

**A GUIDE FOR DEVELOPMENT PARTNERS**

**PARTNERING WITH THE WORLD BANK THROUGH TRUST FUNDS AND UMBRELLA 2.0 PROGRAMS**

# **ANNEX 1**

# **GUIDANCE ON GOVERNANCE IN WORLD BANK TRUST FUNDS**

**Trust Funds & Partner Relations  
Development Finance**



**WORLD BANK GROUP**

## Abbreviations and Acronyms

DFi	Development Finance Vice-Presidency
GP	Global Practice
LEG	Legal Department
PC	Partnership Council
SC	Steering Committee
TAG	Technical Advisory Group
TCC	Technical Coordination Committee
TF	Trust Fund
TO	Transfers-out
TTL	Task Team Leader

# GUIDANCE ON GOVERNANCE IN WORLD BANK TRUST FUNDS

## Section I – Definitions

**Consensus:** is a procedure for adopting a decision(s) made by the governing body of a TF when no member(s) in the decision-making process blocks a proposed decision. Consensus does not imply unanimous agreement.

**Global Public Goods:** include commodities, resources, services and systems of rules or policy regimes with substantial cross-border externalities that are important for development and poverty-reduction, and that can be produced in sufficient supply only through cooperation and collective action by developed and developing countries.

**TAG:** Technical Advisory Group: A TAG is established under specific circumstances to: (a) provide technical advice/ input on the direction and priorities of the Umbrella Program; and (b) serve as a platform for exchanging views and leveraging practical knowledge, expertise and experience from relevant sectoral/thematic experts on technical aspects of an Umbrella Program that complements Bank's expertise.

**TCC:** Technical Coordination Committee: The main objective of a TCC of an Umbrella Program is to serve as a platform for coordination among Bank country teams, country-based Donor counterparts, client countries' government ministries/agencies, recipients, and other stakeholders to discuss technical and operational aspects of country projects or activities, as appropriate, with a view to an open and collaborative dialogue and knowledge exchange on such activities in client countries, where a suitable alternative mechanism is not available.

## Section II – Scope

### A. General Considerations

1. Governance refers to decision-making and consultation arrangements between the Bank and Donor related to a TF's or Umbrella Program's operations.
2. TF Governance is determined prior to the establishment of a TF, in agreement with Donors and described in the Administration Agreement. The upfront negotiated terms, reflected in the Administration Agreement, allow the Bank to directly follow through on efficient implementation and coordination as soon as funds are received.
3. A TF may or may not require TF Governance depending on whether the activities financed by the TF are programmatic in nature or predefined by the Bank and the Donors at the establishment stage and reflected in the Administration Agreement. Irrespective of the governance arrangements of a TF, the Bank always provides financial and progress reports to Donors, as stated in the standard provisions of the Administration Agreement.
4. Governance arrangements aim at cost-effective administration, effective communication and transparent decision-making over the life cycle of a TF.

### B. Principles for Governance Arrangements

5. *Role of the Governing Body:* The governing body is responsible for:
  - a. providing strategic guidance and direction on the implementation of TF activities. This may include:
    - (i) providing advice on setting priorities in response to emerging needs within the scope of the TF;
    - (ii) identifying areas (thematic and/or geographic) where more attention is desirable based on progress against the Results Framework; and
    - (iii) providing feedback on the selection criteria to guide the project/activity-level allocations process (when applicable).

- b. providing input into the Results Framework and the Communications and Visibility Plan, which are developed in consultation with the governing body. These documents may be modified over the life of the TF to reflect Donor guidance and/or respond to changing circumstances, including contribution levels and new implementation opportunities and/or challenges. Any changes are discussed with the governing body.
  - c. reviewing annual financial and progress reports. When it comes to making decisions on work plans and budgets, Donors endorse work plans and budgets presented by the Bank for TFs to which they contribute. These documents provide the basis for decision-making and guidance by the governing body.
6. Consultation: Consultation is an important foundation for decision-making by the governing body. Meeting materials are submitted to governing body members at least 10–15 business days in advance of the meeting or as agreed between the Bank and Donors. This allows the Bank to consult Donors in advance of the governing body meