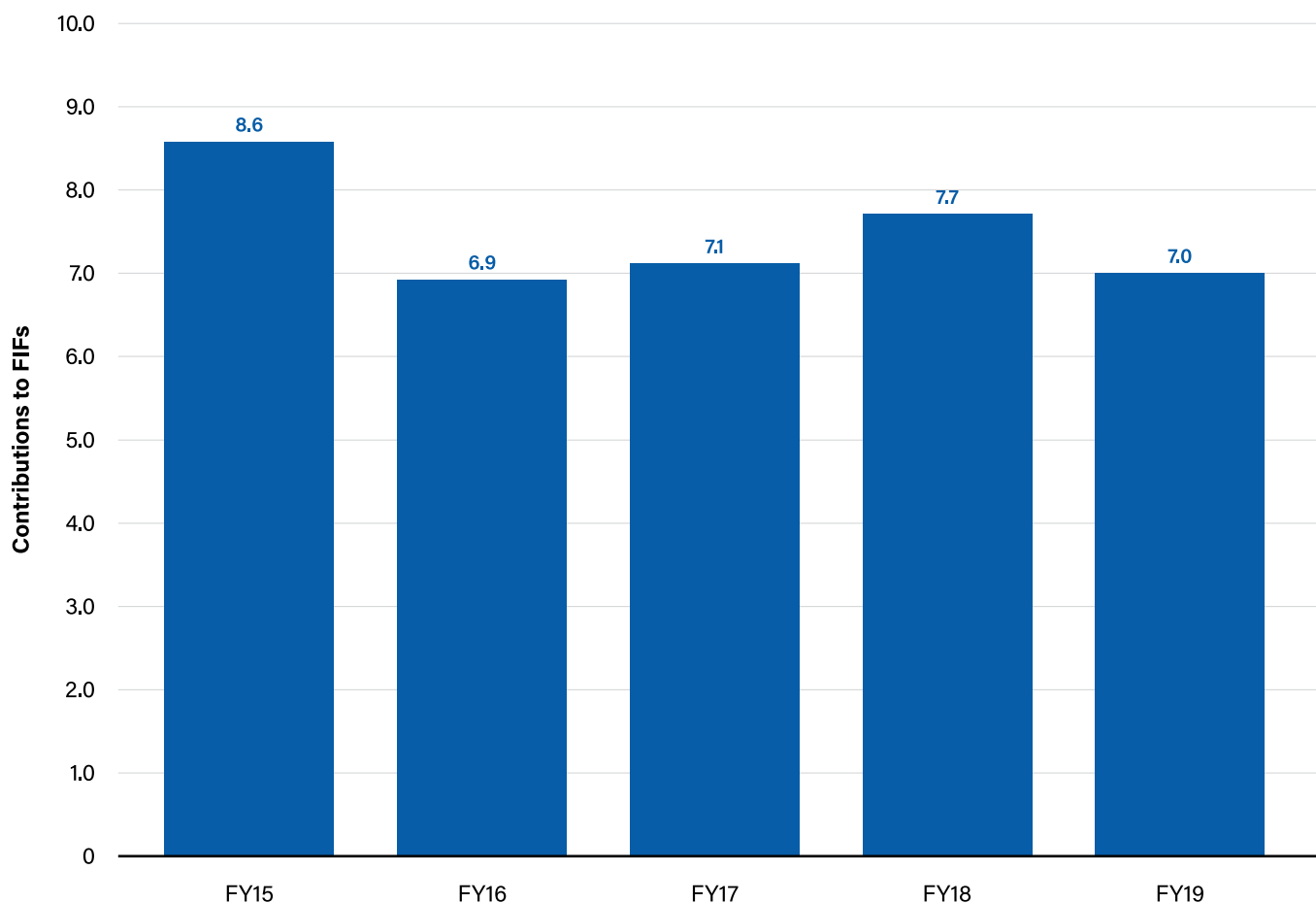
*Note:* Refer to Endnote 2 regarding an adjustment of FY16 percentages for GFATM and Other FIFs



## 4. Annual Contributions to FIFs<sup>100</sup>

Contributions to FIFs decreased from \$7.7 billion in FY18 to \$7.0 billion in FY19. This decrease was primarily due to lower contributions to GCF in FY19, which decreased by \$1.8 billion compared to FY18, but was partially offset by increases in GFATM and GEF contributions of \$0.7 billion and \$0.5 billion, respectively, over the same period. Average annual contributions to FIFs over FY15–FY19 were \$7.5 billion, with a peak of \$8.6 billion in FY15 that was largely due to contributions to GFATM during the first two years of the fourth replenishment cycle (2014–2015) and the onset of the initial resource mobilization of GCF (2015–2018).

**Figure 5.5. Annual contributions to FIFs, FY15–FY19 (US\$ billions)**



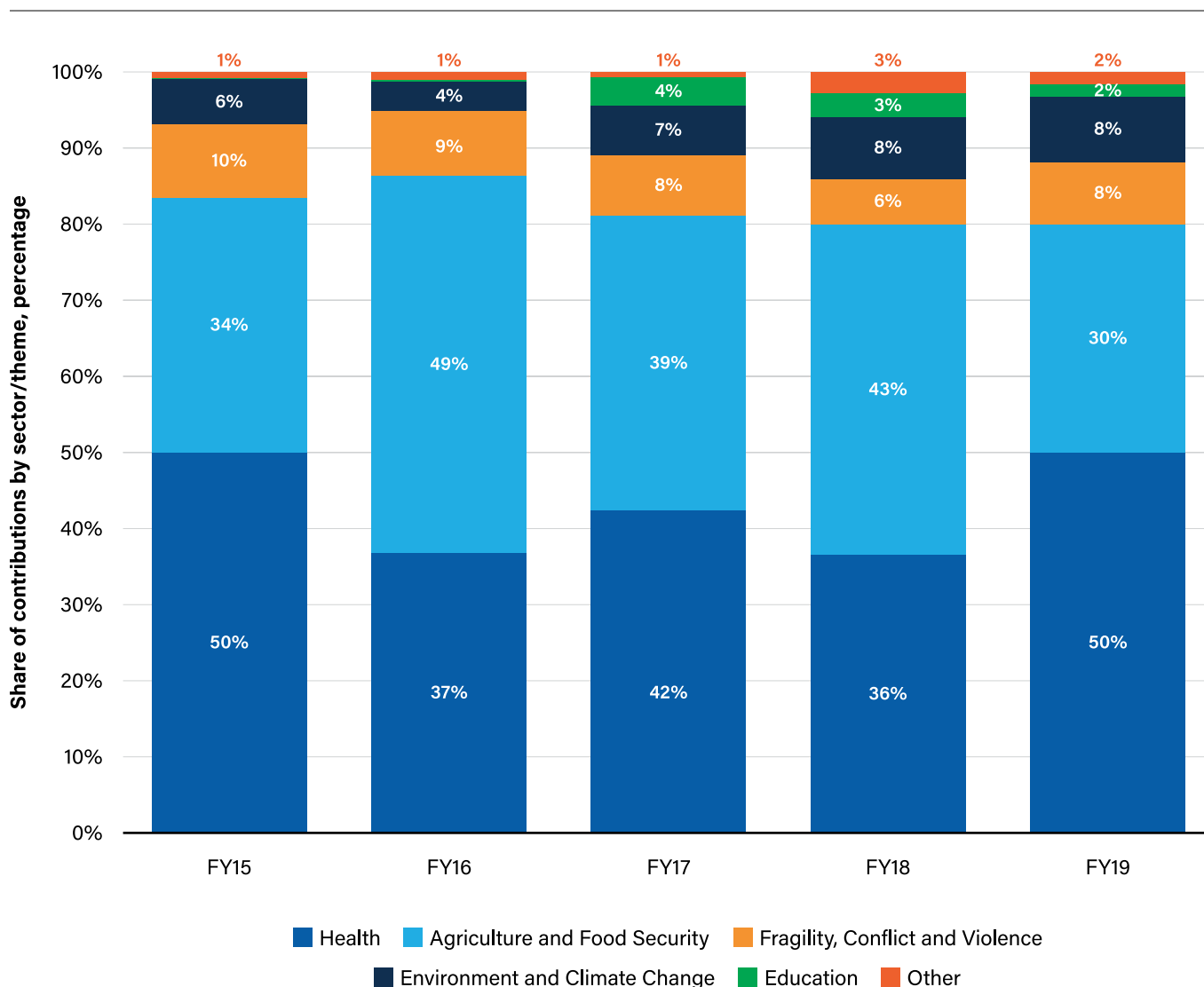
<sup>100</sup> Annual contributions are tied strongly to the replenishment cycles of major FIFs (e.g., GFATM and GEF).



## 5. Contributions to FIFs by Sector/Theme

During FY15–FY19, FIFs supporting the health sector received 43 percent of the total contributions to FIFs, and the environment and climate change sector received 39 percent. The shares of annual contributions to these two sectors fluctuated over this period, although they remained the two largest sectors in each of the five years. In FY19, FIFs in the health sector received 50 percent of contributions to all FIFs, and FIFs in the environment and climate change sector received 30 percent.

**Figure 5.6. Shares of contributions by sector/theme (percentage)**

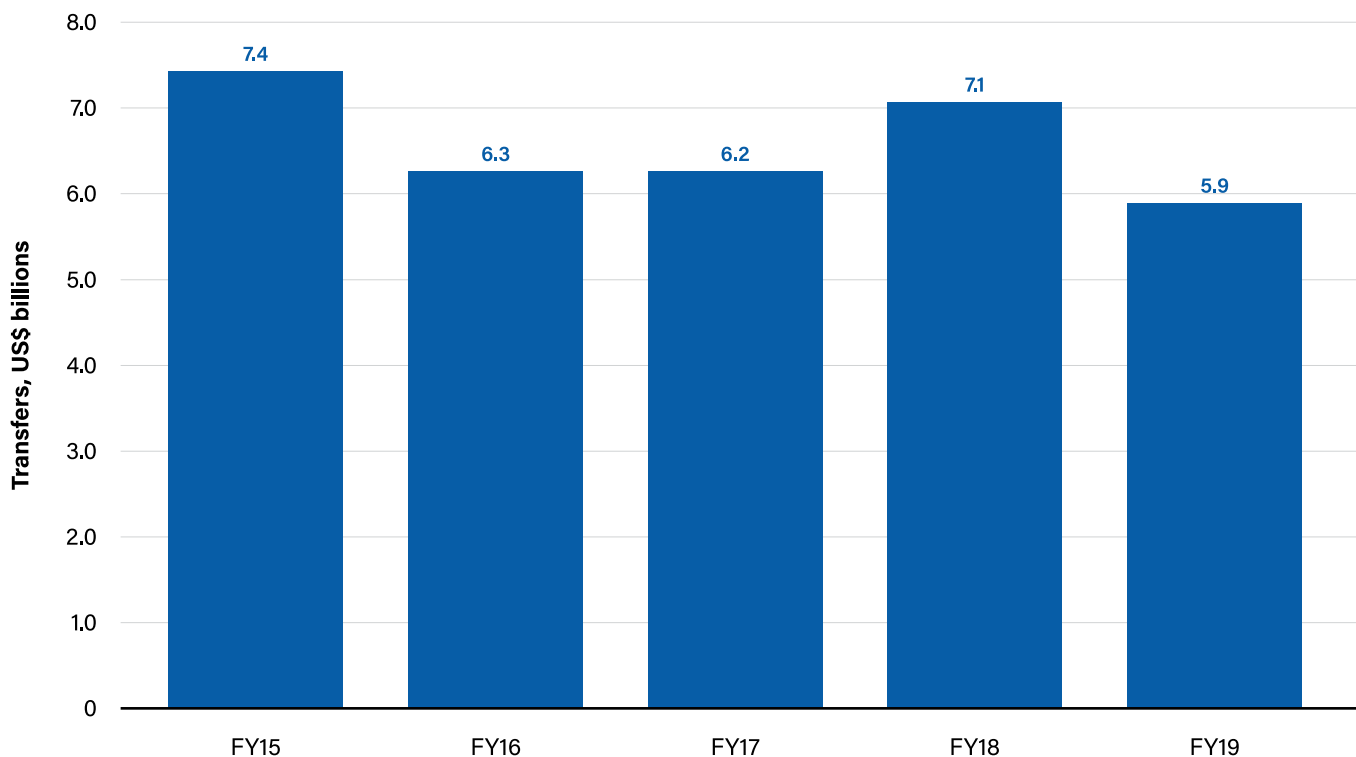




## 6. Transfers from FIFs to Implementing Entities

FIFs continue to play a significant role in the international aid architecture. The average amount of annual transfers from FIFs over FY15–FY19 was \$6.5 billion. The annual transfer from FIFs to IEs declined from \$7.1 billion in FY18 to \$5.9 billion in FY19, primarily because of a decline in transfers from GFATM, which decreased by \$0.8 billion from FY18 to FY19.

**Figure 5.7. Annual transfers from FIFs, FY15–FY19 (US\$ billions)**



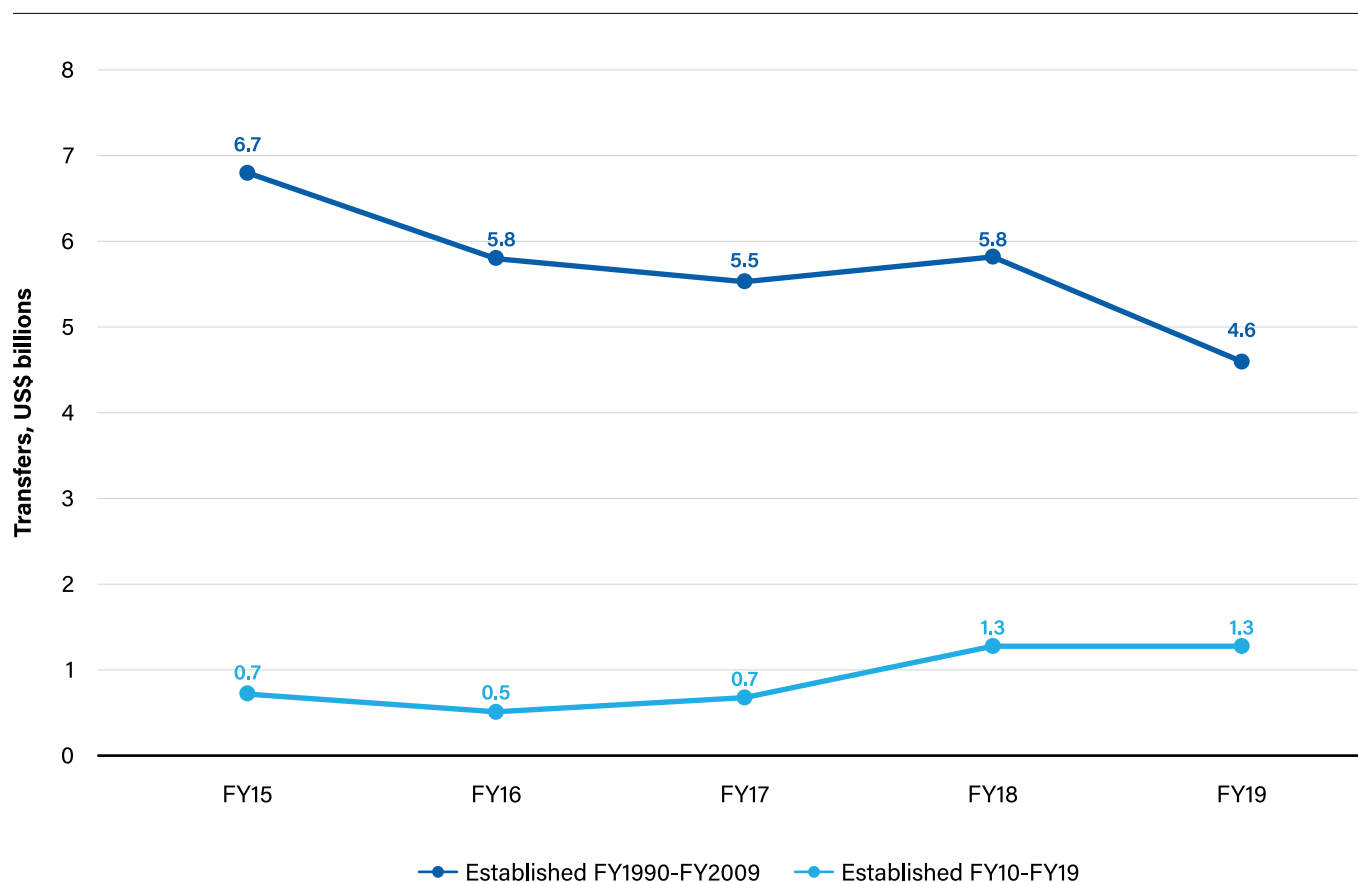
*Note:* Non-US\$ transfers valued as of June 30, 2019. Refer to Endnote 4 for additional details.



## 7. Transfers from Older and More Recently Established FIFs

Annual transfers from FIFs established between FY10 and FY19 are relatively modest compared to transfers from FIFs established between FY1990 and FY2009. Many of the newer FIFs are relatively small when they are established, and they often have narrower mandates than older FIFs. This is reflected in lower contribution levels and lower transfers from such FIFs. Newer FIFs also take time to become fully operational. IEs require several steps before any transfer can take place, including identification, preparation, and approval of projects and programs according to the policies and procedures of the individual IEs. Although transfers to older FIFs are at a higher level overall, they have also declined over FY15-FY19, driven by lower transfers from GFATM, GEF, and CIF funds.

**Figure 5.8. Trends in transfers from older and new FIFs, FY15-FY19 (US\$ billions)**



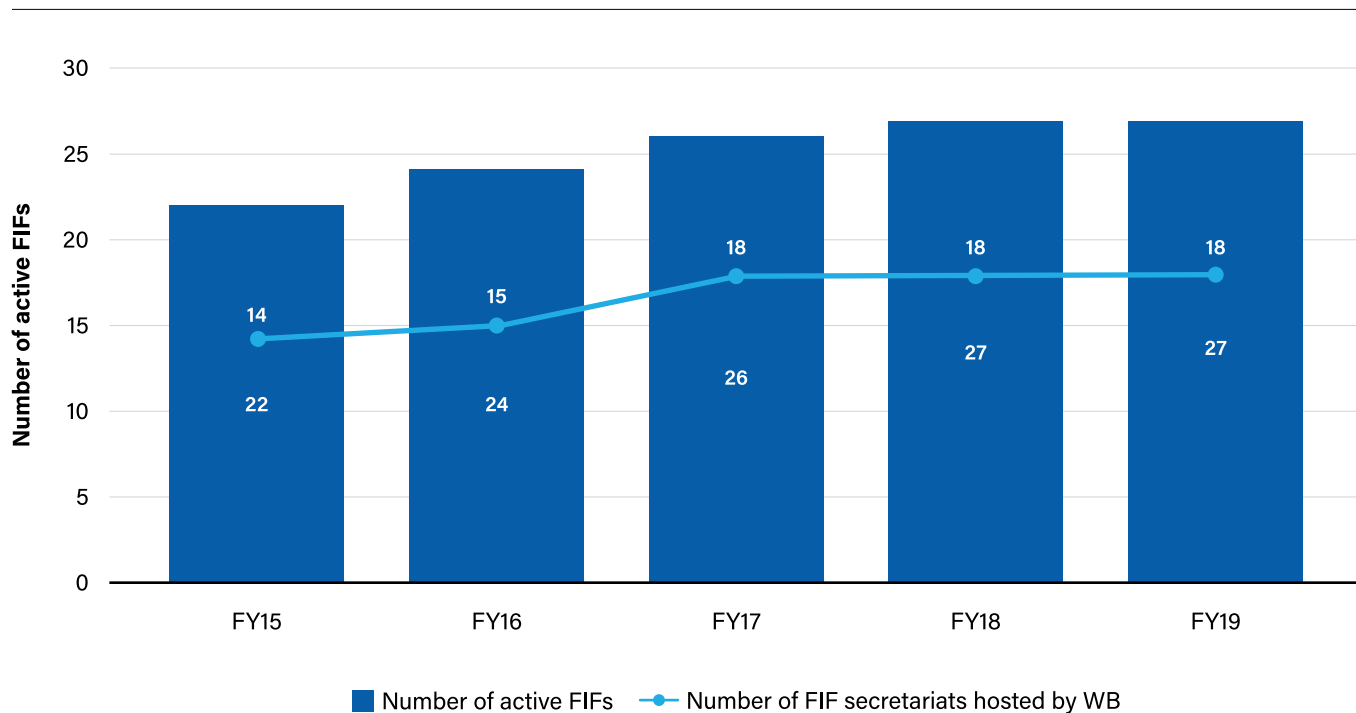
*Note:* Non-US\$ transfers are valued as of June 30, 2019. Refer to Endnote 4 for additional details.



## 8. Number of Active FIFs

The number of active FIFs continued to increase during FY15–FY19, and at end-FY19 there were 27. The World Bank hosted 18 FIF secretariats in FY19, an increase from 14 in FY15. The overall increase in the number of FIFs, each with its own independent governance structure and terms of access to funds, can contribute to aid fragmentation and increased complexity for client countries and IEs.

**Figure 5.9. Number of active FIFs, FY15–FY19**

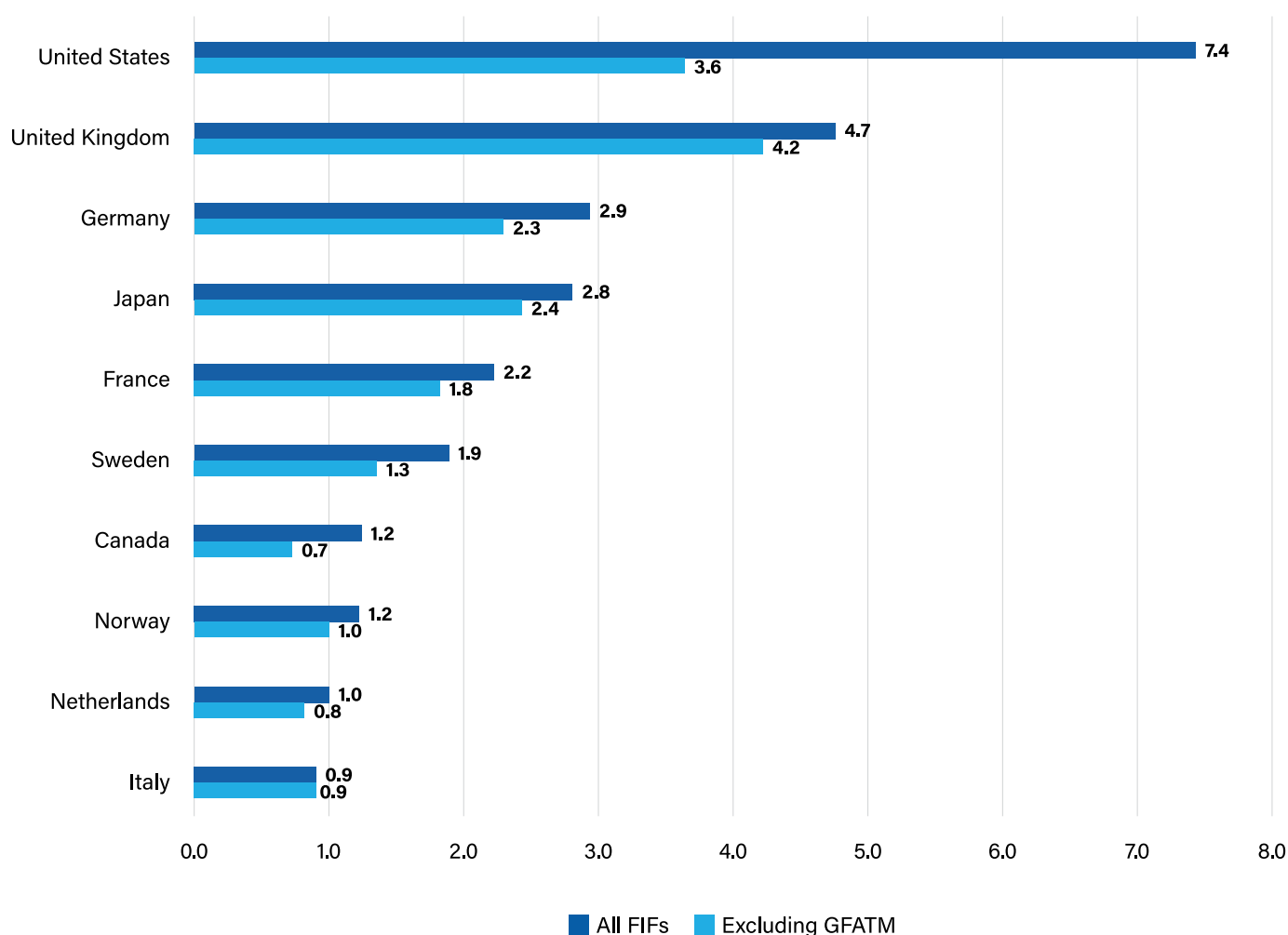




## 9. Cumulative Contributions by Top 10 FIF Donors

In the five-year period from FY15 to FY19, the top 10 donors contributed \$26.4 billion to FIFs—that is, 25.3 percent of the total \$104.4 billion in contributions from inception. The United States was the largest donor to FIFs between FY15 and FY19 with contributions of \$7.4 billion, followed by the United Kingdom with contributions of \$4.7 billion, and Germany with contributions of \$2.9 billion. The largest contributions from the United States during FY15–FY19 were to the GFATM (\$3.8 billion) and the GCF (\$1.0 billion); the largest contributions from the United Kingdom were to the GCF (\$1.0 billion) and the IFFIM (\$0.7 billion); and the largest contributions from Germany were to the GCF (\$0.9 billion) and the GFATM (\$0.7 billion).

**Figure 5.10. Cumulative contributions by top 10 FIF donors, FY15–FY19 (US\$ billions)**



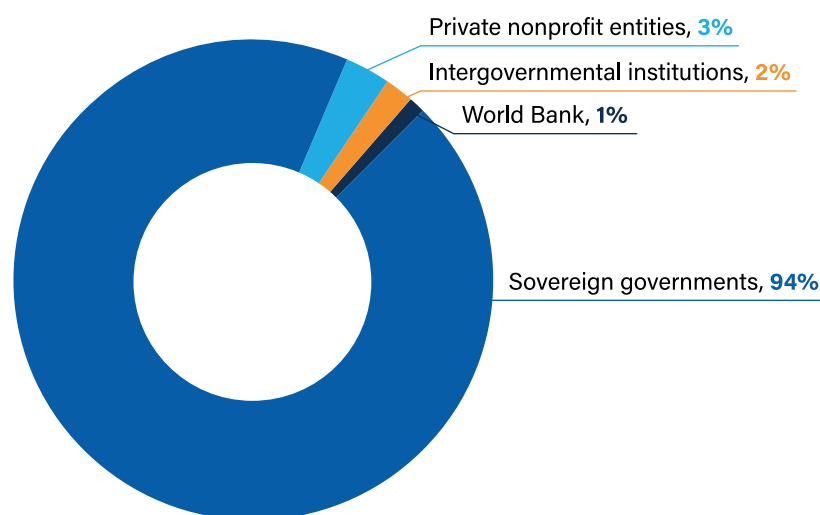
*Note:* The figure shows cumulative funding with and without funding for GFATM to provide a more detailed view of the top 10 FIF donors. From FY17, most contributors to the GFATM fund provide contributions directly to the GFATM Secretariat, and the trustee receives these funds as contributions from the GFATM Secretariat as a contributor. These contributions amounted to \$6.1 billion, which has been excluded from the top 10 list.



## 10. Contributions to FIFs by Donor Type<sup>101</sup>

Sovereign governments remain the largest donors to FIFs, accounting for 94 percent of total contributions received in FY19 (\$4.0 billion). Private nonprofit entities contributed 3 percent (\$0.1 billion), and intergovernmental institutions contributed 2 percent (\$0.01 billion).<sup>102,103</sup>

**Figure 5.11. Contributions to FIFs by donor type, FY19 (percentage)**



<sup>101</sup> Excluding contributions from the GFATM Secretariat.

<sup>102</sup> *Intergovernmental institutions* include organizations such as the European Union and the International Fund for Agricultural Development.

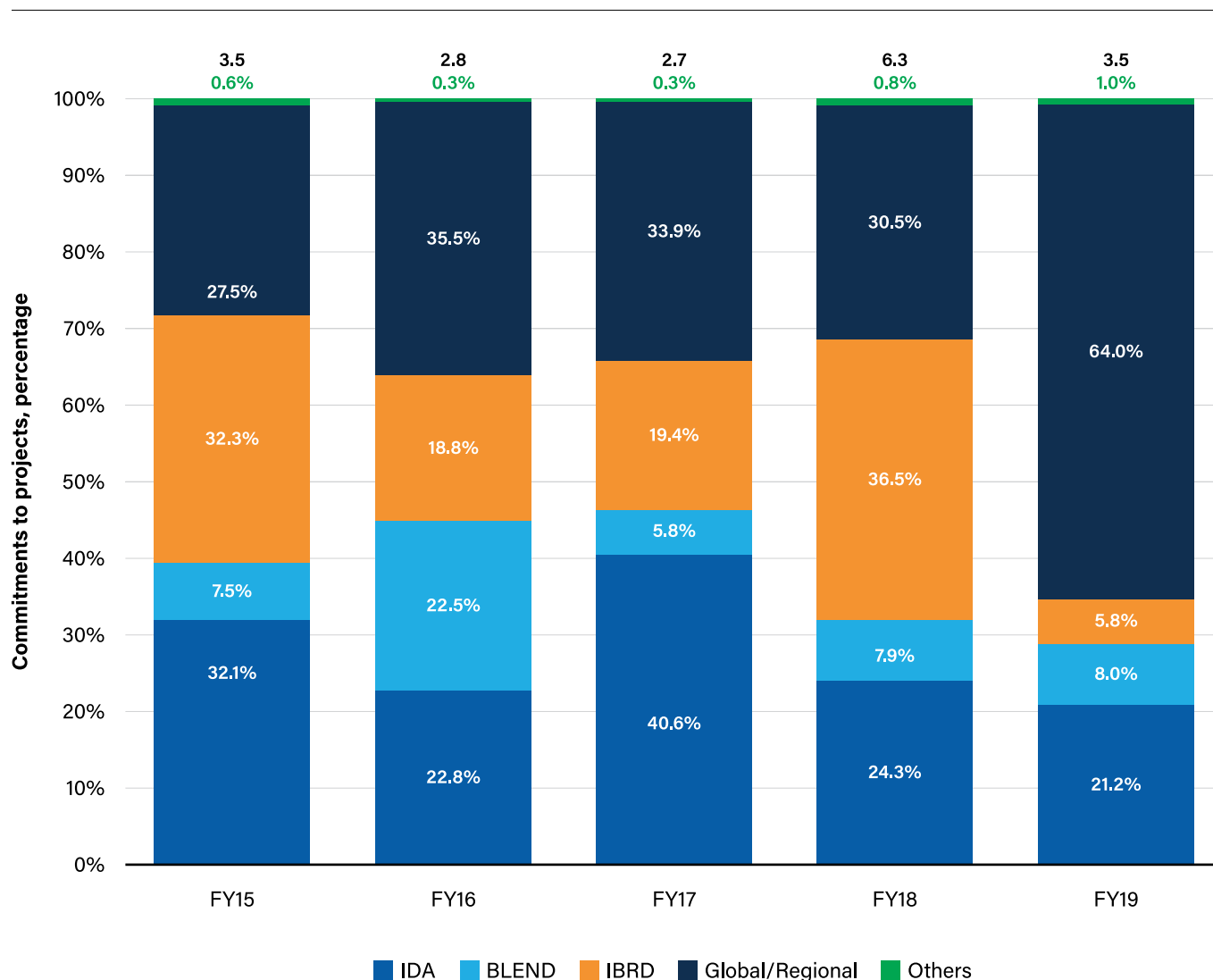
<sup>103</sup> *Private nonprofit entities* include private foundations such as the Bill & Melinda Gates Foundation, Dubai Cares, and the United Nations Foundation.



## 11. FIF Commitments to Projects by Recipient Group<sup>104,105</sup>

Over FY15–FY19, projects based in IDA countries and projects that were global/regional in nature received the largest share of funding from FIFs—a combined total of \$12.2 billion. In FY19, \$1.3 billion was committed by GCF and \$0.4 billion by CGIAR to global/regional projects, which increased the share of that category to 64 percent. Commitments to projects in IDA countries in FY19 were \$0.7 billion, followed by \$0.3 billion to blend countries.

**Figure 5.12. Commitments to projects by recipient country group (US\$ billions and percentage)**



*Note: Others refers to commitments to projects in countries/territories that are not member countries of the World Bank, such as Cuba, and West Bank and Gaza.*

<sup>104</sup> A *commitment* is a financial liability created as a result of the approval of funding by a governing body of a FIF or a legally independent secretariat, based on its decision-making processes. Commitment data for GFATM, IFFIm, AMC, and DRTF are not part of the World Bank dataset and are therefore not included in the chart. See Endnote 3 for additional details. Where funding approvals exclude specific country allocations, projects are represented as Global/Regional in the chart.

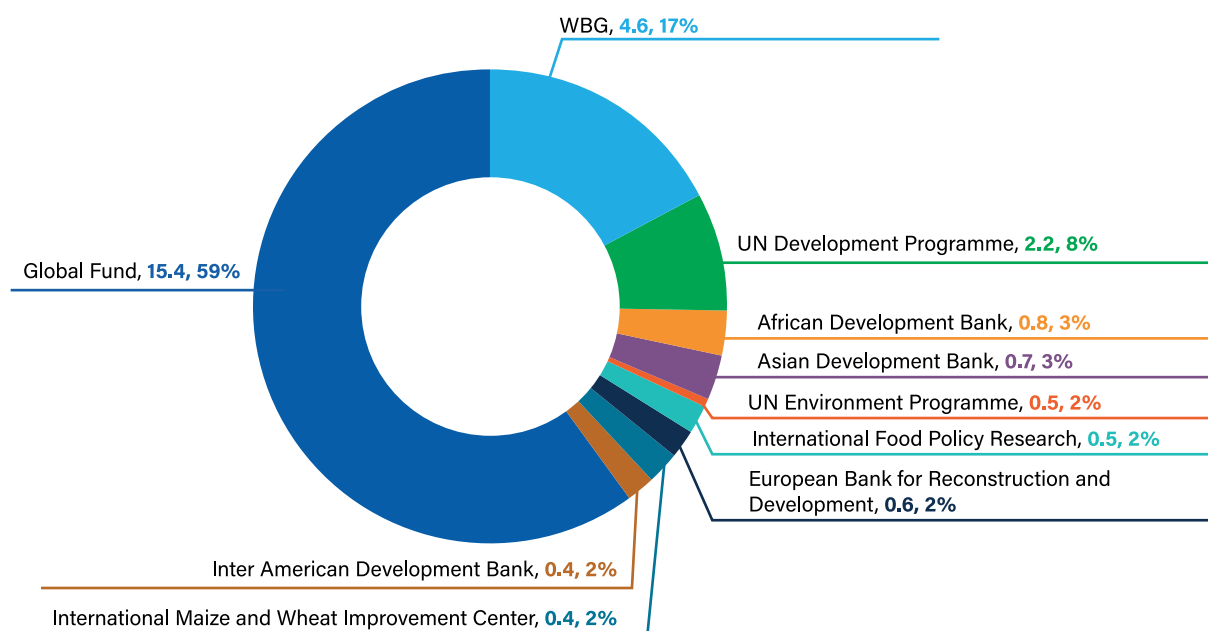
<sup>105</sup> *Projects* includes all implementation activities (projects, programs, etc.). Commitments to secretariats, trustees, and agency fees are excluded. Non-US\$ commitments are revalued as on report date June 30, 2019, and the figures are not comparable to 2017 Trust Fund Annual Reports to that extent.



## 12. Transfers to Top 10 IEs

FIFs transferred \$29.9 billion to IEs during FY15–FY19, of which \$26.1 billion was transferred to the 10 largest IEs. The GFATM secretariat received \$15.4 billion, followed by the WBG (\$4.6 billion), the United Nations Development Programme (\$2.2 billion), and the African Development Bank (\$0.8 billion).

**Figure 5.13. Transfers to top 10 IEs, FY15–FY19 (US\$ billions and percentage)<sup>a,b</sup>**



<sup>a</sup> The figure shows cumulative funding with and without funding for GFATM to provide a more detailed view of the top 10 FIF donors. From FY17, most contributors to the GFATM fund provide contributions directly to the GFATM Secretariat, and the trustee receives these funds as contributions from the GFATM Secretariat as a contributor. These contributions amounted to \$6.1 billion, which has been excluded from the top 10 list.

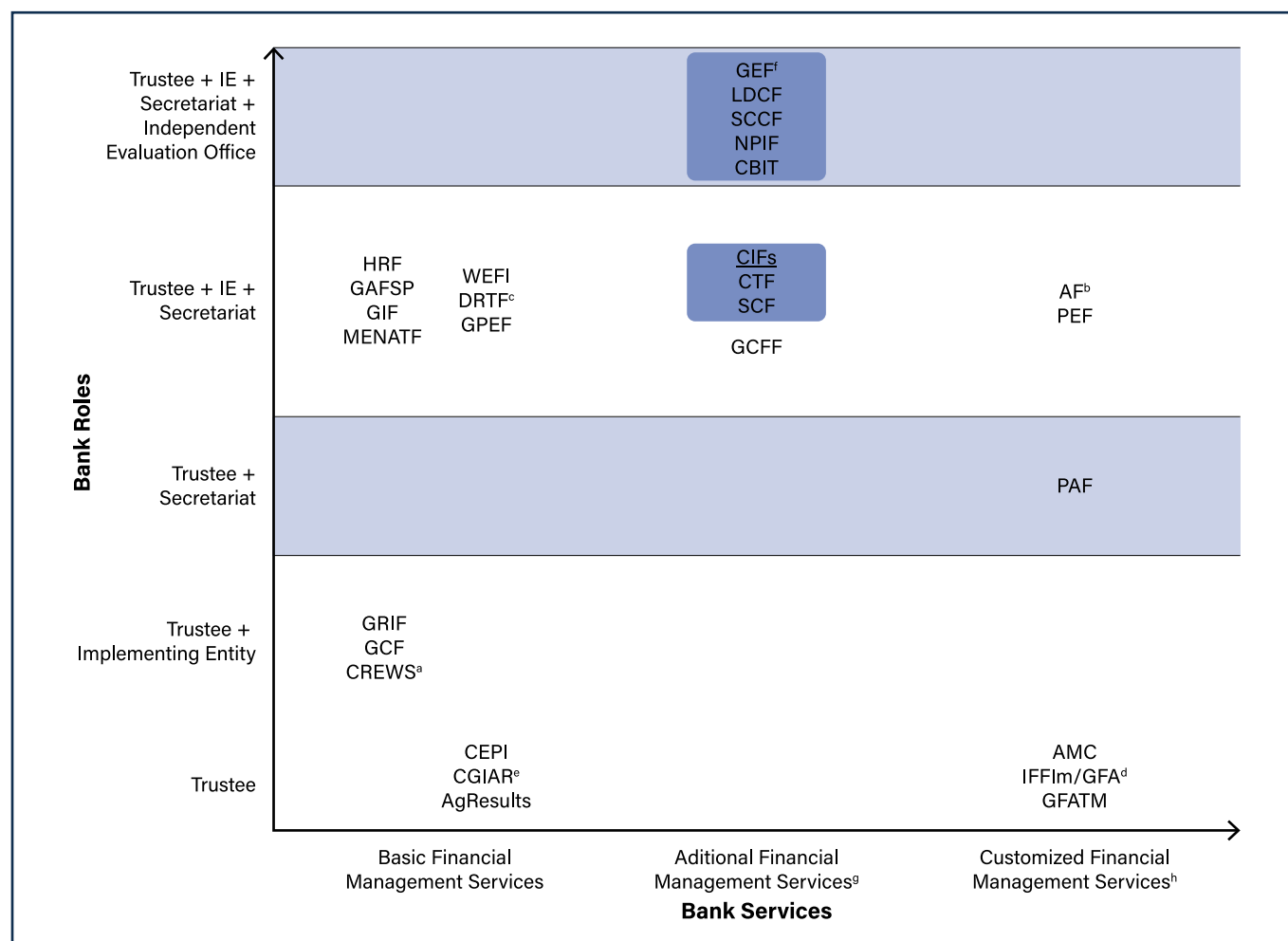
<sup>b</sup> Transfers to IEs include transfers for project preparation, supervision, and project implementation. However, in the case of GFATM, there is a lump sum transfer to the secretariat, and the use of the transferred funds is determined by GFATM. The GEF Secretariat acts as an IE for a limited number of projects, i.e. the National Portfolio Formulation Exercises. Transfers to IEs exclude a one-time transfer of \$383 million from GEF to IBRD to cover reevaluation of grants denominated in Special Drawing Rights (from 2004). Non-USD transfers are valued as of June 30, 2019. Refer Endnote 4 for additional details.



## 13. The World Bank's Roles and Services in FIFs

The World Bank serves as limited trustee or financial/treasury manager for all 27 FIFs that were active as of June 30, 2019. Of these, the World Bank directly hosts secretariat services for 18 FIFs. As of June 30, 2019, the World Bank also served as an IE for 20 FIFs, including three with independent secretariats: CREWS, GCF, and GRIF.

**Figure 5.14. Matrix of the World Bank's roles and services in FIFs**



<sup>a</sup> World Bank staff are seconded to the CREWS Secretariat at WMO.

<sup>b</sup> As part of its role as trustee, the World Bank generates additional revenue through the sale of carbon assets (for example, Certified Emission Reductions) held by the Adaptation Fund.

<sup>c</sup> The World Bank's implementing role is as a multilateral creditor.

<sup>d</sup> In addition to trustee services, the World Bank, as Treasury Manager of IFFIm, offers financial policy advice, funding transaction execution services (including bond issuance), and risk management services (including hedges and credit rating maintenance).

<sup>e</sup> The World Bank is also a donor to CGIAR.

<sup>f</sup> As part of its role as trustee, the World Bank is also responsible for GEF resource mobilization through an established replenishment process.

<sup>g</sup> Additional Financial Management Services include replenishment support, cash flow projections, and reflows/repayment management.

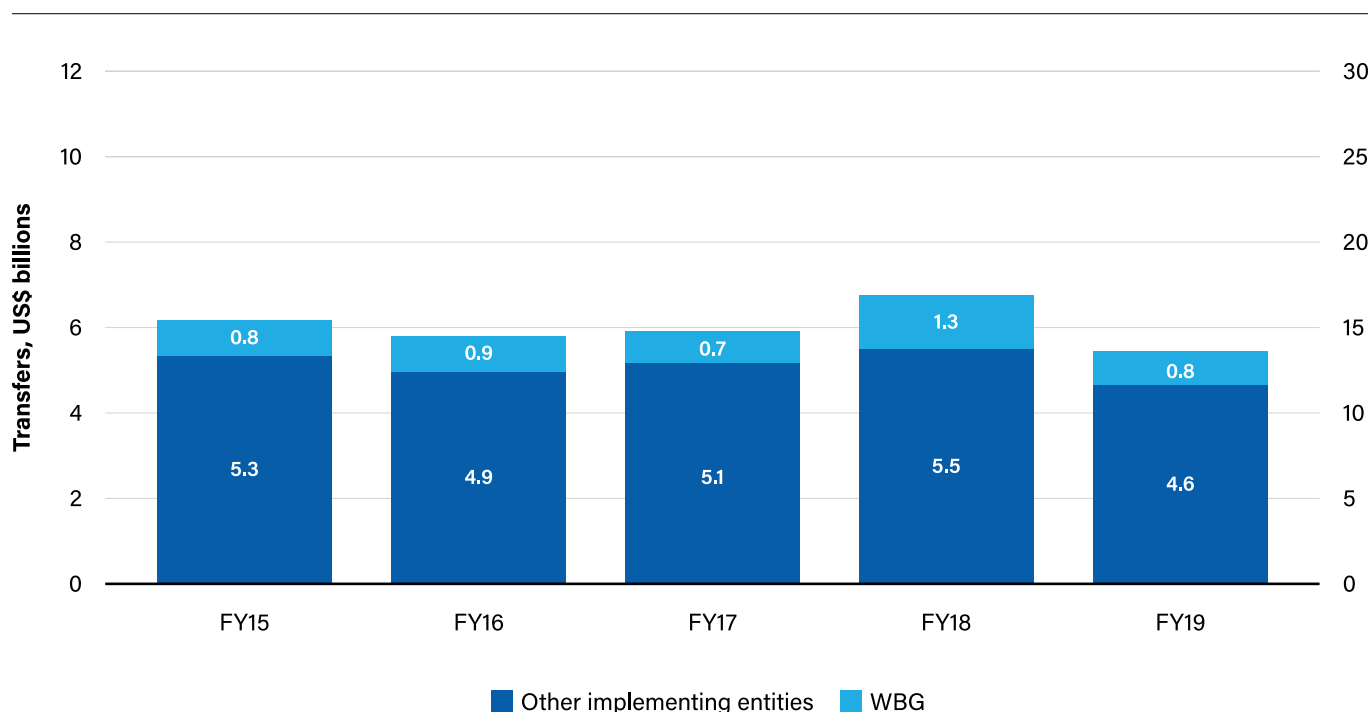
<sup>h</sup> Customized Financial Management Services include customized Treasury management services and reporting, e.g. for AMC, IFFIm, and GFATM. Also includes Certified Emission Reductions management for AF, support to pandemic bonds, insurance in the PEF, and managing auctions and bond issuances for PAF.



## 14. WBG as IE for FIFs<sup>106,107</sup>

The transfers from FIFs to projects implemented by the WBG decreased from 13 percent of the total transfers from FIFs to all IEs in FY18 (\$1.3 billion) to 9 percent in FY19 (\$0.8 billion). There was also an overall decrease in total transfers in FY19 when compared to FY18 across all funds.

**Figure 5.15. Annual transfers to the WBG as IE (US\$ billions)**



<sup>106</sup> An IE is any agency that receives funds from a FIF and is responsible for managing those funds for activities approved by the governing body.

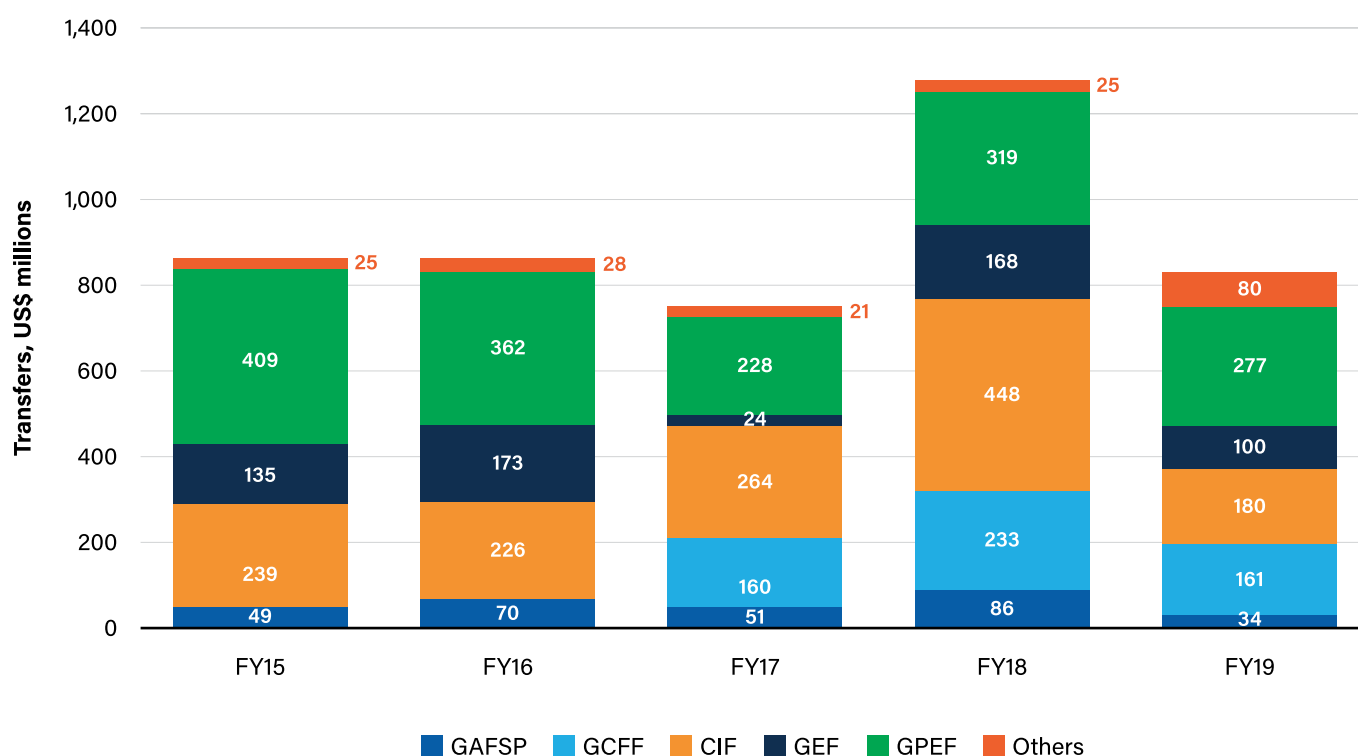
<sup>107</sup> Transfers to IEs include transfers for project preparation, supervision, and project implementation. However, for GFATM, there is a lump sum transfer to the secretariat, and the use of the transferred funds is determined by GFATM. The GEF Secretariat acts as an IE for a limited number of projects, i.e. the National Portfolio Formulation Exercises. Transfers to IEs exclude a one-time transfer of \$383 million from GEF to IBRD to cover reevaluation of grants denominated in Special Drawing Rights (from 2004). Non-US\$ transfers are valued as of June 30, 2019. Refer to Endnote 4 for additional details.



## 15. Annual Transfers to the WBG as IE, by FIFs

Of the total transfers of \$0.8 billion in FY19 from 11 FIFs to the WBG, the largest amount was from the GPEF (\$277 million), followed by CIF (\$180 million) and the GCFF (\$161 million). On a cumulative basis, over FY15–FY19, the World Bank as an IE received the largest amount of transfers from the GPEF (\$1.6 billion), followed by CIF (\$1.4 billion) and GEF (\$0.6 billion).

**Figure 5.16. Annual transfers to WBG as an IE, by FIFs (US\$ millions)**

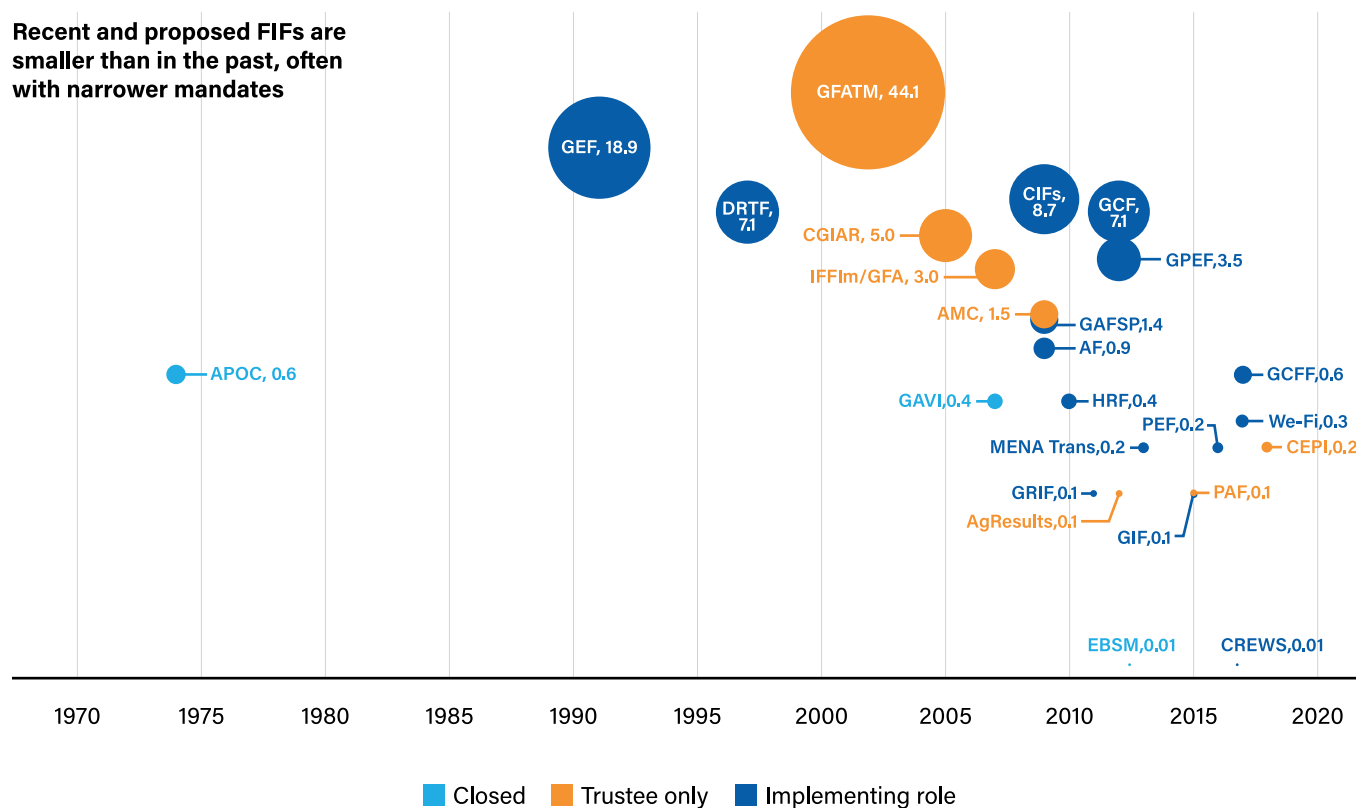




## 16. FIFs by Year of Establishment and Cumulative Funding

This figure shows the accumulated funding for individual FIFs organized under the year of establishment. Recently established FIFs are generally smaller at inception, though few of the 27 FIFs now in existence show cumulative contributions of \$2 billion or more even after five years.<sup>108</sup>

Figure 5.17. FIFs by year of establishment and cumulative funding (US\$ billions)



<sup>108</sup> Examples include the GCF and the GPEF.



# ENDNOTES

1. The following differences are noted between the FY17 Trust Fund Annual Report and this report
  - 1.1 The number of active FIFs in FY16 was incorrectly reported in Figure 42 of the FY17 Trust Fund Annual Report as 26, although it was correctly reported as 24 in Figure 53 of the same report. The number of active FIFs in FY16 is correctly reported as 24 throughout the FY19 Trust Fund Annual Report.
2. The following differences are noted between the FY17 Trust Fund Annual Report and this report on FHIT:
  - 2.1 The percentages for GFATM and others were incorrectly reported as 24 percent and 15 percent in the previous report for FY16 instead of 21 percent and 19 percent. They have been corrected in this report.
3. The following differences are noted between the FY17 Trust Fund Annual Report and this report on Commitments:
  - 3.1 Green Climate Fund (GCF) commitments amounting to \$167 million in FY16 were cancelled and recommitted in FY18 as per the instructions of the GCF. Accordingly, the commitment figures for FY16 were adjusted.
4. Non-US\$ transfers are revalued as on report date June 30, 2019, and the figures are not comparable to 2017 Trust Fund Annual Reports to that extent.





◆ **Photo Credit:** Vincent Tremeau © World Bank

## ◆ CHAPTER 6

# Financial Intermediary Funds Reform

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6.1 Introduction	117
6.2 Opportunities and Challenges	117
6.3 The Way Forward	118



## 6.1 INTRODUCTION

This chapter highlights how the FIF reform process, as part of pillar 4 of the *Forward Look* (Improving the Business Model), will contribute to the WBG's efficiency, effectiveness, and overall development impact.

The World Bank places a premium on working in partnership with other organizations to meet many development challenges. It has been able to support collective action on a range of issues, particularly GPGs, through several mechanisms, including through FIFs.

## 6.2 OPPORTUNITIES AND CHALLENGES

FIFs bring additional public and private resources through a variety of arrangements, enabling the international community to provide a direct and coordinated response to global and regional priorities. FIFs can support the multilateral system's ability to scale up country operations in areas like climate resilience, environmental commons, and crisis response, where more traditional country investments often face negative externalities.

Many stakeholders, including development partners and recipient countries, see FIFs as important large-scale financing mechanisms for advancing the global development agenda through joint implementation across multiple implementing entities. In some FIFs, such as the Global Partnership for Education (GPE), the Climate Investment Funds (Clean Technology Fund (CTF) and Strategic Climate Fund), and the Global Environment Facility (GEF), the World Bank is not only a trustee but host to the secretariat and an IE, bringing substantial funding to client countries. In other FIFs, the World Bank has

provided much-appreciated trustee services to separate legal entities such as the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) and the International Finance Facility for Immunization (IFFIm) for GAVI, The Vaccine Alliance.

While the development community, including the World Bank, can benefit from the Bank's engagement in FIFs, FIFs can also create challenges. As their numbers have grown, the newer FIFs have often been smaller in contribution size, with narrower and sometimes overlapping mandates. The fact that FIFs have independent governance and their own terms for access to and use of funds can contribute to aid fragmentation and increased complexity for clients and implementing entities. In today's context, with many alternative mechanisms for coordination across MDBs, it makes sense to take a step back and consider when establishing new FIFs makes sense and how to best respond to the existing fragmentation and complexity in the overall portfolio.



## 6.3 THE WAY FORWARD

In 2013, the World Bank introduced a new Framework for Partnership Programs and FIFs to provide direction and guidance for upstream selectivity around partnership programs. The Framework also introduced the concept of life-cycle management and focused on clarifying the World Bank's role as FIF trustee.

While the Framework remained largely valid, it needed to be updated to take account of changes in the aid architecture since its development, including the continuing growth of FIFs, and to be deepened in some areas to reflect experience. Following internal and external consultations conducted by World Bank Management throughout FY18 and FY19, in July 2019 the World Bank's Executive Directors expressed their support for a new FIF Management Framework ([http://bit.ly/WB\\_FIFMF](http://bit.ly/WB_FIFMF)) for immediate implementation.

In line with feedback received during the consultations, a key element of the updated FIF Management Framework to strengthen future selectivity is the articulation of a menu of options for response to global calls for collective action, combined with more systematic internal review processes that take alternatives into consideration. Figure 6.1 sets out the menu of options and provides examples of when each alternative has been used to respond to global calls for collective action.

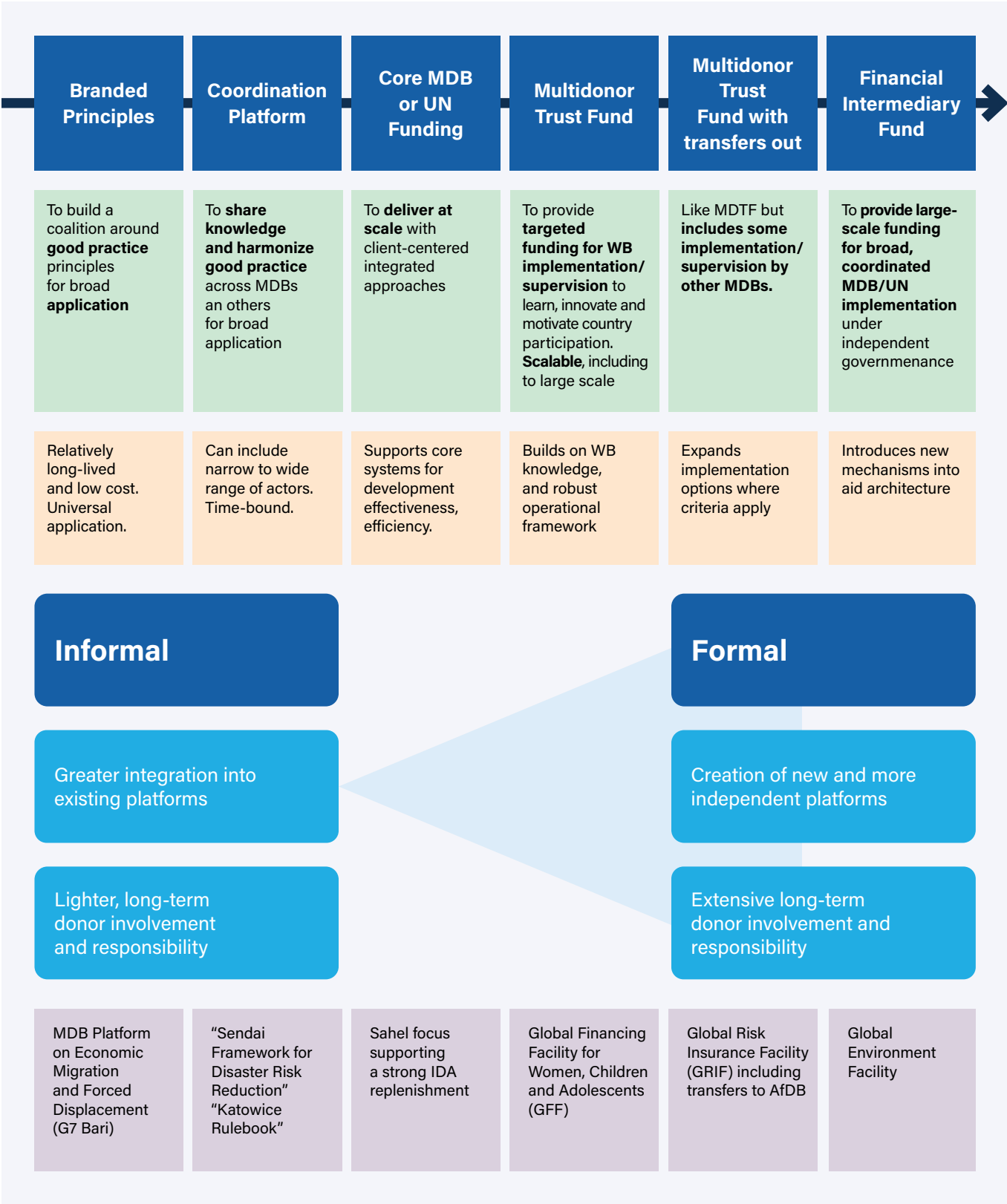
The World Bank will seek to strengthen its engagement around major new initiatives from the idea stage onward. It will support the design of new FIFs, building on experience, offering proven practice and simple approaches to reduce unnecessary and costly customization, and creating conditions for greater efficiencies and development effectiveness. To facilitate the timely choice of the least costly and complex mechanisms for achieving the objectives of such new initiatives, the World Bank will also develop guidance for a more rigorous consideration of alternatives to achieve objectives at the idea stage and during the concept development process. This approach will be guided by the following principles for selectivity:

- FIFs should be created only when no other reasonable alternative could achieve the objectives, to avoid further fragmentation in the global aid architecture, including proliferating financing, governance, and administrative mechanisms.
- Participation should be consistent with the mandate, strategic priorities, and comparative advantages of the World Bank, and should not exceed the World Bank's risk appetites and tolerances.
- The establishment of a FIF should be driven by client demand rather than by convenience for donors.
- Assurance of large-scale funding—with an initial donor commitment of at least \$200 million—and a reasonable case for financial sustainability should be available at the initiation of a FIF.
- For global or regional partnership programs, pooled funding with closely coordinated decision-making and large-scale implementation across a significant number of IEs will be needed for a FIF to be chosen as an appropriate funding instrument.

The updated Framework also seeks to ensure a more systematic approach to life-cycle management. The World Bank will put in place simple, routine risk monitoring for its own roles in FIFs (including strategic, operational, partnership, legal, and financial risks) to trigger conversations at an earlier stage, when risks are easier to address. It will also increase its regular reporting to the World Bank Board on FIFs as a portfolio. To supplement existing guidance on the World Bank's role as FIF trustee, the World Bank will also clarify the terms under which it operates as host of a FIF secretariat and serves as FIF IE.



Figure 6.1. Responses to global calls to collective action - menu of options











# ANNEXES



## ANNEX 1: TRUST FUND ACHIEVEMENTS

### List of World Bank Group Trust Funds Featured in the Report

The trust funds listed below are organized around the first three *Forward Look* pillars—Serving All Clients, Supporting Resource Mobilization, and Leading on Global Issues—and highlight the various value propositions of WBG trust funds. Each pillar consists of multiple trust fund value propositions, described in Chapter 1 and follow the same order. The 38 trust fund stories featured in this section follow a standardized format and include trust fund donors, trust fund managing unit, and the *Forward Look* pillars and associated value propositions. While it is understood that the trust funds stories featured in the report may represent multiple value propositions, for illustrative purposes, the report associates each trust fund with one pillar and corresponding value proposition.

1. Global Water Security and Sanitation Partnership Trust Fund ([http://bit.ly/WB\\_GWSP](http://bit.ly/WB_GWSP))
2. Knowledge for Change Program (KCP) ([http://bit.ly/WB\\_KCP](http://bit.ly/WB_KCP))
3. South Asian Water Initiative (SAWI) ([http://bit.ly/WB\\_SAWI](http://bit.ly/WB_SAWI))
4. Hungary-IFC Partnership Trust Fund
5. Global Financial Inclusion Indicators Trust Fund (<https://globalfindex.worldbank.org/>)
6. Pacific Facility IV Multi-Donor Trust Fund (PF4)
7. Nordic Trust Fund (NTF) ([http://bit.ly/WB\\_NTF](http://bit.ly/WB_NTF))
8. The Korea Green Growth Trust Fund (KGGTF) (<http://www.kgreengrowthpartnership.org>)
9. Improving the Quality and Policy Relevance of Household-level Data on Agriculture in Sub-Saharan Africa Trust Fund
10. State Employment and Expenditure for Results (SEEFOR)
11. Rwanda Agriculture Program for Results (PforR) Multi-Donor Trust Fund
12. Australian Trust Fund for Support for the Sri Lanka Education Sector Development Framework and Program
13. Afghanistan Reconstruction Trust Fund (ARTF) ([www.artf.af](http://www.artf.af))
14. Europe and Central Asia Region Capacity Development (<http://bit.ly/ECAPDEV>)
15. Central Asia Energy-Water Development Program Multi-Donor Trust Fund
16. Sint Maarten Recovery, Reconstruction, and Resilience Trust Fund (SXM) ([http://bit.ly/WB\\_SXMTF](http://bit.ly/WB_SXMTF))
17. Partnership for Infrastructure Development (PID) Multi-Donor Trust Fund ([http://bit.ly/WB\\_PID](http://bit.ly/WB_PID))
18. World Bank Multi-Partner Fund (MPF) (<https://somaliampf.net/>)
19. Zimbabwe Reconstruction Fund (<http://bit.ly/ZIMREF>)
20. Japan Social Development Fund (JSDF) ([http://bit.ly/WB\\_JSDF](http://bit.ly/WB_JSDF))



21. Global Tax Program (GTP)
22. Debt Management Facility (DMF) ([http://bit.ly/WB\\_DMF](http://bit.ly/WB_DMF))
23. Global Partnership for Results-Based Approaches (GPRBA) (<https://www.gprba.org/>)
24. Project Development Facility to Support Infrastructure to Build Resilience
25. Global Financing Facility for Women, Children and Adolescents (GFF) (<https://www.globalfinancingfacility.org/>)
26. Swiss State Secretariat for Economic Affairs (SECO) - International Finance Corporation (IFC) – East Asia and Pacific Advisory Trust Fund
27. Carbon Initiative for Development (Ci-Dev) (<https://www.ci-dev.org/>)
28. Program on Forests (PROFOR) (<https://www.profor.info/>)
29. Global Facility for Disaster Reduction and Recovery (GFDRR) (<https://www.gfdr.org/en>)
30. Global Concessional Financing Facility (GCFF) (<https://globalcffi.org/>)
31. State and Peacebuilding Fund (SPF) ([http://bit.ly/WB\\_SPF](http://bit.ly/WB_SPF))
32. Nepal Earthquake Reconstruction Multi-Donor Trust Fund (<https://www.nepalhousingreconstruction.org/>)
33. Umbrella Facility for Gender Equality (UFGE) ([http://bit.ly/WB\\_UFGE](http://bit.ly/WB_UFGE))
34. United States Agency for International Development (USAID)-IFC Grant Agreement
35. Competitive Industries and Innovation Program (CIIP) (<https://www.theciip.org/>)
36. Emergency Employment Investment Project (EEIP)
37. Energy Sector Management Assistance Program (ESMAP) (<https://www.esmap.org/>)
38. Global Road Safety Facility Multi-Donor Trust Fund (GRSF) ([http://bit.ly/GRSF\\_WB](http://bit.ly/GRSF_WB))



## Trust Fund Donors



Australia



Bill & Melinda  
Gates Foundation



Netherlands



Sweden



Switzerland



The Rockefeller  
Foundation



United Kingdom

**Global Practice:**  
Water



**Forward Look:** Pillar 1:  
Serving All Clients



**Value Proposition:** Supporting  
Advisory Services and Analytics

## 1. Global Water Security and Sanitation Partnership Trust Fund

The **Global Water Security and Sanitation Partnership (GWSP) Trust Fund**, launched in 2017, aims to advance global knowledge and help client governments achieve water-related SDGs through analytics and knowledge management. In FY18 the GWSP disbursed \$24.4 million to finance global, regional, and country-level ASA, supporting the provision of improved water supply services to 15.7 million people, improved sanitation to 11.5 million people, and improved irrigation services to 1.8 million people. Another 4 million people were trained in hygiene awareness. At least 50 percent of all beneficiaries were women. To date, the GWSP has influenced \$13.8 billion in Bank operations, including \$4 billion in innovative results-based operations, across 31 countries.

The GWSP supports task teams, clients, and other partners in three ways. First, it fortifies the Global Practice's intellectual leadership, giving staff the tools and analysis they need to collaborate with global experts, develop new concepts, and conduct in-depth research. Second, it places staff in strategic geographies to continue client dialogue and to provide long-term technical assistance. Third, the just-in-time technical support modality, the Water Expertise Facility, provides rapid response to changing project conditions, shifting projects toward more sustainable results.

The GWSP's flagship Water Supply, Sanitation, and Hygiene Poverty Diagnostic (WASH PD)<sup>109</sup> initiative launched in 2017 resulted from collaborative, multidisciplinary research by five Bank Global Practices<sup>110</sup> to (a) better understand the relationship between poverty and lack of access to drinking water, sanitation, and hygiene; (b) use evidence to demonstrate the impact of inadequate services on human development outcomes; and (c) identify the constraints to service delivery. WASH PDs, which have been conducted in 18 countries to date,<sup>111</sup> examine major disparities in water supply and sanitation access levels and support improved governance.

The WASH PD Global Report, launched during the 2017 World Water Week in Stockholm, called for a drastic global change in the way countries manage resources and provide services, starting with better targeting those most in need, and reducing inefficiencies. It highlighted the need to coordinate water, health, and nutrition interventions to make substantive progress in the fight against childhood stunting and mortality, and it provided policymakers with data points and guidance on how to better target investments to reach the poorest households. This work is especially relevant for implementing the SDG agenda, as countries strive to harness their precious WASH resources for maximum impact. Below are specific examples of how WASH PD reports have made an impact at the country level.

***"Thanks for this great work—it surely provides a clear pathway forward for WASH and Nigeria." -Yemi Osinbajo, Vice President, Nigeria, speaking at the Nigeria WASH PD's report launch***

In Nigeria, the WASH PD, "A Wake-Up Call," evaluated the performance of water agencies, identified institutional bottlenecks, and offered suggestions to make the sector more efficient and sustainable. Drawing on its findings, Nigeria's Ministry of Finance and Ministry of Water Resources requested World Bank support with sector reform and with shaping two \$700 million IDA water supply and sanitation projects.

In Ecuador, the WASH PD, "Pipe[d] Dreams," showed that water and sanitation coverage is diminishing, that access levels vary substantially across the country, and that investment in water and sanitation infrastructure must be maintained and scaled up. These findings were critical to the SCD's assessment that access to water and sanitation is a key source of inequality in Ecuador, and they led to the development of a water and sanitation policy targeting the bottom 40 percent of households. The report also fed into the FY19-FY23 CPF objective of boosting the efficiency and effectiveness of Ecuador's social programs.

**18 countries supported with WASH, poverty diagnostics are informing government policies and programs and World Bank country engagements and projects, as of FY18.**

<sup>109</sup> Synthesis Report of the WASH Poverty Diagnostic Initiative, 2017. The report can be downloaded from [http://bit.ly/WASH\\_SYNT](http://bit.ly/WASH_SYNT)

<sup>110</sup> Led by the Water Global Practice, the WASH PDs were jointly implemented by the Poverty; Governance; Health; and Social, Urban and Rural Development, and Resilience Global Practices. The multidisciplinary teams were vital to address complex research questions relating to service delivery, the role of governance and institutions, and negative impacts of WASH services on the bottom 40 percent.

<sup>111</sup> The 18 countries were of mixed status, from fragile and conflict-affected states to middle-income countries. All WASH PDs are available via <http://www.worldbank.org/en/topic/water/publication/wash-poverty-diagnostic>



The Mozambique WASH PD formed the basis of a dialogue with the Government to increase access to safely managed sanitation services and improve municipal sanitation service delivery in targeted cities. The PD revealed that the bottom 40 percent of the population had seen little change and noted a growing gap in access to piped water between this group and the top 60 percent—especially in rural areas, where female-led households and people without primary education predominantly reside. This analysis and the dialogue with the Government resulted in a request for further support through a new \$115 million IDA Mozambique Urban Sanitation and Drainage Project.

## Trust Fund Donors



ABN AMRO  
Bank NV



Australia



Canada



China



Denmark



Estonia



European Union



Finland



France



International Fund for  
Agricultural Development



Japan



Netherlands



Norway



Republic of Korea



Singapore



Sweden



Switzerland



United Kingdom



United States

**Global Theme:**  
Knowledge Services



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:** Supporting  
Advisory Services and Analytics

## 2. Knowledge for Change Program

**The Knowledge for Change Program (KCP)**, set up in 2002, pools knowledge and financial resources to create new data collection methods, informs evidence-based policy, and pilots new ideas to fill global knowledge gaps. As of FY18, KCP had allocated \$62.7 million for over 300 research and data collection activities to support countries in (a) developing analytical tools; (b) innovating in data production; and (c) producing and disseminating renowned World Bank flagship reports.<sup>112</sup> The key areas of focus for research and data collection are fragility and risk management, global public goods, growth and job creation, service delivery and aid effectiveness, and poverty and shared prosperity.

KCP-funded analytical tools allow policymakers and researchers to conduct their own analysis and generate conclusions. For example, PovcalNet is an interactive tool that replicates calculations made by World Bank researchers to estimate the extent of absolute poverty globally, and in countries and regions. It can perform a range of simulations and compute the economic growth rate required to reach the 2030 poverty reduction target. In FY18 alone, PovcalNet delivered 34 million computations around the world.

Similarly, KCP supported the development of a model to study how greenhouse gas emissions affect the economy. This was the first tool available to the World Bank to assess the effects of climate change on development. The tool is now widely used in Bank projects for policymaking. In Slovakia, for example, the team working on an economic growth model calibrated it to analyze policies that support sustainable growth. The model helped estimate the economy-wide effects of energy market policies.

***"The evaluation convincingly confirms that KCP is a truly effective way of supporting the production of high-quality and policy-relevant research. The KCP has been remarkably successful in achieving its primary objective of promoting 'high quality, cutting edge research'...that creates knowledge to support poverty reduction and sustainable development."** -Lyn Squire, Main Evaluator, Independent Program Evaluation (noted on an evaluation of KCP)*

KCP recently helped develop a digital survey interview tool—a free software application for tablets, to collect data faster, better, and more cheaply. The software has been used in 85 countries, showing that well-implemented surveys generate quality information quickly, and at

<sup>112</sup> In its third phase, from FY15 to FY18, KCP received \$13 million in total contributions.



a relatively low cost. The KCP also filled in gaps in the Democratic Republic of Congo's country census data with satellite imagery to estimate the numbers of households, including poor households. The research is being scaled up and will feed into guidelines on sampling with non-census data.

KCP also contributes to the production and dissemination of global flagship products that fill important knowledge gaps—such as the World Development Report (WDR) and the Global Economic Prospects Report. These reports provide in-depth analyses and policy recommendations on key topics. The WDRs,<sup>113</sup> published yearly since 1978, play a key role in shaping the thinking of different stakeholders across the globe on critical development challenges, often informing their investment policies, reforms, and decisions. Each WDR report focuses its analysis and policy recommendations on a specific aspect of development—for example, the role of the state, transition economies, labor, infrastructure, health, environment, or poverty. International organizations, national governments, scholars, civil society groups, and other global thought leaders prize the report for its timeliness and quality, using it to complement their knowledge and support their decision-making processes.

*As of FY18, KCP has supported over 300 research and analytical activities to improve data collection and analytical tools, address knowledge gaps, and inform evidence-based policymaking.*

## Trust Fund Donors



Australia



Norway



United Kingdom

**Region:**  
SAR



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:** Supporting  
Advisory Services and Analytics

## 3. South Asian Water Initiative

**The South Asian Water Initiative (SAWI)**, launched in 2013, is a first-of-its-kind program that supports a rich portfolio of activities designed to increase regional cooperation in the management of the major Himalayan river systems in South Asia to deliver sustainable, fair, and inclusive development and climate resilience. The mighty rivers of the Himalayas—the Indus, Ganges, and Brahmaputra—and the Sundarbans Landscape are home to more than one billion people. Making the most productive use of water resources and reining in water extremes requires the cooperative efforts of the seven countries that share these watersheds.<sup>114</sup> Yet regional collaboration is limited by numerous factors, including complex geo-politics, inadequate trust, and limited appreciation of system dynamics and the gains to be realized from cooperation.

SAWI is a core vehicle for building on individual efforts through a coordinated and strategic approach aimed at strengthening the momentum toward subregional and regional cooperation. SAWI works closely with client countries and its national and 35+ international implementing partners toward sustainable water resources management in South Asia by developing knowledge and evidence, strengthening institutional and professional capacity, supporting country interventions and investments, and promoting regional engagements.<sup>115</sup>

SAWI's knowledge products range in scale from the national (e.g., ensuring that World Bank work adequately considers transboundary and basin issues), through the river basin (e.g., guiding cooperative planning), to the regional (e.g., working on climate change adaptation). SAWI has now developed a Flood Predictability Assessment for the Ganges and Brahmaputra basins.<sup>116</sup> By providing operational real-time estimates, the tool aims to improve accuracy in the predictability of flood forecasting for rainfall and river flows, and to enable comparisons across the basin—information that can be used to help plan evacuations and mitigate household economic losses. The tool uses different modeling techniques and makes innovative use of satellite transboundary data that is not reliant on information-sharing between riparian countries or on-the-ground measurements. During the 2017 floods in Bihar, real-time rainfall observations were made available (for download) for Bihar's Flood Management Improvement Support Centre. The forecasting framework is now being scaled up to other basins and has been replicated for the transboundary Rapti River Basin in Uttar Pradesh.

<sup>113</sup> The WDRs may be downloaded from <http://www.worldbank.org/en/publication/wdr/wdr-archive>

<sup>114</sup> The seven countries are Afghanistan, Bangladesh, Bhutan, China, India, Nepal, and Pakistan.

<sup>115</sup> Key intervention areas include (a) developing knowledge and evidence; (b) strengthening institutional and professional capacity; (c) supporting country interventions and investments; and (d) promoting regional engagements.

<sup>116</sup> More information is available at <http://indiawbgrap.ucar.edu/precip/india.php>



Where there are opportunities for joint action, SAWI can inform national priorities and investments and provide analytics and technical assistance to help design and implement other World Bank projects. To make its programs more sustainable, SAWI links national programs with the World Bank's lending operations, helping shape national water investments and engagements in ways that better reflect transboundary considerations. For example, SAWI's technical analysis of three coastal embankments informed the \$375 million IBRD/IDA Bangladesh Coastal Embankment Improvement Project, for which SAWI is identifying mangrove species, the width of the mangrove belt, and the density of planting required in foreshore areas to best protect the embankments from cyclone-induced storm surges. SAWI's Blue Economy and Sundarbans Assessment in Bangladesh supports a plan to nurture fisheries and aquaculture resources to benefit poor communities and has informed the \$250 million IBRD/IDA Bangladesh Sustainable Coastal and Marine Fisheries Project. An assessment of which mangrove species are likely to survive in a changing climate is proving useful in designing the \$175 million IBRD Sustainable Forest and Livelihood Project.

SAWI is making concerted efforts to expand external networks and partnerships, bringing stakeholders to a common platform to make its approach more sustainable and to help its product uptake, creating synergies, reaching wider audiences, and strengthening the platform for sub-regional cooperation. SAWI's convening power gathers representative stakeholders across countries, from government, private sector, civil society, the research community, and the media. These dialogue processes increasingly connect water professionals and policymakers across the region, and subtle shifts in mindsets are now becoming evident. SAWI's multidonor platform, combined with World Bank leadership, broadens networks, influence, and reach, and is influencing stakeholders at the highest levels—results that bilateral efforts alone could not achieve.

Over the past several years, SAWI has made an important shift from sponsoring individual practitioners to working in partnership with regional organizations. Approaches to partnership include (a) conducting regional events primarily through other institutional partners to help embed the agenda more firmly, reach a wider community, and give voice and agency to diverse representative groups; and (b) facilitating South-South exchanges, such as training events between faculty from Chinese and Nepali universities. SAWI builds trust among riparian countries through basin-level dialogues, and supplements this with technical knowledge and capacity building. While multi-stakeholder forums on transboundary water management do exist, SAWI has helped scale them up. Aligning with partners, including think tanks, academia, and NGOs, to convene dialogues has widened SAWI's stakeholder base and minimized operational risk. Regional cooperation is largely subject to external political factors and international relations, but these forums provide some degree of continuity, enabling the participation of multiple stakeholders and allowing thinking and common understanding on a range of issues.

**SAWI builds trust among riparian countries by providing technical knowledge, building, and widening the dialogue with different stakeholders to develop common understanding on a range of transboundary water issues.**

## Trust Fund Donor



Hungary

**Organization:**  
IFC



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:** Supporting  
Advisory Services and Analytics

## 4. Hungary-IFC Partnership Trust Fund

**The Hungary-IFC Partnership Trust Fund (HIPTF)** was established in 2014 to support IFC's private sector development projects across multiple sectors and countries.<sup>117</sup> The creation of this trust fund marked the start of a long-standing cooperation between IFC and Hungary, as it became a first-time donor to IFC advisory. Initially, the thematic focus of this trust fund was on agribusiness, health, and water management. However, the scope of the partnership was later expanded to include the energy and ICT sectors.

With total contributions of \$20 million as of June 30, 2018, HIPTF has allocated funds to about 42 IFC Advisory projects. The largest allocation is for the energy sector (35%), followed by agriculture (29%). Geographically, the largest HIPTF funds are allocated for EAP(32%), ECA (29%), and AFR (15%).

<sup>117</sup> The countries include Albania, Armenia, Azerbaijan, Bangladesh, Belarus, Bosnia and Herzegovina, China, Egypt, Georgia, India, Indonesia, Jordan, Kazakhstan, Kenya, Kosovo, Kyrgyz Republic, Moldova, Mongolia, Montenegro, Morocco, Nigeria, North Macedonia, Russian Federation, Serbia, Tajikistan, Tunisia, Turkey, Uzbekistan, Ukraine, and Vietnam.



As of the end of FY18, the project activities funded by HIPTF had helped to provide about 22.8 million people with access to improved services and leveraged \$1.6 billion in financing from different private sector partners. In total, 394 million non-cash retail transactions were facilitated, totaling over \$1.2 trillion, and saved 7.1 million megawatts annually in energy savings. HIPTF-funded energy-related projects helped 22.8 million individuals gain access to improved services, and facilitated over \$753 million in financing, expected to save 6.3 million megawatts of energy annually. In agriculture, HIPTF supported over 40,200 farmers with improved access to finance and markets and implementation of sustainable farming practices. Over 13,000 agribusiness SME loans totaling \$140 million were disbursed by IFC's client financial institutions. In health, \$20 million was leveraged in new financing, which has helped 130,000 people benefit from access to improved services. In water, HIPTF-funded projects facilitated \$590 million in financing, surpassing the overall target of \$170 million.

The HIPTF-funded Energy and Water Solutions for Corporates Project in China was the first project of its kind to focus on water efficiency financing in select industrial sectors to help China address the water demand-supply gap. The project aimed to find new ways to attract private investments in this area by removing the different barriers to the market (e.g., lack of knowledge, lack of access to finance, and poor regulatory environment). The project worked with private companies to raise awareness about the costs and benefits of ensuring water efficiency, carried out water efficiency demonstrations, and built capacity on adopting good practices at the sector-level. Analytical reports covering the textile, industrial water and wastewater, and distributed renewable energy sectors further helped enhance understanding of the water efficiency technologies, best practices, policies, and regulations. Thematic training materials were also distributed to over 1,000 participating firms and to nearly 2,000 individual participants who attended the project's training workshops, seminars, conferences, and other events.

In cooperation with the China National Institute of Standardization, the project supported the development and enactment of new water-related standards and guidelines on water management for enterprises, creating incentives to adapt water efficiency measures. The project offered customized advisory services to partner banks to enable them to tackle the untapped industrial water efficiency market for the first time. Through tailored training and market analysis, the project effectively built the capacity of these banks, resulting in increased green lending to water efficiency initiatives. To date, partner financial intermediaries have disbursed \$87 million in sustainable energy finance loans. In total, the project developed 141 cost-effective options for 85 factories, resulting in annual cost reduction of \$35 million.

***"The latest results from the Suzhou program further demonstrate that the water efficiency best practices can drive significant environmental improvement and cost savings for apparel and textile supply chains."*** -Senior Project Manager at the Natural Resources Defense Council

Under the Green Textile City Initiative in the Greater Suzhou Area, in partnership with the Natural Resources Defense Council, IFC implemented 138 water efficiency improvement measures across 23 textile factories, saving \$8.4 million in water, energy, and chemical operating costs annually. These projects collectively saved 4 million m3 of water and 30,000 tons of coal (or energy equivalent) per year.

***\$1.6 billion leveraged in financing from private sector partners and 22.8 million people provided with improved access to basic services in the energy, agriculture, health, and water sectors.***

## Trust Fund Donor

BILL & MELINDA  
GATES foundation

Bill & Melinda  
Gates Foundation

**Global Theme:**  
Knowledge Services



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:** Supporting  
Advisory Services and Analytics

## 5. Global Financial Inclusion Indicators Trust Fund

**The Global Financial Inclusion Indicators Trust Fund**, established in 2010, monitors the use of financial services by disadvantaged groups to understand and measure financial inclusion. The trust fund provides a multitude of data on global access to financial services. The data, which are comparable across countries, are cited in policy papers, research reports, and flagship studies that are disseminated to key stakeholders across the globe. The World Bank uses the data to track its goal for Universal Financial Access by 2020. Governments also use the data to gauge progress toward their financial inclusion goals.

In 2011, the trust fund supported the development of the Global Findex database, the world's most comprehensive dataset on how adults save, borrow, make payments, and manage risk. The Findex data, collected through nationally representative surveys in 140 countries, have been widely used by governments, development institutions, and NGOs to feed into other reports and policies. The United Nations uses



Global Findex data to track progress toward SDG indicator 8.10.2, “Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider.”

The trust fund also supported the conceptualization and compilation of the G20’s new digital financial inclusion indicators. Almost half of the world’s 1.7 billion unbanked adults are concentrated in seven developing countries. In India, 56 percent of unbanked adults are women. The Government of India used Global Findex data to inform their first financial inclusion policy, stating that the data “suggest an urgent need to further push the financial inclusion agenda to ensure that people at the bottom of the pyramid join the mainstream formal financial system.”

***“The Global Findex database has become a mainstay of global efforts to promote financial inclusion... The data offer a wealth of information... and are helping track progress toward the World Bank Group goal of Universal Financial Access by 2020 and the United Nations Sustainable Development Goals.” -WBG Development Research Group Director Asli Demirgüç-Kunt***

Through this policy, which uses biometric identification cards, the Government aims to provide a free bank account to every unbanked citizen. According to Global Findex data, account ownership in India has more than doubled—to 80 percent—since 2011. This has helped shrink India’s gender gap by increasing women’s account ownership. In 2014, the Global Findex found that men in India were 20 percentage points more likely than women to have an account. By 2017, that gap had fallen to 6 percentage points. While many newly opened accounts in India go unused, they offer people an important opportunity to join the formal financial system.

***“The Global Findex shows great progress for financial access and also great opportunities for policymakers and the private sector to increase usage and to expand inclusion among women, farmers and the poor....Digital financial services were the key to our recent progress and will continue to be essential as we seek to achieve universal financial inclusion.” -H.M. Queen Máxima of the Netherlands, UN Secretary-General’s Special Advocate for Inclusive Finance for Development***

The 2017 Global Findex report and data overviews have been downloaded more than 100,000 times since their release in April 2018. The Global Findex data are regularly cited in major international media—including *Bloomberg*, the *Financial Times*, the *New York Times*, and *Wall Street Journal*—as well as in regional news outlets across the developing world.

**140 countries engaged in developing a comprehensive dataset on how countries save, borrow, make payments, and manage risk as part of Global Findex— the world’s most comprehensive database that measures financial inclusion.**

## Trust Fund Donors



Australia



New Zealand

**Region:**  
EAP



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:** Supporting  
Advisory Services and Analytics

## 6. Pacific Facility IV Multi-Donor Trust Fund

**The Pacific Facility IV Multi-donor Trust Fund (PF4)** was launched in 2014 to accelerate economic growth and reduce poverty in the Pacific region, by opening up trade, encouraging investment, and creating jobs. With total contributions of \$65 million, the PF4 supports key drivers of economic growth in the region—infrastructure, access to finance, education, and health—and encourages women’s participation.

PF4 support is fully integrated into the World Bank’s work program in the Pacific, working across 12 Pacific Island countries, of which six are fragile states and almost all are extremely vulnerable to shocks and natural disasters. As of FY18, the World Bank’s active portfolio in Papua New Guinea and the Pacific Island countries included 65 operations, totaling \$1.3 billion. The Bank’s assistance to the Pacific Island countries has increased, with the IDA18 allocation nearly double the IDA17 amount, up to \$802 million from \$338 million. The PF4 directly assists in preparing IDA18 pipeline investments across all sectors, by providing analytics and advisory services.

The PF4 financed several knowledge and analytic activities in Papua New Guinea, Tonga, Timor-Leste, and Samoa, to improve agricultural sector policies and public expenditures and to help the governments prioritize public spending for agriculture and initiate necessary policy reforms.



Tonga depends heavily on its fisheries and ocean resources for food, transport, economic development, and culture. While commercial fisheries jobs represent a modest 2 percent of national employment, subsistence fishing is a vital part of Tongan life, with an estimated 82 percent of families involved in reef fishing. The fisheries sector is one of the most promising avenues for economic growth, but implementing sustainable management frameworks is compromised by a lack of measurable targets, financing plans, and monitoring. PF4-financed analytical work informed the 2016-2024 Agriculture and Fisheries Sector Plan and helped prepare the country's 2017 budget, in which allocations were increased to help coordinate agriculture sector activities. Institutional reforms helped to give the Ministry of Fisheries greater autonomy. Sector plans engaged the donor community to step up support to the agriculture sector, effectively creating space for greater harmonization among development partners. The Sector Plan compiled lessons from the past, mainstreamed climate change, gender, and nutrition into the design, and provided opportunities to deepen institutional assessment.

**12 Pacific Island countries** provided with knowledge and analytical support to help prepare IDA18 pipeline investments in key sectors to accelerate economic growth

## Trust Fund Donors



Denmark



Finland



Germany



Iceland



Norway



Sweden

**Global Practice:**  
Governance



**Forward Look:** Pillar 1:  
Serving All Clients



**Value Proposition:**  
Operational Innovation

## 7. Nordic Trust Fund

**The Nordic Trust Fund (NTF)**, set up in 2008, is a knowledge and learning program designed to build the World Bank's institutional capacity to incorporate human rights considerations into its operations and analyses. Over the past decade, NTF has contributed to the World Bank's work on human rights in areas like access to information, anticorruption, citizen service centers, public participation by vulnerable groups, access to justice, and accountability.<sup>118</sup> NTF serves as a hub for human rights learning, discussion, and capacity building within the World Bank. It engages various partners, including government entities, civil society, academia, and other multilateral agencies with expertise in human rights. NTF's work shows that basic technical knowledge of human rights work among task teams significantly improves the quality of a project and raises staff interest.

The NTF's major contributions have been to ensure that human rights inform the World Bank's operational and analytical work, to document best practice, and to provide examples of where the approach has worked and why it has been successful. To this end, NTF supports two complementary programs: (a) the knowledge program, helping World Bank staff understand and incorporate human rights standards and principles into their work and build partnerships with relevant stakeholders; and (b) the grant program, providing financial and technical support to task teams across the institution to operationalize human rights in their projects. Between FY08 and FY18, NTF provided 135 grants of up to \$250,000 each for (a) applied research, dissemination, and learning; and (b) innovative pilot activities to inform country-level policy dialogue, CPFs, and World Bank staff training. One-fifth of the grants focused on specific vulnerable groups and the human rights impacts of government policies and programs, such as national education strategies, social protection programs, and mining sector practices.<sup>119</sup> An external evaluation of all 111 NTF grants issued during FY10-FY17 found that 13 contributed to country strategies and strategy papers.<sup>120</sup>

In Thailand, NTF helped organize the first international conference on the International Day Against Homophobia, Transphobia, and Biphobia as a South-South learning forum to raise awareness among development partners and World Bank staff on human rights and discrimination. NTF also facilitated joint research by the World Bank and Thammasat University to assess the economic inclusion of LGBTI groups in Thailand. The research deepened policy dialogue with the Government, raised public awareness about gender equality legislation, and fed into sexual orientation and gender identity training for school staff. NTF's work was instrumental in the inclusion of protection for LGBTI individuals in Thailand's CPF. Through the work in Thailand, the NTF was able to support the work of the UNDP initiative "Being LGBTI in Asia" by providing knowledge and data, and by using the Bank's convening power.

<sup>118</sup> Building on the contributions and lessons learned from the NTF, in November 2018 the World Bank established the Human Rights Development Trust Fund to enhance the understanding of human rights and their integration into the World Bank's work through developing an informed view on how human rights relate to its analytical activities and operations. Placing the World Bank's work in the context of human rights affirms the morality and the humanity of the World Bank's mission to fight poverty.

<sup>119</sup> Vulnerable groups include ethnic minorities, persons with disabilities, poor farmers and urban dwellers, former combatants and their communities, youth, household workers, and lesbian, gay, bisexual, transgender, and intersex persons.

<sup>120</sup> To download the report, please refer to <http://bit.ly/2018-IndependentEval-NTF>



The work in Thailand was part of a larger body of NTF grants on LGBTI discrimination, many of them focused on collecting data to improve knowledge gaps on the extent and cost of discrimination. Since 2012, NTF-financed research has focused on incorporating sexual orientation and gender identity in the World Bank's global social inclusion work, specifically in India, the Kyrgyz Republic, Latin America, the Western Balkans, and Thailand. This has yielded a body of qualitative and quantitative evidence that has informed World Bank projects, SCDs, and CPFs, as well as development interventions by external partners such as the UN. The NTF also maintains strong relationships with external partners such as UN agencies and NGOs whose expertise in human-rights-based approaches can enrich the World Bank's engagement with clients. In 2017, for example, the NTF organized 32 events, workshops, and dialogues featuring human rights experts, focusing on new developments in the field or best practice examples from the NTF grant teams.

*FY19-FY22  
Country Partnership  
Framework for  
Thailand addressed  
the needs of the  
LGBTI community  
through social  
protection projects  
and analytical work*

## Trust Fund Donor



Republic of Korea

**Global Practice:**  
Chief Economist, SD



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:**  
Operational Innovation

## 8. The Korea Green Growth Trust Fund

**The Korea Green Growth Trust Fund (KGGTF)** was established in 2011 to support client countries in operationalizing inclusive green growth initiatives, strategies, and investments. The trust fund prioritizes initiatives that have the potential to become large-scale follow-up projects led by the World Bank and client countries. The programs that the KGGTF supports promote transformational approaches and technological innovations; about 80 percent of KGGTF grants have an innovative technology or data-driven component. Since its establishment, the KGGTF has helped leverage over \$9 billion in World Bank multisectoral lending operations.

In 2017, the KGGTF helped pioneer the Decision Making Under Deep Uncertainty (DMDU) method, which simulates the consequences of unexpected events on investment costs, asset values, population growth, and other fluctuating variables, exposing benefits and trade-offs. Climate change and volatile weather patterns require substantial adjustments in traditional project planning, design, and investments. The DMDU assists cities in choosing between different infrastructure investments in this uncertainty. The DMDU method "stress-tests" different strategies to increase the strength and resilience of a particular system, by analyzing their economic performance against possible conditions and identifying the most acceptable economic returns.

In Lima, Peru, the city's topology is so extreme that climate models are unable to predict rainfall patterns. Therefore, in a period of persistent drought and El Niño conditions, over 1.5 million residents were living with chronic water shortages. Using the DMDU methodology, the World Bank conducted an assessment of the \$2.7 billion 2040 water resources management plan of Lima's water utility company, SEDAPAL.<sup>121</sup> The findings helped SEDAPAL revise its master plan for water conservation and recycling. SEDAPAL is now making ecological investments in watersheds and working closely with farmers. Protecting watershed and groundwater aquifers has led to a lower demand for piped water per household.<sup>122</sup> In Mozambique, the DMDU methodology was used to inform the \$150 million IBRD/IDA Integrated Feeder Roads Development Project, a rural roads project that won the President's Award for Innovation in 2018. In Sri Lanka, the DMDU provided the most economically efficient solution for flood risk reduction in Colombo, as part of the \$213 million IBRD/IDA Metro Colombo Urban Development Project. Because of the success of the DMDU methodology in these projects, the tool has been integrated in 10 hydropower and 6 transportation investment operations totaling \$1.4 billion, enabling the World Bank to help 11 countries design and implement environmentally sound and resilient infrastructure projects.

*16 World Bank-funded projects worth \$1.4 billion in 11 countries informed by the Decision Making Under Deep Uncertainty methodology.*

<sup>121</sup> For more information, please refer to <http://bit.ly/ThirstyLima>

<sup>122</sup> For more information, please refer to <http://bit.ly/PeruRobustDecisionMaking>





Bill & Melinda  
Gates Foundation

**Global Theme:**  
Knowledge Services



**Forward Look:** Pillar 1:  
Serving All Clients



**Value Proposition:**  
Operational Innovation

## 9. Improving the Quality and Policy Relevance of Household-level Data on Agriculture in Sub-Saharan Africa Trust Fund

**The Improving the Quality and Policy Relevance of Household-level Data on Agriculture in Sub-Saharan Africa Trust Fund**, established in 2008, supports the World Bank's Living Standards Measurement Study-Integrated Surveys on Agriculture (LSMS-ISA) program. The region's agricultural data tend to be of poor quality and timeliness and of limited transparency. For this reason, the LSMS-ISA engages with the national statistical offices (NSOs) of eight sub-Saharan African countries to design, implement, analyze, and disseminate national, multitopic household surveys with a strong focus on smallholder agriculture.<sup>123</sup> The LSMS-ISA aims to use technological innovation and best practices in survey methodology to collect data that can inform research on the links between agriculture and poverty reduction, and it shares best practices at the regional and global level.

The LSMS-ISA-supported surveys are country-owned and are integrated into the national statistical system. Complementing its support for data production and methodological research, the LSMS-ISA has built technical capacity in NSOs through on-the-job training on survey design, management, and analysis, and by involving the NSOs closely in its methodological survey research program. A key feature of the program is its innovative data collection technology, which includes computer-assisted personal interviewing using the World Bank's Survey Solutions platform, GPS-based land area measurement, remote sensing for crop yield estimation, and DNA fingerprinting for objective crop variety identification. To date, the LSMS-ISA has conducted 28 nationally representative longitudinal surveys, and at least four more national survey rounds are in the pipeline. The survey data have informed a wide range of empirical applications that feed into national agricultural investment plans, growth and poverty reduction strategies, and flagship reports by international and regional organizations.

***"Any objective look at the uses and impact of the LSMS-ISA programme leads to the inescapable conclusion that the current effort has had a significant impact on research in development economics – and correspondingly on global knowledge. The LSMS-ISA data have emerged in recent years as one of the most important sources of data for development economics research."** –A review of the LSMS-ISA program by Douglas Gollin, Professor of Development Economics, Oxford Department of International Development*

In Ethiopia, under the \$1.8 million Ethiopia Rural Socioeconomic Survey project, the country's Central Statistical Agency has delivered three waves (the fourth to be completed in 2019) of the Economic and Social Survey, providing an unparalleled wealth of micro-data to inform evidence-based policy research and decisions. The Ethiopia Socioeconomic Survey datasets are informing the World Bank's support to the Government of Ethiopia in preparing the poverty assessment; the SCD report; water supply, sanitation, and hygiene (WASH) poverty diagnostics; and the financial inclusion strategy. The LSMS-ISA program also created a joint platform for methodological and technological innovations, which has facilitated the uptake of best practices by the Central Statistical Agency, focusing on agricultural statistics, including land area measurement, soil fertility measurement, crop variety identification, and soil conservation practices.

***"Having these data publicly available will increase their usage, particularly by local researchers from Ethiopia, and will upgrade our evidence base to better inform policy dialogue"** –Ato Biratu Yigezu, Director General of the Central Statistical Agency of Ethiopia*

In Nigeria, LSMS-ISA funding of the \$2.2 million Nigeria General Household Survey project has allowed the Nigeria National Bureau of Statistics to increase its technical capacity over the last 10 years. The National Bureau of Statistics is now one of the leading statistical agencies in Africa, having incorporated new technologies to conduct household surveys, improving timeliness and quality control. Under LSMS-ISA guidance, the National Bureau of Statistics has made public the data from three rounds of the General Household Panel Surveys. These datasets have been a critical source of high-quality, nationally representative Nigerian data and have been used in the design and analysis of the IBRD/IDA \$100 million Nigeria Youth Employment and Social Support Project, the Nigeria Agriculture and Rural Poverty policy notes,<sup>124</sup> and the *More Productive Jobs for Nigeria* report.<sup>125</sup> They have also informed Government and donor strategies on food insecurity in Nigeria's conflict-affected zones.

<sup>123</sup> The eight countries are Burkina Faso, Ethiopia, Malawi, Mali, Niger, Nigeria, Tanzania, and Uganda.

<sup>124</sup> For more information, please refer to <http://bit.ly/NigeriaPoverty2014>

<sup>125</sup> For more information, please refer to <http://bit.ly/NigeriaJobs2016>



In Tanzania and Uganda, the LSMS-ISA's support for the \$1.5 million Tanzania National Panel Survey and the \$1.6 million Uganda National Panel Survey has successfully demonstrated how limited access to livestock services is one of the constraints preventing farmers from making productive use of their animals. The data from these surveys are the only statistically accurate source of national-level evidence in both Tanzania and Uganda. Using these data, the Ministry of Livestock and Fisheries in Tanzania carried out a rapid appraisal to identify why livestock services have limited use and rolled out budget-neutral policy reforms that will improve the on-the-job performance of extension officers. In Uganda, the Ministry of Agriculture has teamed up with the Makerere Business School to test the potential of PPP in operationalizing the single-spine agricultural extension system.<sup>126</sup> On the basis of this work, the Uganda Agricultural Sector Strategic Plan (2015-2020) has proposed a single-spine agricultural extension system to increase farmers' access to relevant information, knowledge, and technology through effective decentralized extension services.

The 28 country datasets produced from all the surveys conducted to date have been released in the public domain within 12 months. This represents unprecedentedly fast access and integration into multitopic household surveys on agriculture in Africa. This data have already been used in close to 1,000 publications, and there have been over 41,000 downloads of country datasets from the World Bank website alone. The LSMS-ISA has helped establish new global standards for several aspects of household survey design and has developed feedback loops into regular household survey operations, including through a series of LSMS Guidebooks documenting and disseminating best practices in survey design and implementation.

**28 nationally representative longitudinal surveys conducted since 2008, using innovative data collection technologies such as computer-assisted interviewing, GPS and remote sensing, and DNA fingerprinting.**

## Trust Fund Donors



European Union



World Bank

**Global Practice:**  
Governance



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:**  
Operational Innovation

## 10. State Employment and Expenditure for Results

**The State Employment and Expenditure for Results (SEEFOR)** trust fund was established in 2013 to enhance employment opportunities and increase access to socioeconomic services while improving public expenditure management systems in four states (Delta, Edo, Rivers, and Bayelsa) in the troubled Niger Delta region. The trust fund cofinanced the \$200 million IBRD/IDA State Employment and Expenditure for Results Project with a grant of \$84.3 million. Under the project, youth employment and access to socioeconomic services are achieved by supporting labor-intensive public works, improving skills through technical and vocational education and training (TVET), and supporting micro-level community-driven development projects. Public financial management reforms cover the areas of updating legislation; improving budgeting, procurement, and expenditure management systems; and supporting the reform of state tax authorities. The main beneficiaries are unemployed youth, who have acquired new skills working on public work projects; students at TVET institutions, who have acquired specialized livelihood skills; local communities that have implemented micro-projects; and the population of the state as a whole, which benefited from improvements in public finance systems. To date, 93 percent of the IDA credit and 35 percent of the trust fund grant has been disbursed.

***"I can now carry out interlocking contracts any time. SEEFOR has done well for us in making provisions for the indigenes to start up something."* -Samuel Ebru, previously unemployed youth, Delta State**

The project has achieved significant results. It has provided employment to 48,100 youth (48% women) in the four states, and has supported another 20,495 beneficiaries (44% women). For both youth employment and TVET, the project has exceeded its end-of-project target by 42 percent. Under the community-driven development component, the project has given 815,800 people in needy communities access to basic services such as health, education, water, transportation, and rural electrification. These interventions are being mainstreamed as the Government incorporates them in country systems. Edo State has replicated the SEEFOR public works model using its own resources,

<sup>126</sup> Makerere Business School is part of Makerere University, Uganda's oldest university.



and Delta State has done the same for waste management. In both the Delta and River states, SEEFOR is leveraging the governments' existing job creation schemes, training youth in middle-man power skills and teachers in technical colleges. About 21,000 youth were trained in middle-man power skills.

*"With SEEFOR savings and training received, I now manage my funds better, my saloon business has gradually picked up, and I have been able to send my son to a good school," says Ms. Elizabeth Oby Eloka, a young single mother in Edo State*

The public financial management component has also made significant progress. All four states have prepared updated legislation, and in all four the 2017 budget was prepared on the basis of a new chart of accounts. Financial statements were also prepared on the basis of improved standards, two states have submitted their annual audit report close to the target date, the automation of accounting systems using Oracle and public procurement reforms have been initiated in all four states, and state-level tax authorities have been provided incentives for improving performance. While some challenges remain, working closely with the authorities has led to real progress in achieving the development objectives of the project.

*Between FY13 and FY18, 48,100 youth across four states in Nigeria gained employment, and 815,800 people received access to basic services such as water, health, education, transport and electricity.*

## Trust Fund Donors



Netherlands



United Kingdom

**Global Practice:**  
Agriculture



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:** Additional Funding  
to Scale Up Development Impact

## 11. Rwanda Agriculture Program-for-Results Multi-Donor Trust Fund

The **Rwanda Agriculture Program for Results (PforR) Multi-Donor Trust Fund** was established in 2015 to provide \$60 million of cofinancing for the \$206 million IDA Transformation of Agriculture Sector Program Phase Three PforR operation (Agriculture PforR). The PforR instrument uses a country's own institutions and processes, and links the disbursement of funds directly to the achievement of specific program results.<sup>127</sup> Working with Rwanda's institutions and processes, the Agriculture PforR—the first in Rwanda's agriculture sector—contributed to financing all programs under the Government's five-year Strategic Plan for Agricultural Transformation, Phase Three (PSTA 3), which aimed to increase rural incomes and reduce poverty by increasing Rwanda's agricultural and livestock productivity, transforming these subsistence sectors into market-oriented and value-creating sectors.

The trust fund cofinanced the five results areas of the operation: agriculture and animal resource intensification, technology transfer and farmer professionalization, value chain development, private sector development, and institutional development. The trust fund's support helped the Ministry of Agriculture and Animal Resources – the responsible government agency – implement program activities and enable transformational change in the agriculture sector. It helped conduct the Agriculture Public Expenditure Review and prepare the National Agricultural Policy, which were critical to setting the framework conditions for sustainable agricultural development. Trust fund resources also supported the implementation of several action plans and reforms and provided essential technical assistance and capacity development to strengthen the Ministry and Government systems.

Disbursement-linked indicators showed that, with the support of the trust fund, productivity targets were largely met or surpassed. For example, the share of agricultural land under modern technologies increased from a baseline 24 percent in 2013 to 44 percent, far surpassing the 2018 target of 34 percent. Similarly, agricultural exports grew from a baseline 22 percent of total exports in 2013 to 48 percent in

*Modern technologies used for 44 percent of agricultural land in 2018, up from 24 percent in 2013, increasing agricultural productivity in Rwanda.*

<sup>127</sup> The PforR financing instrument, introduced in 2012, provides financing for a portion of a government expenditure program and disburses against the achievement of program results, set out in disbursement-linked indicators. PforRs financing uses country program systems and requires the preparation of assessments of technical considerations, fiduciary systems, and environmental and social systems to evaluate PforR program-specific risks and the scope for managing these risks. These ex-ante assessments also provide the basis for actions to strengthen institutions and improve system performance during implementation.



2018, against a target of 25 percent. Daily yields for coffee, cassava, and dairy milk per cow rose significantly. The percentage of households with acceptable food consumption met the 2018 target of 23 percent a full year early.

The Government of Rwanda's strong buy-in to the PforR approach resulted in its request for additional IDA support to operationalize PSTA 4 to scale up results. In May 2018, building on lessons learned, a second \$290 million PforR operation was approved to support PSTA 4, with an initial commitment of around \$78 million for another MDTF, supported by Belgium, the Netherlands, and the United Kingdom.

## Trust Fund Donor



Australia

**Global Practice:**  
Education



**Forward Look:** Pillar 1:  
Serving All Clients



**Value Proposition:** Additional Funding  
to Scale Up Development Impact

## 12. Australian Trust Fund for Support for the Sri Lanka Education Sector Development Framework and Program

The Australian Trust Fund for Support for the Sri Lanka Education Sector Development Framework and Program was established in 2012 to cofinance the IDA \$138 million Transforming the School Education System as the Foundation of a Knowledge Hub Project, designed to help Sri Lanka enhance access to and the quality of primary and secondary education and strengthen the governance and delivery of education services. The project was established with funding of \$99 million from IDA, and the trust fund provided a further \$39 million to finance all project components.

In 2014, the general education system in Sri Lanka faced many challenges, from an insufficient focus on secondary education to cater to the complex skill needs of the economy, to the need to promote a more favorable environment for a multiethnic, multireligious, and multicultural society in the aftermath of the secessionist conflict. The Government at the time focused on accelerating economic growth to enable Sri Lanka to become a high-middle-income country and organized its growth strategy around five key hubs. These hubs included a “knowledge hub” to develop knowledge-based industries and services, and it was also envisaged as the foundation for the success of all the other hubs. The Government also developed the national Education Sector Development Framework and Program 2012–2016, which emphasized promoting a high-quality general education system. The Transforming the School Education System as the Foundation of a Knowledge Hub Project was aligned with this program, and was aimed at (a) enhancing access to primary and secondary education; (b) improving the quality of primary and secondary education; and (c) providing a foundation for knowledge-based economic and social development in Sri Lanka. The project was expected to benefit 4 million school children, 187,000 school teachers, 15,000 principals, and 3,500 education managers and administrators.

With support from the trust fund, the project helped the Government's Education Sector Development Framework and Program to significantly expand access to primary and secondary education. The share of students remaining in school up to Grade 11 improved from 82 percent in 2011 to 87 percent in 2016 and 88 percent by 2017, exceeding the target. From 2009 to 2016, the net primary school enrollment rate rose from 93 percent to 99 percent, achieving universal access to primary education, and the secondary rate improved significantly from 84 percent in 2010 to 89 percent in 2017. The effective transition rate from primary to lower secondary general education increased from 98 percent in 2011 to 99 percent in 2017.

By the end of 2016, school management committees in 10,000 schools in 98 zones were established and trained and were implementing several actions to increase students' participation, especially in poorer and disadvantaged areas. About 400 teachers and 900 principals received training in inclusive education, 164 training programs were delivered, and a total of 8,500 children with special needs were enrolled in special education programs in all nine provinces. A career guidance program was developed and implemented for Grades 7–9. More than 2,300 teachers and 142 students received training in career guidance. Several training programs were also conducted for teachers, members of school committees, principals, and management officials in the education system. Some 178,000 teachers—about 74 percent of the total workforce—were trained between 2012 and 2017.

The flagship outcome of the Government's program supported through the project was the development of 1,000 secondary schools with 5,000 feeder primary schools that could, in turn, serve as the human capital foundation of a knowledge economy. In addition, the project undertook significant work in improving governance and service delivery—the key pillars required to materialize results in human capital investments. Trust fund financing played a key role in achieving project results and scale.

*In Sri Lanka, 178,000 teachers received training and 8,500 special needs children were enrolled in special education programs between FY12 and FY17 through a \$138 million IDA project, with cofinancing of \$39 million from the trust fund.*



## Trust Fund Donors



Australia



Bahrain



Belgium



Brazil



Canada



Czech Republic



Denmark



Estonia



European Union



Finland



France



Germany



India



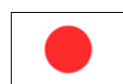
Islamic Republic of Iran



Ireland



Italy



Japan



Kuwait



Luxembourg



Netherlands



New Zealand



Norway



Poland



Portugal



Republic of Korea



Russian Federation



Kingdom of Saudi Arabia



Spain



Sweden



Switzerland



Turkey



United Kingdom



United Nations Development Programme



United States

Region:  
SAR



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:** Additional Funding  
to Scale Up Development Impact

## 13. Afghanistan Reconstruction Trust Fund

The **Afghanistan Reconstruction Trust Fund (ARTF)** was established in 2002 in the aftermath of the Afghan crisis to support immediate stabilization and reconstruction needs in the country, fill the large financing gaps in both the operating and development budgets of the Government of Afghanistan, and provide a platform for pooled financing and coordinated implementation support to the Government. Seventeen years later, the ARTF remains the largest single source of support for the Government of Afghanistan's operating and development budgets, with total contributions of \$11.74 billion from 34 donors as of the end of FY18. It finances nearly 40 percent of the civilian budget and half of all development expenditures and is considered the main vehicle of choice for pooled funding. The on-budget financing provided by the ARTF for Afghanistan's development delivers critical results in education, health, urban and rural development, agriculture, infrastructure, and governance. Financial resources provided through the ARTF complement traditional multilateral financing (i.e., IDA) to help meet Afghanistan's overwhelming reconstruction and development needs. The national Government plays a pivotal role: all funds are channeled directly through its systems, and ministries and Government agencies are responsible for implementing all projects. As of the end of 2018, the ARTF had directly benefited 17 million Afghans. Around 8 million people across Afghanistan's 34 provinces benefited from the \$800 million Citizens' Charter Afghanistan Project.<sup>128</sup>

The World Bank continued its engagement in Afghanistan's education sector by launching the \$298 million EQRA Education Project in 2018. EQRA is cofinanced by IDA (\$100 million), the ARTF (\$100 million), and the Global Partnership for Education (\$98 million). The project aims to increase equitable access to primary and secondary education, particularly for girls, in selected lagging provinces, and to improve learning conditions in Afghanistan over a five-year implementation period. It is expected to benefit around 7 million children. EQRA builds on the experiences from the Bank's previous engagements in the sector, primarily the First and Second Education Quality Improvement Programs that facilitated construction

<sup>128</sup> The Citizens' Charter Afghanistan Project, initiated in 2016 to replace the National Solidarity Program (Phase III), is being financed as follows: (a) ARTF: \$444.3 million; (b) IDA: \$227.7 million; and (c) Government of Afghanistan: \$128 million. The project is set up as an interministerial program to deliver a package of basic services that are part of a minimum service standards package that the Government is committed to delivering to citizens.



of 8,500 classrooms and 1,600 schools, mostly in rural areas, trained 150,000 teachers, supported 13,000 school management committee (*shura*) members in creating functional *shuras* that could develop school improvement plans, and sensitized communities to the importance of education, especially for girls. Between 2008 and 2017, approximately 8.9 million children (39% girls) were enrolled.

The \$600 million Afghanistan Sehatmandi Project, also initiated in 2018 and cofinanced by the ARTF (\$425 million), IDA (\$140 million), and the Global Financing Facility for Women, Children and Adolescents (\$35 million) ensures the continuation of basic health services across all 34 provinces of the country for the next three years. The project aims to improve access to quality primary and secondary health and nutrition services for the entire Afghan population, especially women and children. Additionally, poor people will disproportionately benefit from the project as the focus is on rural areas, where the poor are concentrated. The project builds on the success of previous health projects (\$452 million IDA System Enhancement for Health Action in Transition Project, or SEHAT) and supports the delivery of basic health services by improving service delivery mechanisms, encouraging innovations, increasing managerial autonomy, increasing focus on results through a pay-for-performance contracting model, and paying greater attention to under-emphasized health issues such as family planning and nutrition. Under SEHAT, over 890,200 births (56% of all births) were attended by skilled birth attendants, 85 percent in health facilities that included at least one female health worker on their staff. In addition, the number of women who received antenatal care during a visit to a health provider increased from the 2012 baseline of 723,600 to 1.4 million in 2018, and the proportion of children treated for severe malnutrition more than tripled from 24 percent in 2011 to 77 percent in 2018.

Under the \$216.2 million IDA Irrigation Restoration and Development Project cofinanced by the ARTF (\$118.4 million provided by the ARTF and \$97.8 million by IDA), 407,900 farmers (52% women) were provided with new or improved irrigation and drainage services. Around 202,700 hectares of land were newly irrigated—more than double the coverage in 2011—and as of end-2018, 184 irrigation schemes had been rehabilitated.

*"I had an hour of irrigation water share, and 50% of the water would be wasted in the canal. The quality of the melons was poor, and we sold them at a low price to the market. Now, the amount of irrigation water is good, and we hope to earn more." -Shiradad, beneficiary from the Asai Qonaq village, Balkh Province*

The \$437 million IDA Afghanistan Rural Access Program (\$312 million provided by the ARTF and \$125 million by IDA) is the Government's main means of delivering road access through public works in rural areas across the country. The project has contributed to the reconstruction and maintenance of almost 13,000 km of rural roads, many of them connecting villages in the country's challenging mountainous terrain, thus improving lives of 24 million villagers in all 34 provinces of the country.

**17 million Afghans** supported through the ARTF, and about **8 million** benefited from the \$800 million Citizens' Charter Afghanistan Project.

## Trust Fund Donor



Russian Federation

**Region:**  
ECA



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:** Supporting  
the Quality of Lending Operations

## 14. Europe and Central Asia Region Capacity Development

The **Europe and Central Asia Region Capacity Development (ECAPDEV)** trust fund was established in 2012 to support quality and speed of project preparation and implementation in low-income countries in Europe and Central Asia. Since inception, the trust fund has awarded 46 project preparation grants totaling \$19 million that contributed to 30 IBRD/IDA investment projects in seven countries of the region, for a total amount of \$2.6 billion.<sup>129</sup>

The project preparation grants help client countries to (a) prepare better-quality projects; (b) improve organizational effectiveness; (c) increase knowledge, skills, and innovation; and (d) leverage additional financing. This support has trained 1,000 government employees in such critical operational skills as financial management, procurement, safeguards, contract management, communications, and M&E.

<sup>129</sup> The seven countries are Albania, Armenia, Kyrgyz Republic, Moldova, Tajikistan, Ukraine, and Uzbekistan.



In Armenia, ECAPDEV provided \$256,164 to prepare the \$15 million IDA Education Improvement Project, approved in March 2014. The grant supported expert assessments and helped find solutions to improve the infrastructure and quality of school services, including through assessments of high school reform and a review of infrastructure needs and seismic safety in 90 high schools. The grant made it possible to design an action plan, make recommendations for the school readiness enhancement program, and study coverage gaps in vulnerable communities. To date, the project has helped 3,000 children enroll in 97 beneficiary preschools, influenced Armenia's national education policy, and mobilized an additional investment of \$200 million from development partners, including the Asian Development Bank and the European Investment Bank.

In Uzbekistan, ECAPDEV provided a grant of \$700,000 to prepare the \$195 million IBRD Uzbekistan Pap-Angren Railway Project, approved in February 2015. It supported the Uzbek Railway Company, the main implementing agency, in (a) identifying deficiencies in institutional capacity and preparing a logistics and marketing strategy; (b) conducting environmental and social assessments; (c) preparing bidding documents; and (d) developing a manual and training on railway tunnel safety and other critical operations. The investment reduced transportation costs and made transport services more reliable in the Ferghana Valley, Uzbekistan's most densely populated region

Another ECAPDEV grant in Uzbekistan, for \$439,197, supported preparation of the \$150 million IBRD/IDA Livestock Sector Development Project, approved in 2016. The grant financed development of (a) livestock sector and vet services performance assessments; (b) food and forage crop seed sector analysis; (c) environmental and social impact assessments; and (d) additional technical feasibility studies and financial and economic analyses. These analytics formed the basis for the project design and are being used to improve the capacity of farmers and agro-enterprises in order to increase agricultural production, enhance farmers' access to finance and markets, and promote the use of innovation and modern technologies to ensure that local livestock products meet international standards.

***"The financial support that we received from the World Bank under the ECAPDEV trust fund has been instrumental in the preparation of the Livestock Sector Development Project. It helped us finance several assessments and studies that informed the design of the project. It also played a significant role in building the capacity of the design team."* -Mr. N. Najimov, Director General, Rural Restructuring Agency**

In the Kyrgyz Republic, ECAPDEV provided a \$350,000 grant to help design a \$50 million IDA Digital Central Asia and South Asia Project, approved in March 2018. The project aims to promote digital transformation through greater access to affordable Internet, more private investments in the ICT sector, and better delivery of government digital services. The grant financed several assessments to better understand the project's economic efficiency and attractiveness, the status of the ICT sector's legal and regulatory framework, and the existing ICT infrastructure in the Government's proposed cloud platform.

***\$19 million in grants from ECAPDEV have contributed to the preparation of 30 IBRD/IDA projects worth a total of \$2.6 billion in seven ECA countries.***

## Trust Fund Donors



European Union



Switzerland



United Kingdom



United States

**Region:**  
ECA



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:** Supporting  
the Quality of Lending Operations

## 15. Central Asia Energy-Water Development Program Multi-Donor Trust Fund

The Central Asia Energy-Water Development Program Multi-Donor Trust Fund was established in 2009<sup>130</sup> to strengthen the enabling environment for promoting energy and water security at the regional level and in beneficiary countries, strengthen national and regional institutions, and facilitate regional dialogue to advance sustainable development and climate resilience. The trust fund works with target country governments<sup>131</sup> to ensure that key activities address national priorities, partners with regional organizations that are mandated

<sup>130</sup> The CAEWDP is currently in its third phase of implementation. Between 2009 and 2017, CAEWDP completed two phases: CAEWDP 1.0 from 2009 to 2011, and CAEWDP 2.0 from 2011 to 2017. CAEWDP 3.0 started in 2018.

<sup>131</sup> Target countries are Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. In 2018, Afghanistan was added as a sixth beneficiary to formalize the ongoing practice of Afghanistan's participation in CAEWDP activities, particularly regional activities.



to convene discussions on regional issues, and cooperates with other development and financing partners to leverage investments and enhance the impact of its engagements.

Since its inception, the trust fund has leveraged \$1.7 billion<sup>132</sup> in investments in several Central Asian countries.<sup>133</sup> It has shaped numerous World Bank-financed operations and has served as a facilitator for water and energy management, identifying key interventions to collaborate with development partners and providing funding for these projects. The trust fund finances capacity-building, dialogue, and diagnostic activities under three broad components: knowledge, technical assistance, and investments.

***“The restoration of the generation capacity of the Nurek hydropower plant is essential for ensuring energy security for the people of Tajikistan. Improved energy generation combined with dam safety improvement measures will help Tajikistan respond to climate change challenges, while ensuring expanded energy trade to generate much-needed revenue to support socioeconomic development for the people of Tajikistan.” -Mariam Sherman, Director of Strategy and Operations at the World Bank***

In Tajikistan, the trust fund provided technical assistance for pre-investment work that was critical to spur larger World Bank-financed projects to build up Tajikistan’s energy sector. The trust fund’s \$580,000 grant for the Tajikistan Winter Energy Program helped prepare the \$225.7 million IDA Nurek Hydropower Rehabilitation Project Phase I and the \$24 million IDA CASA-1000 Community Support Program. The trust fund-supported studies focused on two key areas: heating solutions in rural areas, and rehabilitating the Nurek Hydropower Plant.

The analytical work on heating solutions facilitated a change in the Government’s perception of energy-efficient heating and cooking stoves and helped to scale up the production of new prototypes of clean stoves. On the basis of this work, the CASA-1000 Community Support Program subsequently included clean, energy-efficient stoves in the menu of options for communities to select under micro-grants proposals. The analytical work also produced the Nurek Hydropower Plant rehabilitation and dam safety study and the sedimentation study, which enhanced the design and preparation of the Nurek Hydropower Plant rehabilitation project and led to an investment program to improve the reliability, safety, and lifespan of the Nurek Hydropower Plant, contributing to overall energy security in Tajikistan. The studies generated through this analytical work were not only successfully integrated into the projects in Tajikistan, but also informed World Bank investments in the Kyrgyz Republic, including the \$46 million Heat Supply Improvement Project and the \$10 million IDA CASA-1000 Community Support Program.

***\$1.7 billion leveraged in investments supporting water and energy operations in Central Asia through knowledge, technical assistance, and investments.***

## Trust Fund Donor



Netherlands

**Region:**  
LCR



**Forward Look:** Pillar 1:  
Serving All Clients



**Value Proposition:** Providing Resources  
Where the World Bank Cannot

## 16. Sint Maarten Recovery, Reconstruction, and Resilience Trust Fund

**The Sint Maarten Recovery, Reconstruction, and Resilience (SXM) Trust Fund**, signed in April 2018, was established in the aftermath of Hurricane Irma, a category 5+ storm that packed winds over 185 miles per hour and left a trail of devastation through Sint Maarten on September 6, 2017. Irma was followed 13 days later by a smaller hurricane, Maria. The two storms’ damage to the tourism infrastructure of Sint Maarten raised unemployment to 6.2 percent overall (and youth unemployment to 24%). Nine-tenths of all infrastructure and large parts of the environment suffered damage and losses totaling about \$2.7 billion—an amount far greater than the public and private resources available to the Government for recovery and reconstruction efforts.

Sint Maarten, an autonomous high-income country of the Kingdom of the Netherlands, is ineligible for IBRD or IDA resources. The Government of the Netherlands requested the World Bank to draw on its experience of global disasters to implement the \$553 million SXM Trust Fund.

<sup>132</sup> This includes total contributions of \$12.7 million committed for CAEWDP 3.0.

<sup>133</sup> Of the 49 projects, 38 were covered under CAEWDP phases 1.0 and 2.0, and 11 were initiated under phase 3.0.



The World Bank provided the Government of Sint Maarten immediate support from its own budget to evaluate damages, complete recovery strategies, conduct advanced analytical work, and prepare projects. It also provided advice on institutionalizing recovery efforts, including putting in place structures responsible for fiduciary management, transparency and good governance, and environmental and social safeguards.

Within three months after signing, three emergency projects totaling \$103 million were approved for reconstruction, hospital repairs and reconstruction, and stipends and training for unemployed and underemployed workers. A \$25 million project to manage debris and waste followed within six months. All four projects were aligned with Sint Maarten's National Recovery and Reconstruction Plan. Subsequently, additional and complementary analytical and advisory activities are being undertaken.<sup>134</sup>

The \$55.2 million Emergency Recovery Project I finances urgent repairs and reconstruction. Early results include Sint Maarten's accession to the Caribbean Catastrophe Risk Insurance Facility, which provides rapid financing in case of tropical cyclones, earthquakes, and excess rainfall. Emergency repairs to social housing for 500 people, and to police stations, are complete. Repairs to 13 shelters that can hold 900 people will be complete before the end of the 2019 hurricane season. A first batch of eligible private homes, which will benefit from substantial SXM Trust Fund grants, are being repaired under the motto "build back better."

The \$25 million Hospital Resilience and Preparedness Project finances the repair and expansion of the existing medical center. Early results include a repaired and reinforced roof on the existing hospital to withstand a category 4 hurricane, expanded capacity and upgraded services, and fewer costly off-island referrals for Sint Maarten residents and visitors. Jointly with the Sint Maarten Medical Center, the project is also financing a new hurricane-resilient hospital building that is prepared to handle natural disasters.

The \$22.5 million Emergency Income Support Training Project provides training and stipends to underemployed and unemployed persons, makes beneficiaries more employable in the hospitality and construction sectors, and improves the social protection system's capacity to respond to shock and protect the poor. An early result is that 1,300 people, including a quarter of the country's unemployed, currently receive income support, training, and certification from the project. Around 85 percent of employees of the two biggest hotels have benefited from the program, which will be broadened to reach 1,800 workers within the next few years.

The \$25 million Emergency Debris Removal Project aims to better manage debris from the disaster and from reconstruction. It will help clear hurricane debris, suppress landfill fires, accelerate shipwreck removal, and improve waste disposal management at Pond Island in Philipsburg, Sint Maarten. The trust fund has financed extensive analytical work on smoldering landfill fires and their health risks and has procured equipment and material for better landfill management and safety. The National Institute for Public Health and the Environment of the Netherlands conducted a baseline assessment of air quality at the dump site and is carrying out additional air quality measurements.

**Establishment of the challenging SXM Trust Fund enabled the World Bank to prepare projects with an accelerated timeline, despite extreme capacity constraints in Sint Maarten**

## Trust Fund Donors



Croatia



Denmark



Finland



France



Netherlands



Norway



Portugal



Sweden

**Region:**  
MNA



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:** Providing Resources  
Where the World Bank Cannot

## 17. Partnership for Infrastructure Development Multi-Donor Trust Fund

The Partnership for Infrastructure Development (PID) Multi-Donor Trust Fund aims to improve the coverage, quality, and sustainability of infrastructure in the West Bank and Gaza. Because the West Bank and Gaza is not a member country of the World Bank, it cannot access regular IBRD and IDA funding. Since 1993 the Bank has aided the Palestinian territories through a series of trust funds, supporting a wide

<sup>134</sup> For more information on the Sint Maarten National Recovery and Resilience Plan, see <http://bit.ly/SM-NRRP>. Analytical and advisory activities—a housing sector assessment, a public expenditure review, a long-term waste management study, and a corporate governance assessment of the airport operating and holding companies—help the Sint Maarten Government make evidence-based decisions about key development challenges and future projects. The airport assessment, supported by the World Bank's convening ability, catalyzed several parties, including the European Investment Bank and the Netherlands, to endorse a comprehensive financing package for the reconstruction of Sint Maarten's damaged international airport.



array of investments in different sectors. Established in 2012, the PID MDTF is currently the primary multidonor, multisector instrument in the West Bank and Gaza providing financial and technical assistance to the Palestinian Authority to support capacity building, infrastructure investments, and institutional development.<sup>135</sup> A robust instrument that pools donor financing to contribute to the World Bank's Assistance Strategy for the West Bank and Gaza, it has provided critical financing to the water, energy, and urban sectors.

The \$55 million North Gaza Emergency Sewage Treatment Project, cofinanced through the PID trust fund, was developed as an emergency response to the sewage pollution and water shortage problems in Gaza's Northern Governorate, to protect the health and environment of surrounding communities and to develop long-term solutions to wastewater management.<sup>136</sup> The project has helped improve public health, increase the availability of good-quality water for agricultural use, protect groundwater from wastewater contamination, and enforce environmental regulations. The 35,000 cubic meter wastewater treatment plant, completed in 2018, provides better sanitation for 378,000 people in north Gaza.

The \$11 million Electricity Sector Performance Improvement Project, cofinanced by the PID trust fund (\$7 million) and the Trust Fund for Gaza and West Bank (TFGWB, \$4 million), aimed to build the energy sector's institutional capacity, improve the distribution system, and create a business model for solar energy. The preparatory project work assessed the gender-specific benefits of solar photovoltaic power, and the findings resulted in a pilot business model for rooftop solar energy in Gaza that targets female-led households, informs people of the benefits of solar energy, and encourages women's engagement across the renewable energy value chain. The long-term aim is to create a creditworthy electricity sector and a conducive environment for private investment in power generation.<sup>137</sup>

The \$130 million Second Municipal Development Project, cofinanced by the PID trust fund (\$45 million) and TFGWB (\$13 million) with parallel financing (\$72 million) from other donors, has restored municipal services for 1.2 million people across the Gaza Strip. Since its launch in FY13, the project has provided 2.3 million people (49% of them women) across the West Bank and Gaza with better municipal services and transparency in the delivery of services. Around 474,000 people in urban areas in the Southern Gaza Strip now have access to regular solid waste collection services. Another 1.7 million people have benefited from the construction or rehabilitation of roads and parks.

**2.3 million people benefited from restoration of municipal services and 1.7 million people benefited from the establishment or rehabilitation of roads and parks between FY13 and FY17.**

## Trust Fund Donors



European Union



Italy



Norway



State and  
Peacebuilding  
Trust Fund



Sweden



United Kingdom

**Region:**  
AFR



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:** Providing Resources  
Where the World Bank Cannot

## 18. World Bank Multi-Partner Fund

The **World Bank Multi-Partner Fund (MPF)** was established in 2013 to support the development goals of the Somali Compact and strengthen Somalia's country systems for the delivery of public services. Somalia has been in nonaccrual status since 1991, unable to access regular support from IDA, IMF, or other MDBs because of arrears. The MPF has served as the main instrument for promoting economic reform and providing long-term support to build core country systems and institutions for reconstruction. The MPF is the primary channel through which international donors access country systems in Somalia, and it focuses on promoting effective and accountable government, urban infrastructure, and economic growth. The CPF FY19-FY22 for Somalia, approved in September 2018, builds on the

<sup>135</sup> While several active IBRD/IDA trust funds are currently operating in West Bank and Gaza, most are single-donor and focus on a specific sector, subsector, or thematic area.

<sup>136</sup> The PID trust fund provided \$5 million for the project, and the remaining project costs were financed by Trust Fund for Gaza and West Bank (\$7.8 million) and other donors (\$43 million).

<sup>137</sup> Additional financing of \$12 million for the project was approved in January 2019.



progress of economic reform and institution building since 2013, when the Bank reengaged with Somalia through the MPF. With continued MPF funding, the CPF will help increase revenue, build the capacity of municipalities for urban resilience, and improve delivery systems for more inclusive social services.

***“Our role since reengaging has been to help Somalia rebuild core institutions that can restore citizens’ trust, redistribute resources to address extreme poverty, and begin to create opportunities for those who have been excluded. For this CPF, our focus is to support Somalia’s institutions to extend their reach in providing services to citizens and to scale up our interventions that will open up economic opportunities.”***

***-Bella Bird, Country Director for Tanzania, Burundi, Malawi, and Somalia***

Since 2013, the MPF has assisted Somalia in enacting two important pieces of legislation, strengthened country-owned financial management systems, and supported the foundation of a civil service to lead reform efforts. Between 2014 and 2018, as a result of 83 percent of disbursed project grants (a total of \$156.2 million), 256 quality professionals were recruited into Government positions, 27,340 teachers were paid through the Government payroll, and a financial management system was established.

The \$51 million Recurrent Cost and Reform Financing Project supported by the MPF enabled the Government to provide a credible and sustainable payroll and establish the foundation for efficient budget execution and payment systems for the non-security sectors in Federal Government States. The fund also supported government-led infrastructure development in four major urban areas, and initiated drought response in five Federal Member States. In 2018, the \$6 million Somali Urban Investment Planning Project was the first urban resilience initiative and the first WBG-funded project implemented at the subnational level.

***The SBCF, launched in 2017, is the program’s flagship job creation initiative, specifically designed for businesses that focus on innovative processes and products and on markets new to the region. It is also intended to stimulate the business and technical services industry to build sector expertise in such areas as agriculture, fisheries, and manufacturing.***

The MPF also supported the development of the commercial sector in Somalia. Between 2016 and 2018, 82 enterprises across the Somali peninsula were offered grants amounting to \$6.5 million, mainly in the manufacturing, agriculture, livestock, and construction sectors. Direct investment mobilized from the grantees amounts to \$3.5 million. Furthermore, the \$28 million Somali Core Economic Institutions and Opportunities (SCORE) project financed by the MPF helped to improve the enabling environment for private and financial sector development, and to catalyze private investment and job creation. Under the SCORE Project, which included the Somali Business Catalytic Fund (SBCF), 100 businesses across the Somali peninsular received \$5.3 million in financial support to expand their business and increase local employment. The supported firms generated 2,200 direct jobs.

***Two key legislations enacted and country-owned financial management systems strengthened, paving the way for reforms, since 2013.***

## Trust Fund Donors



European Union



Norway



State and  
Peacebuilding  
Trust Fund



Sweden



Switzerland



United Kingdom

**Region:**  
AFR



**Forward Look: Pillar 1:**  
Serving All Clients



**Value Proposition:** Providing Resources  
Where the World Bank Cannot

## 19. Zimbabwe Reconstruction Fund

**The Zimbabwe Reconstruction Fund (ZIMREF)** was established in 2014 to help strengthen Zimbabwe’s systems for reconstruction and development, with a focus on stabilization and reform, reconstruction, development, and poverty alleviation. ZIMREF comes after lending to Zimbabwe was suspended for almost a decade and a half because of its arrears status. ZIMREF is the World Bank’s key instrument to help implement the Government-driven agenda for sustainable socioeconomic transformation and a path to arrears clearance.<sup>138</sup>

<sup>138</sup> ZIMREF replaced the Analytical Multi-Donor Trust Fund through which the World Bank previously provided analytical work and technical assistance to support Zimbabwe in formulating Government policy on development.



ZIMREF was designed in line with the recommendations of the World Development Report (2011) and the World Bank's Africa Strategy. Its programs are adapted to Zimbabwe's evolving context and allow for adjustment as the reengagement process gains momentum. With total contributions of \$40 million, ZIMREF has implemented activities that strengthen governance and the efficacy of public sector institutions, to improve control, transparency, accountability, and oversight in the use of public resources. Since its establishment, ZIMREF has supported eight projects amounting to \$35 million to support this work, ultimately resulting in the promulgation of nine laws to bring about critical reforms in public procurement, the financial sector, and corporate governance.

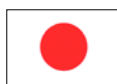
***"The reform of public procurement is a key mandate of the 2013 Constitution, and will increase efficiency in public service delivery and reduce the misuse of public resources; in addition, the introduction of e-procurement is a cornerstone of the government's efforts to modernize service delivery by introducing new technologies." -Dr. Mischek Sibanda, Chief Secretary of the President and Cabinet of Zimbabwe***

ZIMREF's \$10 million Public Financial Management Project illustrates the trust fund's ability to leverage previous work to influence national policy. The project aimed to improve control, fiscal transparency and accountability, and oversight in the use of public resources in Zimbabwe. It built on earlier work supported by the World Bank to resuscitate Zimbabwe's integrated financial management information system and accounting functions, and to improve financial controls. The project made significant strides toward its objectives; it (a) helped finalize the annual Government financial accounts for 2018 substantially faster than in the previous year; (b) trained public financial management systems users, internal auditors, and accountants; (c) conducted internal audits of basic effectiveness in all ministries; and (d) completed the 2017 Public Expenditure and Financial Accountability Assessment. This work informed a follow-up workshop in February 2019 to discuss the way forward with Government counterparts and donor partners. The workshop led to an agreement for the Government to initiate the development of a public financial management reform roadmap.

ZIMREF's \$4 million Public Procurement Modernization Reform Project aims to fix the public procurement system and prepare to introduce e-procurement in government. The first stage of the project supports regulatory and institutional reforms, to help align public procurement legislation and practices to the Zimbabwe 2013 Constitution, and to prepare for an e-government procurement pilot. The project helped develop the Public Procurement and Disposal of Public Assets Act, passed into law in August 2017, which is expected to regulate all state entities in the procurement cycle from planning to disposal. A second stage will be prepared primarily to build the capacity of staff working on the new e-procurement pilot. To date, authorities have submitted an e-procurement strategy, e-procurement guidelines, and e-procurement system requirements to the World Bank for review.

***\$35 million projects approved since 2014 to strengthen the governance, efficacy, and accountability of public sector institutions, and 9 laws promulgated to bring about critical public sector reforms.***

## Trust Fund Donor



Japan

VPU:  
DFI



**Forward Look:** Pillar 1:  
Serving All Clients



**Value Proposition:** Providing Resources  
Where the World Bank Cannot

## 20. Japan Social Development Fund

**The Japan Social Development Fund (JSDF)** was established in 2000 to assist disadvantaged groups in low-income and lower-middle-income countries that were made vulnerable by the financial crisis of the late 1990s. The JSDF provides recipient-executed grants of up to \$3 million for community-driven development and poverty reduction projects that (a) target the poorest, most vulnerable people who are not reached by mainstream development programs; (b) pilot innovative development approaches; and (c) empower and strengthen the capacity of civil society, local communities, and NGOs. Since its establishment, the JSDF has disbursed \$556 million out of total contributions of \$837 million in grants to key sector or thematic areas,<sup>139</sup> providing livelihood opportunities to 2.2 million people (60% women). Another 1.7 million people (70% women) have benefited from improved nutrition and early childhood care and development programs, and 470,000 people (55% women) have gained access to basic health and sanitation services for the first time.

<sup>139</sup> The key sector and thematic areas are livelihoods support, nutrition and early childhood care and development, basic health and sanitation services, and basic legal services and local governance and accountability.



JSDF grants promote the participation of NGOs in implementing projects and in monitoring and evaluating them. In FY18, at least half of JSDF's grants were implemented by NGOs. In 2011, JSDF provided a \$1.9 million grant to the Partnership for Transparency Fund (PTF), an international NGO, as part of the Citizen Action for Results, Transparency and Accountability (CARTA) Project to enhance the development impact, sustainability, and client ownership of pro-poor projects financed by the World Bank in Bangladesh and Nepal by promoting the engagement and capacity of NGOs to demand better governance from implementing entities. To implement the CARTA Project, the PTF selected national NGOs in Bangladesh (the Manusher Jonno Foundation) and Nepal (Helvetas International Cooperation) to administer the grants and provide direct technical support to local civil society organization grant recipients that were responsible for monitoring the projects. In total, 11 IDA projects (5 in Bangladesh and 6 in Nepal) were selected for independent third-party monitoring, with grants of \$75,000 to \$150,000. The PTF provided oversight, provided capacity-building assistance to the umbrella NGOs in Bangladesh and Nepal, undertook monitoring and evaluation and reporting, and organized knowledge-sharing events.

In Nepal, a \$150,000 subproject was launched to strengthen the capacity of community-based organizations to monitor the civil works and contract processes under the Rural Access Improvement and Decentralization Project, and to facilitate access to relevant agencies for grievance redress. The JSDF grant supported community-based organizations in efforts to better understand the policy and principles in the Environmental and Social Management Framework and built their capacity to ensure construction quality, identify any malpractice, and collect and report grievances. By the end of the subproject, 97 percent of members of community-based organizations had knowledge of the Environmental and Social Management Framework and 92 percent had knowledge of the quality of civil work and community monitoring methods, compared to 26 percent at the baseline. Baseline and end-of-project data show a major improvement in the number of recorded and redressed grievances. In total, 187 grievances were recorded, 46 percent of them related to quality issues in civil works, and 89 percent were fully addressed. As a result of the increased number of valid filed grievances and the responsiveness of project authorities, community satisfaction with the project increased.

*At least 50 percent of JSDF grants were implemented by NGOs in FY18 to promote community-driven development and poverty reduction projects.*

## Trust Fund Donors



Australia



Denmark



Japan



Luxembourg



Netherlands



Norway



Switzerland



United Kingdom

**Global Practice:**  
Governance



**Forward Look:** Pillar 2:  
Supporting Resource  
Mobilization



**Value Proposition:** Public Revenue  
and Expenditure Management

## 21. Global Tax Program

**The Global Tax Program (GTP)**<sup>25</sup> was launched in 2017 to finance technical assistance related to tax policy and administration in low-income and lower-middle-income countries. In support of IDA18's commitment to domestic resource mobilization, the GTP helps developing countries design and implement fair and effective tax systems that create positive conditions for economic and private sector growth.<sup>140</sup>

The latest estimates are that 39 of the World Bank's client countries have tax revenues below 15 percent of GDP – the minimum level needed to ensure that public resources are available for the achievement of the SDGs. A strong revenue base is imperative for developing countries to finance public services, social support, and infrastructure, and to strengthen the social contract between citizens and the state. It is key to achieving fiscal sustainability and to placing public finances on a stronger footing.

<sup>140</sup> Domestic resource mobilization, one of the IDA18 policy commitments, is the process through which countries raise and spend their own funds to provide for their citizens. It provides governments with the funds they need to invest in development and relieve poverty and thus represents a long-term path to sustainable development finance. Domestic resource mobilization is also a central pillar of the global 2030 financing-for-development agenda, reflecting the financial needs in many developing countries to meet development goals.



The GTP ensures strong country ownership by following a demand-driven approach. Countries that have the biggest revenue shortages and have expressed strong interest in reform are the preferred target group. With GTP support, 32 IDA countries have begun implementing targeted investments to increase their tax-to-GDP ratios through such tools as development policy financing, investment project financing, ASA, and tax administration diagnostic assessments. The commitment value of the active domestic resource mobilization portfolio in countries below the 15 percent threshold is \$1.3 billion, with a total of 117 active engagements.<sup>141</sup> In Africa, 29 countries were below the threshold in either 2017 or 2018, and the Bank now provides domestic resource mobilization support to 25 of them.

The GTP brings together different research, data analytics, and experimental methods to promote shared learning. It also promotes practical ways of developing capacity, such as using Communities of Practice to transfer skills and knowledge and providing special support in countries affected by FCV, and in small states.

Domestic resource mobilization does not necessarily mean new taxes or higher tax rates. Governments often see their revenues rise through improved audits or simplified filing processes. Successful domestic resource mobilization programs supported by trust funds such as the GTP are highly cost-effective. One analysis showed revenue increases amounting to \$20 or more for every assistance dollar invested.<sup>142</sup> The GTP helps client countries bolster tax collection and enhance government capacity for increased domestic resource mobilization and effective service delivery.

**32 IDA countries are implementing targeted investments to increase their tax-to-GDP ratios with support from this trust fund**

### Trust Fund Donors



African Development Bank



Austria



European Union



Germany



Netherlands



Norway



Switzerland



Russian Federation

**Global Practice:**  
Macroeconomics,  
Trade, and Investment



**Forward Look: Pillar 2:**  
Supporting Resource  
Mobilization



**Value Proposition:**  
Public Debt Management

## 22. Debt Management Facility

**The Debt Management Facility (DMF)** is an MDTF that has supported expert assistance on debt management to IDA countries since it was launched by the World Bank in 2008. In 2014, the Bank launched a second phase of the trust fund (DMFII), formalizing a partnership with the IMF. The objective of the DMF is to strengthen debt management institutions, processes, and capacity to reduce debt-related vulnerabilities through the development and implementation of analytical tools, technical assistance, and tailored advisory services, training, and peer-to-peer learning.

The DMF has funded technical assistance missions to 75 countries—for example, supporting debt management diagnostics through DeMPA and the design of detailed, sequenced, and focused reform plans.<sup>143</sup> The DMF also supports the elaboration and implementation of MTDS through the joint Bank-Fund MTDS framework, domestic debt market development, the issuance of debt in international markets, and training on the debt sustainability framework for low-income countries. Several countries are engaged in a “programmatic” approach

<sup>141</sup> World Bank Engagements on Domestic Resource Mobilization in Countries Below 15% Tax-to-GDP. Prepared by Governance and Macroeconomics, Trade, and Investment Global Practices, 3 May 2019.

<sup>142</sup> For more information, please refer to <https://www.usaid.gov/what-we-do/economic-growth-and-trade/domestic-resource-mobilization>

<sup>143</sup> The DeMPA assesses public debt management performance through a comprehensive set of indicators spanning the full range of government debt management functions. It often serves as the basis for a Debt Management Reform Plan, a detailed, sequenced, country-owned roadmap to prioritize and sequence debt management reforms. The formulation of MTDSs helps countries identify and implement borrowing strategies based on sound analysis of costs and risks, taking into account the country’s macroeconomic framework and level of debt market development.



to capacity development in debt management that integrates different DMF activities to ensure sustained capacity building efforts and reform implementation support with a focus on results.

Under the DMF's Debt Management Practitioners Program, debt managers from DMF-eligible countries are seconded to the World Bank for three-month assignments to strengthen their skills through "learning by doing," DMF activities, and peer-to-peer knowledge exchange with Bank and IMF staff and debt managers from other countries.

The DMF has been instrumental in strengthening debt management outcomes. Today more countries prepare and publish debt management strategies; the quality of debt records of government debt has improved; and many countries have improved the organization of their debt management institutions and coordination with fiscal policies through alignment with medium-term fiscal frameworks.

For example, in Malawi, the Bank and the IMF provided technical assistance to address macro-level debt management and develop the local currency bond market. After training in medium-term debt strategies in November 2017, the Debt and Aid Division of the Ministry of Finance and Economic Planning and Development has independently prepared a medium-term debt strategy. Malawian officials have mastered the analytical tool. They are able to discuss the debt portfolios that may result from a range of possible financing strategies, considering the macroeconomic and financial market environment, available financing, and vulnerabilities that may affect future borrowing and debt service costs.

Thanks to the DMF's capacity-building efforts, Kosovo made several noteworthy improvements in various areas of debt management, including the first-time development of a debt strategy and its publication on the Ministry of Finance's website; implementation of external financial and compliance audits of debt management transactions; annual preparation and disclosure of debt sustainability analysis; domestic borrowing practices that include the preparation of annual borrowing plans and publication of quarterly auction calendars; and debt reporting and recording, including the first-time publication of a quarterly debt bulletin.

**127 technical assistance missions helped 75 developing countries support debt management reforms between FY15 and FY18.**

## Trust Fund Donors



Australia



IFC



Netherlands



Sweden



United Kingdom

**Global Practice:**  
Social, Urban, Rural,  
and Resilience

**Forward Look: Pillar 2:**  
Supporting Resource  
Mobilization

**Value Proposition:**  
Development Finance Innovations

## 23. Global Partnership for Results-Based Approaches

**The Global Partnership for Results-Based Approaches (GPRBA)**<sup>144</sup> was established in 2003 with a focus on output-based aid—a type of results-based financing that provides subsidies and technical assistance to help service providers reduce the cost of service delivery for low-income communities. Results-based financing can bring public and private sector financiers together to maximize resources and design effective incentives to reach underserved low-income communities. Such innovative financing mechanisms are becoming an important part of development finance solutions today. At least \$25 billion of development spending has been tied to results over the past decade, an increase from just a few billion the decade before.<sup>145</sup> Trust funds such as the GPRBA have proven to be effective vehicles for the design and implementation of such results-based programs. Having pioneered an innovative funding system that disburses payments only when actual results materialize, GPRBA has evolved into a Center of Expertise on output-based aid and results-based financing, gaining experience from pilot projects that serve as valuable resources for developing countries.

For the last 15 years, the GPRBA has successfully taken down barriers to inclusive economic development by providing \$248 million to 49 IBRD/IDA-financed projects in 29 countries, ensuring that basic services in eight sectors reach over 10 million people in a sustainable way. In FY18, GPRBA disbursed \$28 million, benefiting low-income communities, mainly in Africa and South Asia.

<sup>144</sup> The program, initially established to test output-based aid, was known as the Global Partnership on Output-based Aid (GPOBA) until February 2019. It was renamed the Global Partnership on Results-Based Approaches (GPRBA) to reflect a new emphasis on testing other types of results-based financing approaches.

<sup>145</sup> A Guide for Effective Results-Based Financing Strategies. For more information, see [http://bit.ly/GPRBA\\_NewDiagnosticTool](http://bit.ly/GPRBA_NewDiagnosticTool)



In Zambia, a GPRBA grant for \$5 million helped increase access to grid-based electricity services for 32,800 low-income households and 5,100 micro and small enterprises, benefiting approximately 200,000 residents. The project subsidized the connection fee for low-income households, disbursing against specific milestones achieved and linking funding to actual results. The project encouraged moving from more expensive diesel generators and charcoal use in cooking to cheaper and cleaner energy. It also reduced the practice of wire-tapping, increasing fire safety and customer regularization. An impact evaluation conducted on the project found that with reliable electricity, micro-entrepreneurs were acquiring refrigerators, televisions, and small appliances and extending their business hours. Additional evidence shows that the households have started to boil water using electrical appliances, thereby reducing their reliance on wood and charcoal-fired stoves.

***"Bangladesh has made remarkable progress in almost ending the practice of open defecation in rural areas. This has helped reduce health risk, especially for children under five, and has provided safety, dignity, and security to women and adolescent girls. Improvements in the quality of drinking water supply and environment are noticeable with improvements in sanitation. The Output-based Microfinance Project for rural communities will complement our ongoing work to meet the SDGs in improved sanitation, and will help poor rural families gain access to affordable hygienic sanitation facilities."*** -World Bank Operations Manager, Bangladesh

In Bangladesh, a \$3 million GPRBA grant helped increase access to hygienic sanitation facilities for over 776,000 people. The Output-based Aid Sanitation Microfinance Program enabled low-income rural households to access credit from local microfinance institutions to finance the purchase of hygienic sanitation facilities. Under the project, Palli Karma-Sahayak Foundation (PKSF), the main implementing agency, provided wholesale financing to partner microfinance institutions to extend sanitation loans directly to households to purchase latrines. The output-based subsidy covered 10-12 percent of the total loan value and was applied to sanitation investments ranging from \$45 to \$128. The subsidy was released to PKSF and its partners only once the construction and quality of the latrine were verified. By offering the subsidy only for lower-cost technologies, the project used self-selection to target low-income consumers who could not afford the more expensive designs. The output-based subsidy, blended with the sanitation loan, reduced the total loan amount and debt service owed by households and helped to crowd in additional private sources of capital through participating partner microfinance institutions. As of FY18, 170,700 household loans totaling \$22 million in microfinance lending had been disbursed to buy and install hygienic latrines. Technical assistance provided by the World Bank, including training for local entrepreneurs on hygienic sanitation construction, helped prime the market for sanitation microfinance, and the blending of output-based subsidies with microfinance further opened the market and increased access for poor communities.

**\$248 million provided**  
to support **49 IBRD/IDA**  
**projects in 29 countries** to  
promote inclusive economic  
development through  
results-based financing.

## Trust Fund Donor



The Rockefeller Foundation

**Organization:**  
IFC



**Forward Look:** Pillar 2:  
Supporting Resource  
Mobilization



**Value Proposition:**  
Development Finance Innovations

## 24. Project Development Facility to Support Infrastructure to Build Resilience

**The Project Development Facility to Support Infrastructure to Build Resilience** is an IFC-administered trust fund that was established in 2014 to unlock private sector investment to attract resilient infrastructure projects to emerging markets. Recent estimates are that it will cost \$57 trillion to build and maintain the world's infrastructure needs between now and 2030. New ways of thinking will be required to enable partnerships between public entities and private enterprises to work together and share risks.

One of the main obstacles to developing more infrastructure projects is that governments are not well equipped to structure and negotiate transactions with investors. Combining funds and expertise in urban resilience from the Rockefeller Foundation with IFC's infrastructure expertise, governments can increase the number of bankable resilient infrastructure projects and attract global institutional investors.



Since its inception, the trust fund has allocated a total of \$4.8 million across IFC projects in several sectors: power (38%), transport (28%), water (17%), waste (7%), housing (5%), and financial institutions (5%). Countries in Sub-Saharan Africa, where the need for such support is acute, received the largest share of the funds (41%), followed by countries in MNA (24%) and EAP (11%).

***“The Belgrade waste PPP is a landmark and pathfinder project for a region that has huge investment needs in infrastructure, particularly in the environment sector. We are convinced that PPPs are among the best solutions to combine technical, financial and contractual performance.” -SUEZ SA, a clean technology company that specializes in water management services, recycling and waste recovery, and urban development services***

The Belgrade Solid Waste Management and Waste-to-Energy project is one project supported by the facility. Belgrade, the capital of Serbia, generates over 500,000 tons of municipal waste annually, and outdated waste management practices have caused environmental issues at the current landfill. With the support of this facility, IFC advised the City of Belgrade on a 25-year PPP to develop a new waste management system. In September 2017, the City of Belgrade and a consortium of Suez (France) and Itochu (a Japanese trading company) signed a 25-year PPP contract for the financing, construction, and operation of a waste management complex, including a waste-to-energy plant, new sanitary landfill cells for disposal of residual waste, and a plant for treating construction and demolition waste. The first of its kind in the Balkans, the project will help generate 80 megawatts of renewable heat and electricity, with a 340,000 ton per year waste-to-energy plant, reducing greenhouse gas emissions by 200,000 metric tons annually. The project is expected to mobilize about \$375.6 million (€330 million) in private sector financing by 2019 to close and rehabilitate the existing dumpsite, one of the largest in Europe, and one of 50 largest in the world. This project demonstrates best industry practices in the treatment and final disposal of solid waste by introducing private sector expertise in the value chain and applying international standards to manage pollution, land acquisition, involuntary resettlement, and livelihood restoration. The project also addresses overall social resilience and is currently the only project to receive incentives under the new renewable energy framework in Serbia.

In Colombia, the facility supported the \$450 million Cartagena Bus Rapid Transit System project to improve the city's transport system. The government-owned transport company, Transcaribe, engaged both public and private operators to run a new integrated mass transport system in Cartagena, aiming to eliminate the existing fleet of 1,585 buses and replace it with 658 compressed natural gas buses. As of December 2018, 16 of the 40 new transport routes were operating, with Transcaribe moving about 105,000 passengers per day. The facility also enabled Transcaribe to address the rehabilitation of over 700 workers who lost their jobs because of the new system, and to restore the livelihoods of about 75,000 people who were vulnerable to economic displacement. The new bus system has been critical for improving mobility and social inclusiveness, reducing congestion, and helping to create new jobs and more interconnected markets.

***A 25-year public private partnership was signed between the City Government of Belgrade and the private sector with support from the trust fund to improve waste management, aiming to reduce greenhouse gas emissions by 200,000 metric tons annually.***



## Trust Fund Donors



Bill & Melinda  
Gates Foundation



Burkina Faso



Canada



Côte d'Ivoire



Denmark



European Union



Germany



Japan



Laerdal Global Health



Merck for Mothers



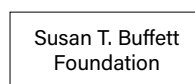
Netherlands



Norway



Qatar



Susan T. Buffett  
Foundation



United Kingdom

**Global Practice:**  
Health, Nutrition,  
and Population



**Forward Look:** Pillar 2:  
Supporting Resource  
Mobilization



**Value Proposition:** Supporting  
New Sources of Development Finance

## 25. Global Financing Facility for Women, Children and Adolescents

The **Global Financing Facility for Women, Children and Adolescents (GFF)** was launched in 2015 as a multi-stakeholder partnership to support country-led efforts to tackle the greatest health and nutrition issues affecting women, children, and adolescents in low- and middle-income countries around the globe. The GFF supports a government-led platform that brings together key partners to develop a prioritized health plan and mobilize sustainable financing for health and nutrition. As of April 2019, the GFF partnership is working in 36 countries, with the aim of expanding to 50 countries by 2023.

The GFF acts as a catalyst for financing, with countries using modest GFF grants to significantly increase their domestic resources alongside IDA and IBRD financing, aligned external financing, and private sector resources. As a result, each dollar invested in the trust fund is multiplied to close the overall financing gap. As of June 30, 2019, \$574 million of GFF grants have been linked to \$4.4 billion of IDA and IBRD financing.

Leveraging expertise and fostering innovative partnerships are pivotal to closing the significant gap in financing for the health and nutrition of women, children, and adolescents, as are increasing prioritization and the efficient use of available resources. For example, the World Bank's CAD\$1.5 billion Sustainable Development Bond issuance on January 8, 2019—the largest supranational bond ever issued on the Canadian market—enabled investors to receive a financial return from a triple-A rated product while supporting the goal of investing in the health and nutrition of women, children, and adolescents through their bond funding into the general IBRD financing pool for country loans. Through its partnership with World Bank Treasury, the GFF played two roles: (a) providing support to the Treasury in marketing the health-related Sustainable Development Bond issuances to investors using GFF country impact examples, and (b) providing grant funding in the form of loan buy-downs and cofinancing grants to reduce the barriers to GFF countries' accessing this financing to invest in improving the health and nutrition outcomes for women, children, and adolescents with the greatest needs.

Cameroon provides an example of putting innovative partnerships to work. Despite significant progress, maternal mortality in Cameroon remains 9 percent higher than the average rate for Sub-Saharan Africa and more than double the average rate for lower-middle-income countries. Regional disparities in health and nutrition outcomes are most visible in three northern regions and the east region. To address these issues, the Government of Cameroon, with the support of the GFF, led a consultative process to develop an investment case to align partner and financial resources and to set Government priorities for investing in reproductive, maternal, newborn, child, and adolescent health and nutrition.

In addition to using the GFF investment case to inform its 2018 national budget and increasing the health budget allocation to priority regions, the Government of Cameroon recently partnered with the GFF, Grand Challenges Canada, Nutrition International, the World Bank, the Fondation Kangourou Cameroun, Social Finance, and the MaRS Centre for Impact Investing to launch the Cameroon Kangaroo Mother Care (KMC) development impact bond (DIB). This is the first World Bank DIB in the health sector, and the first newborn DIB worldwide. The DIB is supporting the Government's efforts to improve access to KMC in 10 hospitals across the country and provide life-improving care for more than 2,200 newborns by 2021. With support from the Fondation Kangourou Cameroun, centers of excellence will also be created in four regions. This effort is also linked to the broader World Bank and GFF-financed Performance-Based Financing health program in Cameroon.

**\$574 million in GFF  
trust funds grants  
leveraged \$4.4 billion  
in IBRD and IDA  
financing since 2015.**





Switzerland

**Organization:**  
IFC



**Forward Look:** Pillar 2:  
Supporting Resource  
Mobilization



**Value Proposition:** Supporting  
New Sources of Development Finance

## 26. Swiss State Secretariat for Economic Affairs - International Finance Corporation - East Asia and Pacific Advisory Trust Fund

**The Swiss State Secretariat for Economic Affairs (SECO) - International Finance Corporation (IFC) - East Asia and Pacific Advisory Trust Fund** was established in 2011 to address regional challenges and priorities by providing private sector development advisory services. This partnership complements the strategies of both SECO and IFC, with specific focus on (a) improving access to finance; (b) increasing private sector participation in infrastructure; (c) addressing climate change; and (d) supporting SMEs by improving the investment climate and access to global supply chains.

With a total contribution of \$51 million since its inception, the trust fund has supported over 50 regional Advisory projects, leveraging \$17.3 trillion in financing. Its performance has been a resounding success, exceeding targets in many key areas of IFC Advisory work. To date, 34 laws, regulations, and policies recommended by regional SECO-funded projects have been adopted, direct compliance cost savings have surpassed the target by 515 percent, and more than 278 million loans have been generated for the private sector.

To improve access to finance for MSMEs, between FY14 and FY18 the trust fund provided \$6.6 million to support the Financial Infrastructure Development Program (FIDP) in seven EAP countries.<sup>146</sup> This program addresses two key financial infrastructure pillars: credit reporting and secured transactions. Its approach of broadly developing markets, rather than focusing only on one institution or a single product or service, has had substantial positive impact and laid a strong foundation for sustainability. The regional approach used in the FIDP proved to be very effective. The involvement of global experts and the regional IFC team, as well as project activities that provide venues for clients from various countries to learn from each other, resulted in significant cross-fertilization of knowledge and experience among country projects and increased development results.

The program also expanded credit information coverage for over 156 million individuals and businesses and facilitated movables lending for almost 2 million MSMEs, attracting nearly \$12.8 trillion of private sector financing cumulatively. New credit generated in targeted country economies has yielded significant results. For example, as of the end of FY18, the cumulative number of credit inquiries for the Cambodia Credit Bureau reached 20 million, which is estimated to have generated \$3.9 million in new loans to MSMEs and leveraged financing of \$6.9 billion. In Vietnam, an increase in new registrations in the strengthened Secured Transaction registry facilitated \$70.9 billion in financing for about 745,000 SMEs and over 53,000 micro businesses. Similarly, in China, by the end of FY18, the Credit Reference Center covered 960 million individuals, including 500 million who have credit history, and over 25 million enterprises, including 7.2 million with established credit history.

**\$17.3 trillion**  
**leveraged through**  
**50 regional Advisory**  
**projects and 34 laws**  
**and policies adopted**  
**to promote private**  
**sector development.**

<sup>146</sup> The countries were Cambodia, China, Indonesia, Lao PDR, Mongolia, Philippines, and Vietnam.



## Trust Fund Donors



Climate Cent Foundation



Sweden



United Kingdom

**Global Theme:**  
Climate Change



**Forward Look: Pillar 2:**  
Supporting Resource  
Mobilization



**Value Proposition:** Supporting  
New Sources of Development Finance

## 27. Carbon Initiative for Development (Ci-Dev)

**The Carbon Initiative for Development (Ci-Dev)** mobilizes private finance for clean energy access in low-income countries. Established in 2013, Ci-Dev uses the Clean Development Mechanism as a framework to quantify and certify emission reductions, while transitioning the portfolio to Paris Agreement-compliant approaches after 2020.<sup>147</sup> By the end of 2025, the Ci-Dev aims to mobilize more than \$250 million in private finance to provide low-carbon energy to over 10 million people.

Ci-Dev expects to install more than 300 megawatts of clean energy and cooking capacity by 2025, reducing carbon emissions by 7.9 million tons. Its Standardized Crediting Framework (SCF) is a new approach to crediting emission reductions that is in line with the Paris Agreement's approach to delivering climate finance with market-based approaches. The SCF allows for greater geographic coverage and flexibility, improved transparency of national carbon crediting, reduced transaction costs, and more private sector engagement.

In Senegal, Ci-Dev piloted the SCF through the rural electrification agency Agence Senegalaise d'électrification rurale (ASER). ASER uses a concession-based model under which private companies compete for the right to sell, install, and maintain new electricity connections to rural households. To facilitate electricity access for poor rural households, ASER used carbon revenues to overcome financial access barriers, through an innovative voucher scheme. A household can use its voucher from the private concessionaire in their territory for service level and connection technology. The concessionaire then installs the new connection and redeems the voucher with ASER for compensation. Ci-Dev paid the subsidy for the generated emission reductions, signing an Emission Reduction Purchase Agreement with ASER to purchase 660,000 certified emission reductions generated through the end of 2024. The pilot, initiated in 2017, has already benefited 500,000 people with 40,000 new low-carbon energy connections, and has yielded important lessons. Following Senegal's successful experience, Rwanda will host the second SCF pilot.

Ci-Dev has committed to purchasing approximately \$76 million in emission reductions through 2025, from 13 World Bank-financed energy access projects in Africa and Asia.<sup>148</sup> For example, in 2016 Ci-Dev signed an Emissions Reduction Purchase Agreement with the Norwegian company Green Development for the purchase of 1.1 million carbon emission reductions of energy to be generated through 2024. Revenues from the agreement will help catalyze the private sector market for ethanol stoves and household cooking fuel, encouraging further investment in and by local private sector implementation partners. The carbon finance will make ethanol cookstoves more affordable to households, help establish two pilot ethanol micro-distilleries, including a training center, and provide general program support (including capacity building and technical assistance) to the private sector and government partners. The project aims to reduce greenhouse gas emissions from woody biomass by distributing up to 100,000 ethanol stoves in mainly urban and peri-urban areas. It is also expected to reduce deforestation, improve rural livelihoods, and reduce exposure to indoor air pollution.

**500,000 people**  
received greater access  
to electricity as a  
result of **40,000 new**  
**low-carbon energy**  
**connections** installed  
by the Senegalese Rural  
Electrification Agency.

<sup>147</sup> Defined in the Kyoto Protocol (2007), the Clean Development Mechanism is a flexible financing mechanism that allows emission-reduction projects in developing countries to earn certified emission reduction credits, which can then be traded, sold, and used by industrialized countries to meet their emission reduction targets. The Paris Agreement is an agreement within the UNFCCC aimed at dealing with greenhouse-gas-emissions mitigation, adaptation, and finance. To date, 195 UNFCCC members have signed the agreement and 186 have become party to it.

<sup>148</sup> Ci-Dev committed to 12 projects in sub-Saharan Africa and one project in Asia.



## Trust Fund Donors



European Union



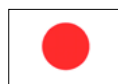
Finland



Germany



Italy



Japan



Netherlands



Switzerland



United Kingdom

**Global Practice:**  
Environment and  
Natural Resources



**Forward Look:** Pillar 3:  
Leading on Global Issues



**Value Proposition:**  
Climate Change

## 28. Program on Forests

**The Program on Forests (PROFOR)**, established in 2002, provides knowledge, tools, and in-depth analysis that help forest management, conservation, and climate mitigation efforts around the world. PROFOR knowledge identifies policies and practices that protect and restore forests and promotes sustainable management of productive forests. It also helps client governments to develop integrated landscape programs, identify forest-smart solutions, and advance NDC programs.

Deforestation rates are at an all-time high globally, driven by agricultural expansion, fuelwood harvesting, wildfire damage, and water insecurity.<sup>149</sup> PROFOR's analytical work supports the implementation of the WBG's Forest Action Plan FY16-20.<sup>150</sup> Since the adoption of the Action Plan, World Bank commitments on forests have increased from \$1.8 billion in FY16 to \$2.3 billion in FY18, and PROFOR has played a critical role in growing this portfolio.

In 2018, PROFOR produced 164 knowledge products and supported over 199 engagement processes or events with over 5,000 direct participants (32% women). This work also influenced 61 World Bank projects and 9 national policies/strategic programs. Every dollar of PROFOR funding leveraged almost \$70 of funding from the World Bank and other partners. Furthermore, PROFOR activities generated an additional 63 cents or more in cofinancing for every dollar committed to a PROFOR activity implemented during 2018.

PROFOR's Leveraging Agricultural Value Chains to Enhance Tropical Tree Cover and Slow Deforestation (LEAVES) Program is helping to identify solutions to feed a growing population while protecting the world's forests. Working with experts, LEAVES has generated state-of-knowledge papers and policy briefs on how the value chains of agricultural commodities can play a positive role in tropical forest conservation and tree cover restoration.<sup>151</sup> The research has helped financial institutions, policymakers, and investors realize the potential of reducing deforestation and enhancing tree cover in agricultural landscapes. Report recommendations are already being implemented. For example, in September 2018 a high-level regional meeting in the African shea zone in Ghana brought together government institutions, private sector representatives, and academics to consider recommendations from the shea study.<sup>152</sup> The participants established knowledge-based partnerships and regional collaborations toward restoring shea agroforest parkland productivity, food security, and sustainable jobs.

Central American countries have identified forestry as a key sector in their NDCs, and PROFOR is helping them engage in regional dialogue, build institutional capacity, and develop implementation plans and associated monitoring systems. An analytical framework has been designed for each country and has strengthened awareness of viable measures to achieve NDC commitments in the forest sector. In Mexico, PROFOR supported an in-depth analysis of national land use programs and expenditure reviews, advancing the Government's ambitious plan to integrate forest and agricultural programs to transform forestry into a competitive, inclusive sector that boosts the rural economy.

**164 knowledge products produced, 199 engagement processes organized with over 5,000 participants, 61 World Bank projects informed, and 9 national policies and strategic programs influenced in 2018 to protect and restore forests**

<sup>149</sup> Over 3 billion people around the world use solid biomass for cooking, 45 percent of which comes from firewood and charcoal, causing rapid environmental degradation.

<sup>150</sup> A top priority for the World Bank is to preserve the global environment from the impacts of climate change by reducing carbon emissions, sustainably managing exhaustible resources, introducing adaption policies, and building partnerships to generate and disseminate scientific research and knowledge. The *Forest Action Plan* identifies the role of forests in bolstering the resilience of ecosystems, rural economies, and communities, and highlights the importance of maintaining forest health. For more information, see [http://bit.ly/WBG\\_FAP1620](http://bit.ly/WBG_FAP1620)

<sup>151</sup> Six agricultural commodities were part of this research: palm oil, soy, beef, cocoa, coffee, and shea butter.

<sup>152</sup> Academics from eight countries—Burkina Faso, Benin, Côte d'Ivoire, Ghana, Mali, Nigeria, Togo, and Uganda—participated.



## Trust Fund Donors



Australia



Austria



Belgium



European Union



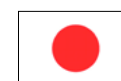
Germany



India



Italy



Japan



Luxembourg



Mexico



Norway



Serbia



Sweden



Switzerland



United Kingdom



United States

**Global Theme:**  
Climate Change



**Forward Look:** Pillar 3:  
Leading on Global Issues



**Value Proposition:**  
Climate Change

## 29. Global Facility for Disaster Reduction and Recovery

**The Global Facility for Disaster Reduction and Recovery (GFDRR)**, launched in 2006, helps countries and communities manage and mitigate disaster and climate risk and build resilience. GFDRR serves as the World Bank's focal point for disaster risk reduction and recovery, supporting technical assistance, capacity building, and analytical work across all Regions to help countries implement the Sendai Framework for Disaster Risk Reduction 2015–2030<sup>153</sup> and achieve the SDGs and the Paris Agreement.

GFDRR is a powerful example of how trust fund resources can better integrate disaster risk management into programs and operations. It offers a unique business model for advancing disaster risk reduction, based on ex-ante support to vulnerable countries and ex-post assistance for accelerated recovery, risk reduction, and resilience building after a disaster. In FY18, GFDRR supported 136 countries and leveraged development investments well beyond the \$252 million it manages. Its engagements catalyzed financing from governments and international financial institutions, including leveraging \$4 billion through IBRD/IDA and \$2.1 billion through other partners.<sup>154</sup>

If in the next 20 years all countries were to “build back stronger,” so that rebuilt assets could better resist future hazards, global well-being losses due to natural disasters could be reduced by almost 12 percent, a gain equivalent to \$65 billion annually. In total, 26 percent of GFDRR's new activities in 2018, constituting \$12.2 million in funding, contributed to resilient recovery and preparedness initiatives. The emphasis was on developing and disseminating knowledge products that build government officials' and other key stakeholders' awareness of the costs of natural disasters and enhance their capacity to plan for rapid recovery and to prepare for future disasters.

Mounting disaster costs increase the need for accurate and timely weather forecasts and for usable information on the likely impacts of weather, climate, and hydrological hazards. As of FY18, GFDRR has helped strengthen early warning systems and hydromet services in 88 countries, benefiting some 51 million people. The \$27.7 million IDA Central Asia Hydrometeorology Modernization Project received \$2.1 million in financing from GFDRR to deliver several capacity-building activities focused on strengthening technical and service delivery skills, including convening regional training workshops, organizing study tours, improving access to global forecasting models, and developing knowledge products. Financing from GFDRR helps countries build adequate institutional capacity, while the investment project resources are dedicated to developing relevant infrastructures and systems.

Infrastructure investments need to be resilient to disaster and climate change risks to achieve their intended impact. In FY18, GFDRR set up a Resilient Transport Partnership Program to build safe and reliable transport systems by providing technical assistance<sup>155</sup> to different Bank Global Practices that are engaged in infrastructure investments, facilitating knowledge exchanges, and launching flagship initiatives that support integrated resilience measures in transportation systems. In FY18, GFDRR provided technical assistance of \$4 million covering 16 countries to conduct climate vulnerability analyses and develop investment plans to increase the resilience of interventions in the transport sector.<sup>156</sup>

**\$4 billion leveraged from IBRD/IDA and \$2.1 billion from other partners, supporting 156 cities across 76 countries in resilience building.**

<sup>153</sup> For more information, see <http://bit.ly/Sendai-Framework-DRR>

<sup>154</sup> Other partners include governments, multilateral institutions, bilateral donors, and so on.

<sup>155</sup> Technical assistance mainly focused on systems planning, engineering and design, asset management, contingency programming, and institutional and regulatory capacity building.

<sup>156</sup> Technical assistance was provided to Argentina, Bangladesh, Brazil, Haiti, India, Kenya, Kyrgyz Republic, Lao PDR, Mongolia, Nepal, Paraguay, Peru, Philippines, Serbia, Sri Lanka, and Vietnam. Lessons learned from these engagements will help mainstream and integrate resilience measures into future World Bank-financed transport projects.



GFDRR is also helping countries better identify and understand risk in future climate scenarios, so that they can include climate-resilient measures in policies and investment operations. In 2014, GFDRR established a Resilience to Climate Change Initiative that has dedicated \$15.6 million to building climate resilience in 62 countries. In FY18, the initiative provided technical assistance of \$5.2 million to 22 countries in sectors such as resilient water management, energy, and coastal resilience. For example, in Sierra Leone, GFDRR provided a \$300,000 technical assistance grant to support an assessment of flood and landslide risks to the urban transport network of the capital city, Freetown. The work directly informed the design of the \$40 million IDA Freetown Sustainable Urban Transport Project, which seeks to improve mobility and safety and increase the resilience of urban transport infrastructure in the city. The grant financed the collection of flood and landslide data and identified areas of high vulnerability through risk modelling software. The results will be used to make evidence-based investments and interventions to strengthen the transport sector's resilience to floods and landslides.

In FY18, 28 percent of GFDRR's portfolio was dedicated to support 156 cities in 76 countries around the world in strengthening resilience. Through a \$650,000 grant, GFDRR's technical assistance helped in the design and preparation of Ghana's \$100 million IDA Greater Accra Clean, Resilient, and Inclusive Development Project, which will enhance flood and solid waste management and improve the living conditions of some of the region's most vulnerable communities. The grant enhanced project preparation efforts by funding critical analytical work that improved understanding of the impact of climate change and hazard exposure on poor communities in the Greater Accra Metropolitan Area.

In FY18, 40 percent of GFDRR's active grants helped build social resilience among affected communities and households. These activities complemented other investments to expand access to adaptive social protection systems for 3.1 million people. Gender equality, women's empowerment, and the inclusion of vulnerable groups in disaster risk management are the cornerstones of these efforts. In Afghanistan, community-driven development funds for 32,000 villages helped mainstream disaster resistance in the construction of local infrastructure by providing training to and raising the awareness of engineers and communities and by improving feedback systems to the central Government through the community development councils.

## Trust Fund Donors



Canada



Denmark



European Union



Germany



Japan



Netherlands



Norway



Sweden



United Kingdom



United States

**Region:**  
MNA



**Forward Look:** Pillar 3:  
Leading on Global Issues



**Value Proposition:**  
Crisis Response

## 30. Global Concessional Financing Facility

**The Global Concessional Financing Facility (GCFF)** is a financial intermediary fund (FIF) in which the World Bank serves as an IE. Launched in 2016, it provides concessional support to middle-income countries that are affected by refugee crises across the world. The GCFF helps bridge the humanitarian-development gap by providing affordable and sustainable means of coping with the long-term development cost of hosting a large influx of refugees. The Facility's initial focus was on Jordan and Lebanon,<sup>157</sup> which are experiencing acute refugee crises.<sup>158</sup> Since its inception, the GCFF has allocated a total of \$463 million to IBRD and made \$2.3 billion available on concessional terms for nine education, health, infrastructure, and livelihoods-related operations addressing the impact of refugees, through IBRD loans. Under the GCFF, each dollar in grant contributions leverages around four dollars in concessional financing for middle-income countries.

<sup>157</sup> The ongoing Syrian crisis has displaced over 6.6 million people, including 2.8 million children, and another 5.6 million people have fled the country as refugees. Lebanon hosts over one million, and Jordan some 670,000, Syrian refugees, and both countries harbor a vast number of unregistered refugees.

<sup>158</sup> Other middle-income countries that face future refugee emergencies can be eligible for support. In January 2019, Colombia became an eligible country in response to the influx of refugees from Venezuela.



The GCFF trust fund supports projects in multiple sectors that benefit both refugees and host communities. It also provides a platform for MDBs to participate and receive support for their projects.<sup>159</sup> The trust fund reduces the overall cost of borrowing for projects to (a) effectively deliver basic services and strengthen critical infrastructure; (b) expand economic opportunities; and (c) provide host countries with vital budget support to better manage the fiscal and humanitarian impact of the mass influx of refugees.

Before 2014, Syrian refugees in Jordan had free access to health care, but with the increasing refugee influx, the Government levied a 20 percent copayment on health care, which resulted in a 60 percent drop in the use of health-care facilities and a spike in diseases like measles and tuberculosis. The \$150 million IBRD Jordan Emergency Health Project, with a concessional allocation of \$35 million, was designed to help sustain the improved health system outcomes that Jordan had achieved in past decades. It supports the Ministry of Health's efforts to maintain primary and secondary health-care service delivery for Syrian refugees and poor uninsured Jordanians, and to improve health sector efficiency.<sup>160</sup> From August 2016 to October 2018, over 7.2 million primary and secondary health-care services were delivered to Syrian refugees and uninsured poor Jordanians. A similar \$150 million Lebanon Health Resilience Project, with concessional financing of \$30 million, was recently approved to support the country's health strategy in reducing gender and income disparities in health-care access, providing better health-care services for underserved refugees and host communities, and addressing public hospital capacity constraints.<sup>161</sup>

***"It is revolutionary because, for the first time, we are following the people in need. A middle-income country that is hosting millions of refugees deserves subsidized credits....it is just, and it is a way for a global public good - the hosting of refugees - to be recognized by the international community."***

*-Kristalina Georgieva, Former Chief Executive Officer, World Bank*

The Syrian crisis stretched the delivery of social services in Jordan, causing high unemployment rates and slow job growth. The \$300 million Economic Opportunities for Jordanians and Syrian Refugees PforR, with concessional financing of \$51 million, aims to support the implementation of the Jordan Compact and provide economic opportunities for both Jordanians and Syrian refugees.<sup>162</sup> As of June 2019, the PforR has helped establish 800 household enterprises, 70 percent of which are led by women. About 173 were added to the Customs Golden List. The number of investments receiving investment facilitation by the Jordan Investment Commission also rose to 305.

***\$463 million allocated to IBRD, and through IBRD has made available \$2.3 billion on concessional terms for nine education, health, infrastructure, and livelihoods operations to address the impact of refugees in Jordan and Lebanon***

***"Not only did the revenue of the kitchen increase by almost 90%, I now have the financial means to send my 8 children to university."*** *-Fyrail, the owner of a successful home-based business, production kitchen*

<sup>159</sup> The MDBs include the European Bank for Reconstruction (EBRD), European Investment Bank (EIB), Islamic Development Bank (IsDB), and the World Bank.

<sup>160</sup> Parallel financing for this project was provided by both the World Bank (\$50 million) and the IsDB (\$100 million). Of the total concessional financing provided for the project (\$35 million), IsDB provided \$21 million and the World Bank \$14 million.

<sup>161</sup> Parallel financing for this project was provided by both the World Bank (\$120 million) and the IsDB (\$30 million). Of the total concessional financing provided for the project (\$30 million), IsDB provided \$6 million and the World Bank \$24 million.

<sup>162</sup> The Jordan Compact, an agreement between the Government of Jordan and development partners signed in February 2016, aimed to improve the lives and livelihoods of Syrian refugees and vulnerable Jordanians. A key element of the Compact was to turn the refugee crisis into an opportunity and enable the Syrians to contribute to the economy through their labor, skills, and consumption.



## Trust Fund Donors



Australia



Denmark



France



Germany



Netherlands



Norway



Sweden



Switzerland



United Kingdom



World Bank

**Global Theme:**  
Fragility, Conflict,  
and Violence



**Forward Look:** Pillar 3:  
Leading on Global Issues



**Value Proposition:**  
Crisis Response

## 31. State and Peacebuilding Fund

**The State and Peacebuilding Fund (SPF)**, established in 2008, is the WBG's largest global MDTF providing flexible and rapid engagement in countries affected by fragility, conflict, and violence (FCV). The SPF focuses on *state building* by improving governance and institutional performance in FCV-affected countries to boost resilience to internal and external stresses, and on *peacebuilding* by developing the socioeconomic conditions that foster peaceful, stable, and sustainable development. SPF has the flexibility to support a range of geographic areas,<sup>163</sup> use varied implementation models, and ensure broad thematic coverage, with adequate capacity to take risks and quickly mobilize financing across countries at all income levels. SPF serves as a catalyst for the delivery of IDA18 in FCV-affected countries. With an active portfolio of over \$80 million in commitments as of December 2018, SPF operates in 57 countries (of which 34 are IDA-eligible), addressing multiple forms of FCV, from subnational conflict to urban crime and violence, from refugee crises to cyclical fragility and post-conflict challenges. SPF continues to provide critical funding to single-country MDTFs. In 2019, SPF allocated \$3 million to ZIMREF, in response to Cyclone Idai.<sup>164</sup>

***"In the context of increased World Bank engagement and investments in FCV situations in the last decade, the SPF has maintained strong relevance and plays a strategic role in the FCV architecture within the Bank."** -Independent Evaluation of the State and Peacebuilding Fund, Universalis, February 2019*

Increasing engagement in FCV-affected countries was a core commitment of IDA18, and the WBG doubled its committed allocation of core funding for FCV-affected countries, from \$7 billion under IDA17 to \$14 billion. The SPF is a vital resource for leveraging the full benefit of IDA18 at the country level and supporting needed analytical work and partnerships with the UN, MDBs, civil society, and in-country stakeholders, as IDA18 called for. A critical aspect of the IDA18 work on fragility relates to analytical work through Recovery and Peacebuilding Assessments (RPBAs), which are jointly prepared with the European Union and the UN. The RPBAs help coordinate reengagement in countries or regions emerging from conflict or political crisis by helping them assess, plan, and prioritize long-term requirements under a common process, which is essential for sustainable peace. The IDA18 Agreement includes a monitorable action to undertake joint RPBAs as openings arise for engagement in the aftermath of conflict in IDA countries. The SPF provided \$2 million to an RPBA Support Facility to finance a broad range of RPBA-related activities. In the Central African Republic, the RPBA Support Facility enabled the Bank to step up its immediate support to the Government for implementing the National Recovery and Peacebuilding Plan. This mobilized \$2.2 billion in total pledges, including a special allocation from IDA18. In Cameroon, funding from the SPF RPBA Support Facility was instrumental in engaging the population in the RPBA planning process, including financing a household survey and a qualitative consultation process in four affected regions. In 2019, the Support Facility continues to support RPBAs in Zimbabwe, Iraq, the Philippines, and Libya.

SPF, in close collaboration with its strategic partner, the UN, developed the Humanitarian-Development-Peace Initiative (HDPI) to support joint activities that contribute to collective outcomes and deliver integrated responses in FCV situations. In the Lake Chad Region, SPF provided a cross-collaboration grant that builds the foundations for a regional recovery and development strategy in line with the WBG-UN Strategic Partnership Framework objective of strengthening collaboration and joint action in post-crisis and humanitarian settings.

To strengthen the understanding of refugee issues and help operationalize the strong emphasis on refugees in the IDA18 agreement, the SPF financed the Strategic Platform for IDA18 Refugee Sub-Window.<sup>165</sup> In 2018, eight countries became eligible for financing under the IDA18 Refugee Sub-Window:

*Supporting **57 countries**, including **34 IDA-eligible countries**, in addressing multiple forms of FCV.*

<sup>163</sup> World Bank Group Engagement in Situations of Fragility, Conflict, and Violence: An Independent Evaluation. 2014. [http://bit.ly/IndEval\\_WBGFCV](http://bit.ly/IndEval_WBGFCV)

<sup>164</sup> Cyclone Idai was one of the worst tropical cyclones on record to affect parts of Africa, including Mozambique, Zimbabwe, and Malawi. The long-lived storm caused catastrophic damage in these countries, killing over 1,300 people.

<sup>165</sup> The IDA18 Refugee Sub-window aims to assist refugees and host countries in managing the socioeconomic challenges of refugee influx, strengthen preparedness, and facilitate development opportunities for both communities.



Cameroon, Chad, Congo Republic, Djibouti, Ethiopia, Niger, Pakistan, and Uganda. Overall, SPF support to the Refugee Sub-Window in the amount of \$4.5 million includes a \$2.5 million allocation to the Strategic Platform under the IDA18 Refugee Sub-Window to work toward scaling up development response to forced displacement. The platform is working across five key areas to act as a one-stop shop for eligible countries by (a) developing forced displacement strategy notes; (b) providing technical assistance to country teams and governments; (c) organizing expert training for staff across GPs, Regions, and development partner agencies; (d) ensuring communication outreach and partnerships; and (e) establishing an innovation hub for the welfare of refugees and host communities.

## Trust Fund Donors



Canada



Switzerland



United Kingdom



United States

**Region:**  
SAR



**Forward Look: Pillar 3:**  
Leading on Global Issues



**Value Proposition:**  
Crisis Response

## 32. Nepal Earthquake Reconstruction Multi-Donor Trust Fund

The **Nepal Earthquake Reconstruction Multi-Donor Trust Fund** was established in the aftermath of the 2015 earthquake to support housing reconstruction efforts by the Government of Nepal. The MDTF has played a pivotal role in providing long-term support to the Government of Nepal's \$2 billion Housing Reconstruction Program to rebuild earthquake-resistant housing for 650,000 households in the 14 most affected districts. The program is based on an owner-driven housing reconstruction approach, to improve long-term resilience through a culture of safer and sustainable housing.

With total contributions of \$34.5 million as of FY18, the trust fund is supporting implementation of the ambitious \$500 million IDA Earthquake Housing Reconstruction Project that is financing reconstruction of 151,000 houses, more than 23 percent of the total houses being reconstructed, and is helping to develop a technical framework for the housing reconstruction program. Specifically, the MDTF has provided crucial support in carrying out an Earthquake Housing Damage Characteristics Survey in the 14 districts that were most affected by the earthquake, which served as a basis for the Government's overall housing reconstruction project; scaling up housing subsidies for safer reconstruction; and providing just-in-time technical assistance and advisory support to the National Reconstruction Authority on a range of topics.

The trust fund also cofinanced the IDA project with a \$10 million recipient-executed grant to provide housing subsidies to approximately 3,200 households, giving each affected household a housing reconstruction grant of around \$3,000. To determine eligibility, a comprehensive census of 800,000 households in earthquake-affected areas provided critical information on housing damage and the socioeconomic conditions of the affected population. A robust information management and multi-tier grievance redress system was established for timely remediation and course correction; of the more than 200,000 grievances that have been reported, 98 percent have been addressed. The funds flow to the affected beneficiaries is managed through digital recordkeeping and direct payments to the beneficiaries' designated bank accounts.

***"The housing grants will help cover more than half the cost of our new and safer home."** -Gayatri Dhungana, a housing grant beneficiary*

The quality of the reconstruction was ensured by deploying qualified engineers to targeted districts to oversee and facilitate the process, putting in place a high-quality inspection regime to ensure earthquake-resistant construction, and having a third-party monitoring agent conduct a quality audit of the reconstruction process. Mass awareness programs, trainings, and communication campaigns were organized to disseminate knowledge on safer construction practices and Government-approved design specifications.

The trust fund also contributed to (a) harmonizing development partner efforts by pooling financial and technical resources to collectively support the Government's reconstruction program and reducing transaction costs by working through a single, scalable funding facility; (b) effective coordination among development partners engaged in individual post-earthquake assistance, to avoid duplication; and (c) swiftly mobilizing experts and services, thus reducing the administrative burden on the National Reconstruction Authority and enhancing the transparency and accountability of the housing program. The large pool of risk-aware communities created with support from this trust fund will continue to influence new constructions beyond the completion of the project.

*Between FY15 and FY18, 3,200 households in Nepal each received a \$3,000 housing reconstruction grant to reconstruct earthquake-resistant housing in the affected areas.*



## Trust Fund Donors



**Global Theme:**  
Gender



**Forward Look:** Pillar 3:  
Leading on Global Issues



**Value Proposition:**  
Gender

### 33. Umbrella Facility for Gender Equality

**The Umbrella Facility for Gender Equality (UFGE)** is an MDTF established in 2012 to build awareness and knowledge of, and capacity for, gender-informed policymaking.<sup>166</sup> The UFGE is an important catalyst that pushes the frontiers of gender equality and promotes smart project design by equipping policymakers and development experts with data, research, evidence, and partnerships. Since its establishment, the UFGE has allocated \$131.6 million to 200 activities across 80 countries, sharpening policy focus on closing gender economic gaps. In total, UFGE has improved the targeting and effectiveness of 47 IBRD/IDA investments and helped 18 companies adopt new models for closing gender gaps in jobs and access to finance.

Generating evidence is critical for practitioners seeking effective solutions to address the gaps between men and women. Yet it has remained a key challenge, partly because doing it right is costly. To address this challenge, the Bank, with support from the UFGE, created Regional “Gender Innovation Labs” (GILs) to help integrate specific learnings from impact evaluations into the design and implementation of lending operations and programs.<sup>166</sup> GILs design, launch, and oversee impact evaluations to generate knowledge on which policies work (and which do not) for closing gender gaps in the economic sectors. Since 2013, GILs have begun 93 impact evaluations across AFR, EAP, LCR, MNA, and SAR and have supported the integration of learning from impact evaluations into the design and implementation of lending operations and programs of development partners. This evidence is designed to support government clients and partners in designing programs and policies that effectively close gaps between women and men. In Sub-Saharan Africa alone, \$2.17 billion in project financing has been directly influenced by GIL impact evaluations.

Enhancing women’s voice and agency—as expressed in freedom from violence, the ability to have voice and influence in governance and political processes, and the ability to exercise control on key decisions—is one of the four pillars of the WBG gender strategy. However, relatively few Bank-funded operations have addressed GBV. The UFGE helps fill this gap by developing the knowledge base on GBV through the GILs and country-based activities that test new ways of preventing GBV and changing societal norms. The work has informed good practice on the use of codes of conduct to mitigate risk of GBV as part of the Bank’s Environmental and Social Framework. To date, the UFGE has funded 11 World Bank operations that have integrated approaches to prevent or respond to GBV, and the lessons learned have been reflected in several World Bank programs. For example, in Brazil, municipalities in Piauí are adapting the community-based intervention SASA!, which has been shown to reduce intimate-partner violence, after this model was first adapted in Honduras with UFGE support.<sup>167</sup>

A wide range of factors – societal, cultural, legal, institutional, and regulatory – can constrain women from gaining employment. The UFGE supports governments and the private sector in identifying the factors that inhibit women’s participation in the labor market. This work includes research and pilots in 10 countries on the provision of care services for children and the elderly, which has helped strengthen care provision in WBG investment and policy operations in countries such as Burkina Faso, China, Jordan, Nicaragua, and Mongolia. In several cases, including in Nicaragua and China,

**80 countries** supported in enhancing knowledge about and awareness of, and building capacity for, gender-informed policymaking, equipping policymakers and development experts with gender-based research, evidence, and partnerships.

<sup>166</sup> GILs have been established in AFR (2013), SAR (2014), EAP (2016), and MNA and LCR (2018).

<sup>167</sup> SASA! is a community mobilization approach developed by an organization called the Raising Voices for Preventing Violence Against Women and HIV. SASA! is a Kiswahili word that means “now” and when used as an acronym identifies the four phases of the intervention: Start, Awareness, Support, Action.



the findings have informed lending operations, and evaluations of different forms of childcare provision are under way in Cambodia, Democratic Republic of Congo, and Mongolia.

In FY18 IFC published a report that highlights how employer-supported childcare is an incentive that can help companies attract and retain well-qualified people, boosting productivity and profitability.<sup>168</sup> Through the UFGE's private sector window, follow-up work is now being rolled out, including in Myanmar to help a leading corporation establish indicators, measure, and report on the business case for its childcare initiatives. Also financed by the UFGE, IFC's report *The Business Case for Women's Employment in Agribusiness* helped inform the creation of a large-scale women's employment program in March 2018. The program works with 14 manufacturing, agribusiness, and service companies that commit to recruiting, retaining, and promoting of women by installing family-friendly workplace policies and programs.

## Trust Fund Donor



United States

**Organization:**  
IFC



**Forward Look:** Pillar 3:  
Leading on Global Issues



**Value Proposition:**  
Gender

## 34. United States Agency for International Development - International Finance Corporation Grant Agreement

**The United States Agency for International Development (USAID)-IFC Grant Agreement** trust fund was established in 2015 to facilitate USAID's access to IFC expertise and Advisory Services in a range of areas, including investment climate, energy, public-private partnership, digital finance, and infrastructure. With an overall contribution of \$31.6 million as of FY18, the trust fund has supported numerous country-level activities to develop and implement key policies, action plans, and regulatory frameworks related to these areas, and has produced and disseminated key knowledge products, including flagship studies. In total, the trust fund has contributed to financing over 200 workshops, trainings, and conferences, producing 200 reports, and improving 200 sectoral country-level policies and practices.

In 2018, the trust fund supported the preparation and operationalization of the fifth edition of *Women, Business and the Law*,<sup>169</sup> a series of biennial flagship reports that measure the legal obstacles facing economically active women around the world. The dataset on which the reports are based provides information on gender inequality in the law, to support a better understanding of legal barriers that adversely affect women's economic participation and to encourage policymakers to reform these discriminatory laws and regulations. The USAID-IFC trust fund contributed to the 2016 and 2018 editions of the report.

The 2018 *Women, Business and the Law*<sup>170</sup> examined laws affecting women's economic inclusion in 189 economies worldwide, tracking past progress and identifying opportunities for reform to ensure economic empowerment for all. The report used newly collected data to examine how the legal and regulatory environment affects women's employment and entrepreneurship opportunities. It found that 104 economies prevent women from working in certain jobs, simply because they are women. In 59 economies there are no laws on sexual harassment in the workplace, and in 18 economies husbands can legally prevent their wives from working. Collecting these data led to a more nuanced view of how violence affects women's agency and economic participation. The report celebrates the progress that has been made, but also emphasizes the work that remains to ensure equality of opportunity.

***"Ultimately, the data show us that laws can be tools that empower women rather than hold us back from achieving our potential." -Kristalina Georgieva, Former Chief Executive Officer, World Bank***

***200 workshops, trainings and conferences organized, 200 reports published, and 200 sectoral country-level policies and practices improved with support from USAID-IFC Grant Agreement trust fund***

<sup>168</sup> IFC's report, *Tackling Childcare: The Business Case for Employer-Supported Childcare*, can be accessed at [http://bit.ly/IFC\\_tacklingchildcare](http://bit.ly/IFC_tacklingchildcare)

<sup>169</sup> For more information, see <https://wbl.worldbank.org/>

<sup>170</sup> *Women, Business and the Law*, 2018. <http://bit.ly/WBWB2018>



Building on the measurements of legal frameworks used in *Women, Business and the Law*, the World Bank Women, Business and the Law team, in collaboration with UN Women and the OECD, reclassified indicators measuring SDG Indicator 5.1.1, which tracks “whether or not legal frameworks are in place to promote, enforce, and monitor equality and non-discrimination on the basis of sex.” The reclassification provides greater conceptual clarity and ensures that the proposed indicators are based on internationally recognized methodology and standards. The trust fund contributed to developing the methodology and collecting data for the revised indicator. To develop the scoring methodology and coding and scoring guidelines, a questionnaire was developed and piloted in 89 countries. The data were further validated in 53 countries.

## Trust Fund Donors



African, Caribbean and Pacific Group of States (ACP) Secretariat



Austria



European Union



Norway



Switzerland

**Global Practice:**  
Finance, Competitiveness  
and Innovation



**Forward Look:** Pillar 3:  
Leading on Global Issues



**Value Proposition:**  
Jobs

## 35. Competitive Industries and Innovation Program

**The Competitive Industries and Innovation Program (CIIP)** was established in 2012 to support the design and implementation of public policies and investments that promote competitiveness and innovation in countries and high-potential industries, spur investments, enhance productivity, and create jobs. Understanding that 600 million new jobs will be needed over the next 15 years just to keep pace with the growth of the world’s working-age population, an increasing number of countries have shown that jobs can be created by focusing on competitiveness—the ability of firms to generate new investments and increase market share in goods and services through improved productivity.<sup>171</sup> The CIIP pushes the knowledge frontier on “what works” in competitiveness and innovation by sharing lessons in real time from its active country engagements and promoting cutting-edge operational research, and by raising awareness among global academic, policy, and industry actors. CIIP currently reaches 22 countries. Since its inception, CIIP has financed 82 grants in 40 countries, in turn leveraging over \$3 billion in public sector investments. CIIP financing has been used to streamline business licensing in Suriname’s fruit processing sector, design a PPP mechanism for infrastructure investment in Mauritania’s fisheries sector, and link textile SMEs with large foreign investors in Ethiopia’s Bole Lemi Industrial Park. These types of industry-specific interventions have led to the creation of over 30,000 jobs, trained more than 3,000 firms, and generated over \$100 million in new revenues from the sale of goods and services linked to operations in supported industrial parks.

Industrial parks are an important means of scaling up economic development and innovation in developing economies. CIIP’s engagement in Ethiopia started in 2013 in response to the Government’s request to support its efforts to contribute to job creation by attracting domestic and foreign direct investment and by improving enterprise competitiveness through industrial parks or economic zones. With the support of CIIP, the team conducted an extensive design review and helped develop the bidding documents for the construction of the Bole Lemi II and Kilinto industrial parks. Construction on both parks was completed in 2018. In addition, a branding strategy and a value proposition were developed to attract potential investors, targeting the garment and textiles sectors for Bole Lemi II and pharmaceutical manufacturing for Kilinto. When the two industrial parks become fully operational, they are expected to create at least 46,000 jobs, generating \$100 million in total sales revenue.

Natural resources and cultural heritage assets have significant potential to drive local and regional economic growth through tourism. In Albania, the Bank is contributing to this agenda through the \$79 million Integrated Urban and Tourism Development project, targeting tourism-related infrastructure improvements in selected tourism locations in the country. CIIP has supported this work by identifying 16 potential new products to offer tourists visiting Albania. An average of four jobs per tourist product is expected to be created and sustained. CIIP activities also defined the opportunity to develop partnership agreements with Airbnb and TripAdvisor that will support MSME training, and to raise destination profiles through online marketing. In 2016, Albania earned a record €1.5 billion (\$1.7 billion) from tourism, 13 percent

**30,000 jobs created,  
3,000 firms trained,  
and \$100 million  
generated in sales  
revenues by designing  
and implementing public  
policies and investments  
that spur productivity  
and create jobs.**

<sup>171</sup> *World Development Report 2013: Jobs*. The report may be downloaded from [http://bit.ly/WDR2013\\_Jobs](http://bit.ly/WDR2013_Jobs)



more than in 2015. Although the numbers seem impressive, Albania's tourists are mainly regional and highly seasonal—70 percent of tourists visit between June and August, and most head to the Albanian Riviera. CIIP funds supported a baseline survey to capture, among other data, the average daily spending per tourist, which is about €54 (\$60.70). By investing in potential activities identified through tourist product audits conducted with CIIP funds, the project aims to raise this daily spending by 50 percent.

## Trust Fund Donor



European Union

**Global Practice:**  
Social Protection  
and Jobs



**Forward Look:** Pillar 3:  
Leading on Global Issues



**Value Proposition:**  
Jobs

## 36. Emergency Employment Investment Project

**The Emergency Employment Investment Project (EEIP)** trust fund was established in 2013 with a total contribution of \$87 million to support the Government of Egypt in improving livelihoods opportunities for poor and vulnerable people by increasing the skills and employability of low-skilled labor and promoting social inclusion. The EEIP trust fund financed a stand-alone RETF grant of \$74.34 million to (a) create short-term employment opportunities for unemployed, unskilled, and semi-skilled workers in selected locations in Egypt; (b) enhance access to and maintenance of basic infrastructure and community services; and (c) improve the employability of young men and women through trainings and support services that facilitate transitions to wage and self-employment.

Following Egypt's January 2011 revolution, the deteriorating security situation and uncertainty slowed economic activity and increased poverty and unemployment in the country. By 2013, as continued political turmoil worsened Egypt's economy and the labor market, the official unemployment rate was estimated at 13 percent. Of the total 3.6 million unemployed people, 74 percent were youth between the ages of 15 and 29 years. Male and female unemployment rates also increased from 4 percent to 10 percent and from 22 percent to 25 percent, respectively, between 2010 and 2013. The high unemployment rates, particularly among women and youth, threatened to deepen the divisions in Egyptian society.

To support the Government, the EEIP trust fund was designed on an emergency basis to generate short-term employment opportunities for youth and people residing in poor regions. The trust-funded RETF grant complemented and permitted the scaling up of the ongoing \$193 million IBRD Emergency Labor Intensive Investment Project (effective December 2012), which shared similar objectives, activities, and implementation arrangements (including implementing agencies) and built on the approach adopted under the project.

Completed in January 2018, the support provided by the trust fund helped benefit 47,000 people, created 17 million person/days of work opportunities, and achieved an 80 percent job placement rate. The grant was particularly successful in improving the employability of young men and women, reaching an overall placement rate of 85 percent for youth and 62 percent for young women. Improvements in infrastructure and community services served 1.5 million families. In addition, 7,000 literacy classes were created to benefit 170 million youth, and 980 kindergarten classes benefited 31,000 children. The grant also addressed employment sustainability and demonstrated the importance of including the private sector and other entities in job creation.

The successful implementation of the EEIP trust fund helped inform the job creation objectives of the World Bank's Egypt Interim Strategy Note and the CPF FY15-FY19.

**47,000 people benefitted through improved livelihoods opportunities, 17 million person/days of work opportunities were created, and an 80 percent job placement rate was achieved improving employability of young men and women in Egypt.**



## Trust Fund Donors



Australia



Austria



Canada



ClimateWorks Foundation



Denmark



European Union



Finland



France



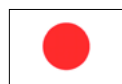
Germany



Iceland



Italy



Japan



Lithuania



Luxembourg



Netherlands



Norway



Sweden



Switzerland



The Rockefeller Foundation



United Kingdom



World Bank

**Global Practice:**  
Energy and Extractives



**Forward Look:** Pillar 3:  
Leading on Global Issues



**Value Proposition:**  
Infrastructure

## 37. Energy Sector Management Assistance Program

**The Energy Sector Management Assistance Program (ESMAP)** is an MDTF program that helps low- and middle-income countries reduce poverty and boost growth with sustainable energy. It provides technical assistance, advisory services, and cutting-edge knowledge in energy access, renewable energy, energy efficiency, and energy subsidy reform. ESMAP's analytical and advisory services are fully integrated into the Bank's energy sector work, informing billions of dollars of lending and influencing policy dialogue and technical assistance.

By the end of FY18, with the support of 20 donors, ESMAP had mobilized \$148 million (70% of the \$215 million target) for its FY17-FY20 business plan. In FY18 alone, ESMAP's active \$139 million portfolio supported 258 ASA activities. ESMAP activities informed an additional \$8.6 billion in Bank development financing and helped mobilize \$7 billion of external funding, including from the private sector. This in turn has provided approximately 56.5 million people with access to electricity.

In Tunisia, ESMAP supports the Government's efforts to reform energy subsidies and create an energy regulatory authority to improve the performance and financial viability of the energy sector. A planned connection linking Tunisia's electricity markets with Italy's could be key to helping Tunisia tap its significant solar potential and realize its ambitious energy targets—to generate 12 percent of electricity from renewables by 2020, and 30 percent by 2030. The \$13.4 million Tunisia-Italy Power Interconnector, a World Bank-financed project, is laying the groundwork for the proposed Elmed interconnector, a 600 megawatt undersea high-voltage direct current interconnector that will link Tunisia's power grid to the much larger European network.

Elmed will lower Tunisia's reliance on imported natural gas and will secure lower-cost electricity. It will diversify the energy mix through sustainable energy and better energy security. Integrating variable solar and wind energy into Tunisia's power system requires back-up by stable, complementary power sources, which Elmed will provide through a flexible and controllable high-voltage direct current interconnection. Once Tunisia has scaled up its solar power generation, it will export clean energy to Europe.

Under the project, ESMAP and the Global Infrastructure Facility (GIF) provide funding and technical assistance for critically important technical, environmental, social, and financial feasibility studies<sup>172</sup> that are needed to confirm the feasibility of the interconnector, optimize its design, and apply for European Union funding. The interconnector is expected to attract large-scale private sector investments in renewable energy generation in Tunisia, although the relative weakness of the national power utility, the single buyer, could hinder these investments.

Integrating regional electricity networks will ensure adequate and optimized electricity supplies in the long term. In the short term, the interconnector will increase energy security and integrated renewable energy, and will reduce the cost of electricity for Tunisians. The Elmed Interconnector is a potential driver for sustainable and integrated economic development within the entire Maghreb area.

**56.5 million people provided with access to electricity by supporting 258 ASA activities worth \$139 million, informing \$8.6 billion in Bank development financing, and mobilizing \$7 billion in external funding, including from the private sector**

<sup>172</sup> The GIF supports governments in bringing well-structured and bankable infrastructure projects to market. GIF's project support can cover the spectrum of design, preparation, structuring, and transaction implementation activities, drawing on the combined expertise of the GIF's technical and advisory partners and focusing on structures that can attract a wide range of private investors. To learn more, visit <https://www.globalinfrastructure.org/>



## Trust Fund Donors



Bloomberg  
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Motor Vehicle  
Inspection  
Committee (CITA)



United Kingdom

**Global Practice:**  
Transport and  
Digital Development



**Forward Look:** Pillar 3:  
Leading on Global Issues



**Value Proposition:**  
Infrastructure

## 38. Global Road Safety Facility Multi-Donor Trust Fund

The **Global Road Safety Facility (GRSF)** is a global partnership program that aims to address the growing crisis of road traffic deaths and injuries. Established in 2006, GRSF provided funding, knowledge, and technical assistance to low- and middle-income countries to build their scientific, technological, and managerial capacities. The trust fund provides funds externally for global, regional and country activities, and internally to Bank teams to (a) strengthen global, regional and country capacity to support sustainable reductions in road deaths and injuries in LMICs; (b) scale-up global road safety funding, coordination and advocacy mechanisms; and (c) mainstream road safety components in all World Bank financed road infrastructure projects.

Since its inception, the GRSF has improved road safety outcomes in 64 countries around the world, disbursing \$51 million to tackle the challenge.<sup>173</sup> GRSF has approved \$36 million in grants since 2006, of which 53 percent was provided to external entities. In FY19, GRSF managed 29 grants and disbursed over \$4 million. Under the GRSF-MDTF grant program, 16 grant proposals have been approved for the amount of \$2.75 million. It is estimated that each \$1 spent by GRSF has leveraged on average \$40 in additional funding for road safety. GRSF has also played a critical role in mainstreaming road safety in the Bank operations by supporting introduction of road safety related safeguard into the Bank system and developing Good Practice Note on road safety in Bank loans.

One of the major aims of the innovative research and development activities of the GRSF is to drive down the cost of International Road Management Program (iRAP)<sup>174</sup> surveys leading to improvement in road infrastructure safety, particularly in relation to rural or secondary roads. This effort is being supported by a partnership in Mozambique, where a web-based imagery platform, Mapillary, is being used to supplement the traditional iRAP surveying approach. It is to be used to improve road safety features of feeder road infrastructure supported through the \$150 million Integrated Feeder Road Development Project (IFRDP) in Mozambique. GRSF-MDTF support coupled with the use of iRAP surveys resulted in the development of innovative, low-cost tools for road safety assessments using automated analysis. This simplified methodology uses web-based tools and applications and has been tested on 500km of rural roads. It will be rolled out across World Bank projects in other African countries over the next several years. The IFRDP won the 2018 WBG President's award for innovation in recognition of scaling-up disruptive technologies in rural roads.

The GRSF-MDTF, in partnership with iRAP, supported the development of a road safety-screening tool for the design stage of road projects that was piloted in Kazakhstan. The tool helps improve designs for urban streets, address mobility needs for the vulnerable users, and strengthen crash data-systems and speed management activities. It provides WBG clients with online access to the advanced design verification tools via dedicated iRAP website to help inform sound road investment that saves lives and unlocks benefits to families, communities, businesses, and health systems.

Some other research and development activities in Mexico and Peru enhance safety of non-motorized road users and identify safety countermeasures for practical use, based on the iRAP model, where the concept of "Level of Traffic Stress" for cyclists when planning and designing bicycle facilities is being explored. GRSF-MDTF supported improvements and operational use of the cloud based open-source road crash data management platform DRIVER (Data for Road Incident Visualization, Evaluation, and Reporting). This crash data registration and management system was developed to improve the efficiency and effectiveness of vital crash data collection, analysis, and reporting. It was originally piloted in the Philippines and is now gaining interest in numerous other countries worldwide.

**Each \$1 spent by GRSF  
leverages on average  
\$40 in additional  
funding for road safety.**

<sup>173</sup> In total, 40 percent of the total disbursed funds were provided to external partners such as World Health Organization (WHO), Global Road Safety Partnership (GRSP), UN Regional Commissions, International Road Assessment Programme (iRAP), and others.

<sup>174</sup> iRAP is an organization that assesses roads all over the world to significantly reduce road casualties by improving the safety of road infrastructure.



## ANNEX 2: CASH CONTRIBUTIONS—IBRD/IDA TRUST FUNDS AND IFC TRUST FUNDS— BY DONOR, FY15-FY19 (US\$ MILLIONS)

Donor <sup>175</sup>	2015	2016	2017	2018	2019	Grand Total <sup>176</sup>
<b>IBRD/IDA TFs</b>	<b>3,411.8</b>	<b>3,039.4</b>	<b>2,758.1</b>	<b>2,787.7</b>	<b>3,850.6</b>	<b>15,847.6</b>
United Kingdom	779.9	637.6	430.0	278.5	659.8	2,785.8
United States	537.6	515.2	204.3	308.0	340.9	1,905.9
European Union	216.8	356.9	442.7	330.6	467.3	1,814.4
Norway	303.1	165.2	289.0	228.7	284.6	1,270.5
Germany	204.7	141.1	252.2	233.1	344.9	1,176.0
Japan	236.2	148.0	177.3	109.5	178.2	849.2
Netherlands	106.3	81.7	74.7	247.0	305.9	815.5
Australia	193.9	120.0	141.9	177.4	120.1	753.4
Sweden	146.4	94.0	117.8	130.3	225.6	714.1
Canada	106.4	138.6	74.1	130.6	181.2	630.9
Switzerland	87.3	117.4	92.5	69.0	86.1	452.3
Denmark	83.2	65.4	45.7	86.4	112.2	392.9
International Bank for Reconstruction and Development	86.6	81.0	15.5	61.5	96.5	341.1
Bill & Melinda Gates Foundation	26.0	55.4	43.2	98.2	103.5	326.3
Republic of Korea	49.4	48.7	54.8	40.6	61.9	255.2
The GAVI Alliance		34.0	34.5	5.4	68.3	142.2
Finland	42.0	21.2	27.1	35.2	10.5	135.9
United Nations Environment Programme	4.0	76.7	10.9	3.7	28.9	124.2
The Power of Nutrition	5.0	16.0	20.9	58.8	14.2	114.9
Italy	16.1	17.6	17.2	26.6	25.2	102.8
Private for-profit donors (including for carbon trust funds) <sup>177</sup>	14.6	19.0	29.0	18.6	15.6	96.8
France	35.2	11.1	3.8	19.4	19.1	88.7
Austria	19.6	13.9	8.4	15.8	17.9	75.5
China		10.0	40.0	1.0		51.0
New Zealand	7.3	1.6	4.5	11.5	5.0	30.0
The Mastercard Foundation	9.7	3.4	7.0	3.2	4.2	27.6
United Nations Development Programme	0.0	0.1	27.2			27.3
Ireland	6.7	6.3	4.9	3.5	4.1	25.5
The Susan Thompson Buffett Foundation					25.0	25.0
Children's Investment Fund Foundation	6.0	6.2	9.4	2.4		24.0

<sup>175</sup> The Sovereign donor names in this Annex are the same as listed in the WBG member list issued by the Corporate Secretariat of the WBG. Private organizations' names were checked with publicly available information from the Internet.

<sup>176</sup> Due to rounding, figures presented may not add up to total/s and may not match one to one with similar information in other parts of the report.

<sup>177</sup> Represents total contributions from private for-profit donors (including donors to the carbon trust funds). Due to donor confidentiality agreement, these donors are not individually listed.



Donor	2015	2016	2017	2018	2019	Grand Total
Nordic Development Fund	13.5		10.1			23.5
Russian Federation	13.2	2.2	6.0	1.5		22.8
Belgium	6.4	3.1	3.3	6.2	3.3	22.4
The Joint United Nations Program on HIV/AIDS	7.7	4.2	1.9	4.1	2.2	20.0
Kuwait	15.0		1.4	0.5	1.2	18.0
Global Fund			1.0	12.5	2.0	15.5
The Bloomberg Family Foundation, Inc.	3.8	3.4	2.1	3.4	2.0	14.7
International Federation of Pharmaceutical Manufacturers and Associations			8.0	3.0	3.0	14.0
Luxembourg	1.7	3.5	2.9	3.3	0.8	12.1
Singapore		4.0	6.0			10.0
Rockefeller Foundation	4.5		5.3			9.8
Spain					8.0	8.0
Iceland	1.1	0.8	1.0	1.4	2.4	6.6
European Bank for Reconstruction and Development	2.5	2.2				4.7
Sir Ratan Tata Trust		3.0		1.0	0.5	4.5
Czech Republic	0.9	0.8	0.8	0.9	0.9	4.3
International Fund for Agricultural Development	1.0	0.5		1.6	0.5	3.6
Korea Development Institute	0.7	0.7	0.7	0.7	0.7	3.5
Israel					3.0	3.0
Vital Strategies				2.0	1.0	3.0
Estonia	0.9	0.8	0.8		0.5	3.0
Wellspring Philanthropic Fund				1.5	1.3	2.8
European Investment Bank	0.5	0.6	1.0	0.7		2.7
William and Flora Hewett Foundation	0.8	0.8		1.0		2.5
World Health Organization	0.7	0.6	0.5	0.6	0.3	2.5
Climate Cent Foundation	0.4	0.2	0.3	1.2	0.2	2.4
United Nations Children's Fund				1.5	0.8	2.3
African Development Bank		0.1	1.3	0.5	0.4	2.3
Citi Foundation, Citigroup Inc.	0.3	0.3	0.6	0.5	0.2	1.7
MetLife Foundation			0.2	0.8	0.7	1.7
Inter-American Development Bank	0.4	0.3	0.4	0.3	0.3	1.7
Poland	0.6	0.2	0.2	0.3	0.3	1.6
Indonesia	1.5					1.5
PepsiCo Foundation					1.5	1.5
Ford Foundation	0.3	1.1				1.4
Mexico	0.1	0.5		0.6		1.2
United Nations Office for Project Services	0.4		0.2	0.5		1.1
New Venture Fund					1.0	1.0
Aliko Dangote Foundation					1.0	1.0
South Africa	1.0					1.0
Slovak Republic		0.5			0.5	1.0
International Monetary Fund			0.3	0.3	0.3	0.9
India	0.2	0.5			0.2	0.8
World Food Programme					0.8	0.8
Participation Banks Association of Turkey	0.2	0.2	0.2	0.2		0.8



Donor	2015	2016	2017	2018	2019	Grand Total
United Nations High Commissioner For Refugees	0.4	0.1	0.1	0.2		0.8
ClimateWorks Foundation					0.8	0.8
Open Society Foundations					0.7	0.7
Michael & Susan Dell Foundation		0.2	0.4			0.5
GSM Association			0.2	0.3		0.5
Kingdom of Saudi Arabia	0.5					0.5
Syngenta Foundation For Sustainable Agriculture		0.1	0.1	0.1	0.2	0.4
The Association of Capital Market Intermediary Institutions	0.1	0.1	0.1			0.4
FIA Foundation		0.2	0.2			0.3
Serbia				0.2	0.2	0.3
United Nations Human Settlements	0.1	0.3				0.3
United Nations Capital Development Fund		0.2			0.1	0.3
The International Motor Vehicle Inspection Committee				0.1	0.2	0.3
Credit Suisse Foundation					0.3	0.3
National Graduate Institute for Policy Studies	0.3					0.3
The Aga Khan Foundation U.S.A.			0.3			0.3
Croatia	0.1	0.1				0.2
Portugal	0.2					0.2
Nigeria		0.1				0.1
Liechtenstein				0.1		0.1
Gabon	0.1					0.1
Philippines	0.1					0.1
Jordan	0.1					0.1
The Nature Conservancy	0.1					0.1
Latvia					0.0	0.0
Timor-Leste			0.0		0.0	0.0
Bertelsmann Stiftung Foundation		0.0				0.0
Dominican Republic	0.0					0.0
Albania	0.0					0.0
<b>IFC TFs</b>	<b>271.4</b>	<b>318.5</b>	<b>268.4</b>	<b>334.5</b>	<b>446.8</b>	<b>1,639.6</b>
IFC	31.5	66.6	63.0	77.5	120.0	358.6
United Kingdom	47.6	43.9	29.3	43.2	50.3	214.4
Switzerland	39.1	38.2	37.8	38.5	30.8	184.4
European Union	10.7	7.1	5.2	51.0	74.2	148.3
Netherlands	20.9	19.8	13.2	13.3	42.1	109.3
Australia	23.9	18.6	20.4	14.6	10.5	88.0
Canada	12.2	21.2	16.2	9.9	3.2	62.6
Japan	6.0	10.6	16.6	13.2	10.4	56.8
Norway	13.9	8.1	1.7	12.7	11.7	48.2
United States	6.0	11.5	14.0	8.3	6.1	46.0
Germany	0.2	0.3	2.6	12.1	27.6	42.9
Austria	10.1	8.1	11.7	6.4	5.5	41.7
Sweden	6.1	4.8	2.9	3.2	11.4	28.4
Denmark	7.5	3.9	0.4	5.0	10.4	27.2
The Mastercard Foundation	4.7	4.3	5.4	9.3	0.0	23.7
Italy		15.0	4.0	0.6		19.6



Donor	2015	2016	2017	2018	2019	Grand Total
Bill & Melinda Gates Foundation	7.6	5.8	2.6	0.9	1.4	18.4
New Zealand	1.4	4.6	2.1	2.6	5.2	15.9
Hungary		7.0	7.0			14.0
Luxembourg		1.9	1.9	4.2	4.5	12.6
Rockefeller Foundation	8.0	2.0				10.0
IBRD	1.6	1.6	2.0	2.0	2.0	9.2
France	1.2	1.1	1.0	1.2	1.1	5.7
Marie Stopes International	2.1	3.0	0.6			5.7
Ireland	1.2	1.0	1.0	1.1	1.1	5.3
Benin					5.1	5.1
United Nations Office for Project Services	2.6	1.0		0.6		4.2
Private Infrastructure Development Group					3.3	3.3
Republic of Korea					3.0	3.0
BHP Billiton Foundation				1.9	0.6	2.6
Goldman Sachs Foundation		2.5				2.5
IKEA Foundation					2.5	2.5
Coca-Cola Company	0.8	0.8	0.8			2.3
Dingyi Venture Capital (HK) Limited	2.0					2.0
Israel			1.0	0.8		1.8
Trade Mark East Africa	0.3	1.0			0.4	1.6
Nestlé SA	0.5	0.5	0.5			1.5
PepsiCo Foundation	0.5	0.5	0.5			1.5
Finland	0.1	0.1	0.1		1.0	1.3
Development Finance Corporation					1.1	1.1
Slovak Republic		1.1				1.1
Colombia			1.0			1.0
William and Flora Hewett Foundation		0.5	0.5			1.0
Grundfos Holding A/S			1.0			1.0
Dow Chemical Company			0.3	0.2		0.5
Financial Sector Deepening Trust	0.3					0.3
Global Green Growth Institute	0.3					0.3
BP Exploration Limited	0.2	0.1				0.2
SG Hambros Trust Company Limited		0.2				0.2
SAB Miller India Limited		0.1				0.1
Korea Energy Management Corporation	0.1					0.1
International Labour Organization	0.0	0.0	0.0	0.0	0.0	0.1
International Trade Centre	0.0	0.0		0.0	0.0	0.1
Belgium <sup>178</sup>					0.0	0.0
United Nations Food and Agriculture Organization	0.0	0.0		0.0	0.0	0.0
The United Nations Industrial Development Organization	0.0	0.0	0.0	0.0		0.0
United Nations Development Programme	0.0					0.0
<b>Grand Total</b>	<b>3,683.2</b>	<b>3,357.9</b>	<b>3,026.4</b>	<b>3,122.2</b>	<b>4,297.4</b>	<b>17,487.1</b>

<sup>178</sup> Due to rounding, contributions below \$50,000 are displayed as \$0.0. For instance, Belgium's total contribution was \$45,000 between FY15 and FY19.



## ANNEX 3: CONTRIBUTIONS—FINANCIAL INTERMEDIARY FUNDS—BY DONOR, FY15-FY19 (US\$ MILLIONS)

Donor <sup>179</sup>	FY15	FY16	FY17	FY18	FY19	Total <sup>180</sup>
<b>FIFs</b>	<b>8,594.6</b>	<b>6,877.9</b>	<b>7,096.9</b>	<b>7,699.0</b>	<b>6,995.2</b>	<b>37,263.6</b>
United States	2,328.4	2,516.7	1,914.7	376.3	297.5	7,433.6
United Kingdom	1,637.7	1,036.4	723.6	708.3	642.1	4,748.1
Global Fund	151.4	14.1	970.0	2,135.2	2,813.4	6,084.1
Japan	328.4	635.0	583.0	951.4	294.3	2,792.0
Germany	525.6	667.2	547.1	719.9	487.9	2,947.7
France	564.1	257.9	355.1	738.2	313.0	2,228.3
Sweden	830.7	129.5	337.9	210.9	375.0	1,884.0
Canada	333.1	343.3	256.2	83.5	199.3	1,215.4
Netherlands	285.5	137.1	215.0	212.5	161.0	1,011.1
Norway	285.9	211.0	163.7	276.7	277.7	1,215.0
Italy	221.5	144.3	158.1	216.6	196.3	936.9
Australia	249.4	127.6	80.0	128.1	78.0	663.1
Bill & Melinda Gates Foundation	100.8	95.1	83.2	183.9	96.7	559.7
Denmark	89.8	67.7	94.4	117.4	171.7	541.0
Switzerland	80.3	137.0	113.0	74.1	66.9	471.3
European Union	26.8	6.9	90.7	186.8	70.4	381.6
Belgium	149.4	51.5	99.2	89.6	44.0	433.8
IBRD	63.5	30.0	30.0	30.0	30.0	183.5
Spain	67.0	18.0	44.7	48.3	67.1	245.1
Finland	43.4	59.1	8.7	23.8	32.9	167.9
Austria	24.3	31.1	34.1	26.9	22.5	138.8
Ireland	29.4	19.8	23.1	14.1	19.8	106.3
Republic of Korea	26.6	23.1	17.6	14.5	59.3	141.1
China	12.7	17.6	17.8	20.0	18.5	86.5
India	13.6	18.7	10.5	11.4	11.1	65.2
Russian Federation	11.5	8.0	8.0	20.5	11.00	59.0
Kingdom of Saudi Arabia	22.4	8.0	-	10.0	10.0	50.4
IDA	-	-	50.0	-		50.0
Luxembourg	13.5	9.1	13.1	7.7	12.8	56.4
International Fund for Agricultural Development	5.8	5.4	8.6	12.1	10.8	42.7
New Zealand	6.4	5.0	1.5	9.1	9.7	31.7
Mexico	16.2	10.0	1.0	-	18.1	45.3
Indonesia	6.0	7.2	2.9	-		16.1
United Nations Foundation	1.3	0.2	0.5	0.0	0.1	2.2

<sup>179</sup> The sovereign donor names in this Annex are the same as listed in the WBG member list, issued by the Corporate Secretariat of the WBG. Private organizations names were checked with publicly available information from the Internet.

<sup>180</sup> Due to rounding, figures presented may not add up to total/s and may not match with similar information in other parts of the report.



Donor	FY15	FY16	FY17	FY18	FY19	Total
World Health Organization	-	-	-	-	-	-
Other income to CGIAR <sup>181</sup>	3.3	4.4	4.5	5.4	5.9	23.5
South Africa	3.1	2.6	2.6	2.6	2.7	13.6
The Wellcome Trust				15.0	5.0	20.0
United Arab Emirates	1.5	1.5	1.0	10.0	43.0	57.0
Brazil	1.1	-	3.1	-	2.5	6.6
Czech Republic	3.8	3.3	1.2	1.4	1.3	11.0
Merck & Co., Inc.	3.1	3.1	-	-		6.3
Côte d'Ivoire	1.9	1.8	1.7	0.6	0.0	6.1
CGIAR System Organization	-	-	7.4	-	7.5	14.9
Slovenia	1.4	1.2	1.2	1.3	1.4	6.6
The Children's Investment Fund Foundation	5.0	-	1.0	-	2.0	8.0
Pakistan	1.5	1.5	1.5	1.3		5.8
Thailand	1.6	1.6	0.1	0.1	0.1	3.5
Government of Quebec	-	-	4.7	-		4.7
African Development Bank	1.2	0.6	-	-		1.8
Hungary	-	-	3.5	-		3.5
Portugal	1.0	2.2	-	-		3.2
Islamic Republic of Iran	0.4	0.3	0.8	1.5	0.6	3.7
Turkey	0.5	0.5	0.5	0.5	0.5	2.5
Morocco—Institut national de larecherche agronomique	1.0	0.5	0.5	0.5	1.0	3.5
Climate Cent Foundation	2.5	-	-	-		2.5
Kenya	2.0	-	-	-		2.0
Iceland	0.3	0.3	0.6	0.1	0.2	1.5
Sudan	0.5	0.5	0.5	-		1.5
Sabin Vaccine Institute	-	-	-	-		-
The END Fund	0.7	0.7	-	-		1.4
Kuwait	0.6	-	0.0	-		0.6
Namibia	-	1.0	-	-		1.0
Estonia	-	1.1	-	-		1.1
Monaco	0.3	-	0.8	-	0.9	1.9
Dubai Cares	-	-	1.0	-	0.5	1.5
Panama	0.5	-	0.5	-		1.0
Zimbabwe	1.0	-	-	-		1.0
Bangladesh	0.1	0.3	0.1	0.1		0.6
Arab Bank for Economic Development in Africa	0.6	-	-	-		0.6
Alliance for Open Society International	-	-	0.5	-	1.0	1.5
Liechtenstein	0.1	0.2	-	-		0.3
Sight savers (formerly known as Royal Commonwealth)	0.3	-	-	-		0.3
Latvia	0.4	-	-	-		0.4
Cyprus				0.4		0.4
Nigeria	0.2	-	-	-		0.2
Rockefeller Foundation	-	-	0.4	-		0.4

<sup>181</sup> Represents share of administrative budget pertaining to funders contributing directly to the CGIAR Centers and received by the Trust Fund through the Consortium.



Donor	FY15	FY16	FY17	FY18	FY19	Total
Rwanda	-	-	-	-		-
Chile	0.3	-	-	-		0.3
Colombia	-	-	0.3	-		0.3
Malta	-	0.1	0.1	0.1	0.2	0.5
Lithuania	-	0.1	-	-		0.1
Bulgaria	-	0.1	-	-		0.1
Poland	0.1	-	-	-		0.1
CAF (Corporación Andina de Fomento) Development Bank Latin America	0.1	-	-	-		0.1
Romania	-	-	0.1	-		0.1
Mongolia				0.0		0.0
Georgia <sup>182</sup>	-	-	-	-		-

<sup>182</sup> Due to rounding of numbers, some of the contributions below \$500,000 are displayed as \$0.0. For instance, Georgia's total contribution was \$20,000 between FY15 and FY19.



## ANNEX 4: GLOSSARY OF KEY TERMS

Term	Definition
Administration Agreement/ Arrangement	An agreement or arrangement between a World Bank entity, as trustee, and a donor, setting forth specific terms for the receipt and use of a specific contribution for a specific trust fund.
Advisory services and analytics	ASA are nonlending activities of the World Bank that support clients with advice and analysis to design or implement better policies, strengthen institutions, build capacity, inform development strategies or operations, and contribute to the global development agenda.
Bank-executed trust fund	Funds that support the World Bank's work program.
Cash and investments	The trust fund's share in the comingled cash and investment pool.
Cash contributions	Cash contributions include encashment of promissory notes and cash receipts from donors and do not include transfers from FIFs to WBG trust funds as an implementing agency.
Cash transfers	Cash transfers to other internal and external organizations such as international finance institutions, United Nations, IMF, etc.
Cofinancier	An outside party providing funds in a cofinancing agreement/arrangement.
Cofinancing	Cofinancing is financing referred to and specified in the Loan or Grant Agreement provided or to be provided for the project by the cofinancier. If the Loan or Grant Agreement specifies more than one such financing, cofinancing refers separately to each of such financings.
Commitment	A commitment is a financial liability created as a result of the approval of funding by the trust fund, based on its decision-making processes.
Contributions receivable	Contributions receivable are any portion of a contribution that is not a qualified contribution, to be received in the form of cash or a promissory note.
Country engagement	Country engagement refers to country and regional work programs, such as lending, supervision, and ASA.
Cross-Cutting Solution Areas	The World Bank's operational units working in the areas of fragility, conflict and violence, gender, and public-private partnerships. These units were grouped under the Cross-Cutting Solution Areas until the end of FY17.
Disbursement	Cash payment to a recipient based on a commitment by the trust fund.
Financial intermediary fund	FIFs are financial arrangements that leverage a variety of public and private resources in support of global development initiatives and partnerships. These funds may involve financial engineering or complex finance schemes. The World Bank provides a specified set of administrative, financial, and/or operational services for these funds.
Financial intermediary fund commitment	A commitment is a financial liability created as a result of the approval of funding by a governing body of a FIF or a legal secretariat, based on its decision-making processes.
Fiscal year	The WBG fiscal year runs from July 1 to June 30 of the subsequent calendar year.



Term	Definition
Freestanding trust fund	A freestanding trust fund supports a specified activity or set of activities in a specific country, region, or globally. The uses of the fund's activities are known up front and are specified in the Administration Agreement and any Grant Agreement for the trust fund.
Funds held in trust	FHIT comprise cash, investments, and promissory notes receivable at the end of the fiscal year. It includes transfers from FIFs to trust funds for which IBRD/IDA is an implementing entity.
Global engagement	Global engagement is funding for global activities that are not demanded by a specific borrower country, such as global knowledge, research and development, and global advocacy.
Global Practices	World Bank operational units in the practice areas of Equitable Growth, Finance and Institutions, Human Development, and Sustainable Development.
Global Themes	World Bank operational units in the thematic areas of Climate Change; Fragility, Conflict and Violence; Gender; Jobs; and Infrastructure, Public-Private Partnerships, and Guarantees. These units were grouped under Global Themes in FY18.
Grant Agreement	An agreement between a World Bank entity, as trustee, and a recipient for the granting of funds by the trustee to the recipient under terms that involve trustee responsibility (including supervision) post-transfer.
International Bank for Reconstruction and Development	IBRD is a global development cooperative owned by 189 member countries, the largest development bank in the world. It provides loans, guarantees, risk management products, and advisory services to middle-income and creditworthy low-income countries, and also coordinates responses to regional and global challenges.
International Bank for Reconstruction and Development/International Development Association trust fund	A trust fund for which IBRD/IDA implements or supervises the activities financed. IBRD/IDA trust funds disburse through Bank-executed or recipient-executed trust funds.
International Development Association	IDA is the part of the World Bank that helps the world's poorest countries. Overseen by 173 shareholder nations, IDA aims to reduce poverty by providing loans at concessional rates (called "credits") and grants for programs that boost economic growth, reduce inequalities, and improve people's living conditions.
IDA18	The most recent replenishment of IDA's resources, which covers the 3-year period from FY17 to FY20
International Finance Corporation	IFC, a member of the WBG, is the largest global development institution focused exclusively on the private sector in developing countries.
International Finance Corporation trust fund	A trust fund administered by IFC. Please note that IFC trust funds used for investment initiatives are not included in this report.
Institutional governance and administration costs	Institutional governance and administration costs are charges incurred by institutional, governance, and administrative expenses units, such as the Information and Technology Solutions unit, General Services Department, in support of the World Bank's operational units.
Implementing Entity of a FIF	Any entity receiving funds from a FIF trust fund that is responsible for managing those funds for project activities approved by the governing body.
Intergovernmental institutions	Institutions composed primarily of sovereign states or other intergovernmental organizations—for example, the European Union, Organization of Petroleum Exporting Countries, or Organisation for Economic Co-operation and Development.
Investment income	Returns (realized and unrealized) on cash and investments, allocated to individual trust funds.
Millennium Development Goals	The MDGs were the eight international development goals for the year 2015 that were established following the Millennium Summit of the United Nations in 2000 and the adoption of the United Nations Millennium Declaration. All 191 United Nations member states at that time, and at least 22 international organizations, committed to help achieve the MDGs by 2015.



Term	Definition
Multidonor trust fund	A trust fund that may receive contributions from more than one donor, whose funds are pooled under a single set of agreed terms.
Multilateral Investment Guarantee Agency	MIGA is a member of the World Bank Group. Its mission is to promote foreign direct investment into developing countries to help support economic growth, reduce poverty, and improve people's lives.
Multilateral Investment Guarantee Agency trust fund	A trust fund administered by MIGA.
Nonlending technical assistance	Activities to improve policy and project design and to build the skills and capacity of implementing partners. This assistance helps client counterparts create an enabling environment for policy change, strategy setting, and appropriate implementation of development projects and programs.
Parallel accounts	To apply the World Bank's new cost recovery framework on additional contributions to an existing trust fund ("original trust fund"), a new parallel trust fund account is established for the purposes of receiving new donor contributions to trust funds that had "old" cost recovery arrangements. For this group of trust funds, there are then essentially two trustee-level accounts (until the older one is fully disbursed).
Pledge	A donor's expression of its intention to make a contribution.
Programmatic trust fund	A programmatic trust fund finances multiple grants under a two-stage mechanism. In the first stage, one or more development partners agree to a thematic framework with criteria for supporting a program of activities. The development partners commit their funds to the trust fund on this basis. In the second stage, grants are approved for specific activities on the agreed criteria.
Project approval date	The date on which the Board/Regional Vice President approves the project.
Project effectiveness date	Date when the loan becomes effective.
Promissory note	A document consisting of a promise to pay that is non-interest-bearing and payable on demand.
Promissory notes encashment	The drawdown of cash under a promissory note or letter of credit.
Promissory notes receivable	The balance of promissory notes not yet received in cash.
Qualified contribution	A contribution, or installment, subject to final approval by the relevant authorities of the donor, as specified in the Administration Agreement/Arrangement or qualified instrument of commitment.
Recipient-executed trust fund	Funds that the World Bank passes on to a third party and for which the World Bank plays an operational role—that is, the World Bank normally appraises and supervises activities financed by these funds.
Regions	Six World Bank operational units in the regional geographies of Africa, East Asia and Pacific, Europe and Central Asia, Latin America and Caribbean, Middle East and North Africa, and South Asia.
Results framework	An explicit articulation (in the form of a matrix) of the different levels, or chains, of results expected from the activities funded by the trust fund. The results framework reflects a trust fund's logic or theory of change as well as the assumed causal linkages between outputs and intended outcomes.
Single-donor trust fund	A trust fund established to receive contributions from a single donor.
Stand-alone recipient-executed trust fund	Stand-alone RETFs provide grants to support countries, sectors, or focus areas where the World Bank's resources are limited by the IBRD/IDA assistance envelope. They allow the World Bank to fund nontraditional recipients like nongovernmental organizations that may not be able to implement large-scale projects through regular World Bank instruments
Standard trust funds	A financing arrangement set up to accept contributions from one or more development funders to be held and disbursed/transferred by a WBG entity as a trustee in accordance with agreed terms. Standard trust funds exclude parallel accounts; administrative accounts; holding, investment, prepaid, and suspense accounts; carbon holding and prepaid accounts; and accounts established for FIF secretariats.



Term	Definition
Sustainable Development Goals	The SDGs are a set of 17 global goals that are measured by progress against 169 targets. The SDGs cover a broad range of social issues, such as poverty, hunger, health, education, climate change, gender equality, and social justice.
Trust fund	A financing arrangement set up to accept contributions from one or more donors to be held and disbursed/transferred by a WBG entity as trustee in accordance with agreed terms.
Trustee	The WBG entity given the legal obligation to administer funds in accordance with agreed terms.
Undisbursed commitment	Balance of commitment(s) pending disbursement or transfer.
World Bank trust fund	A trust fund administered by either IBRD/IDA or MIGA.
World Bank Group trust fund	A trust fund administered by IBRD/IDA and/or MIGA and/or IFC.









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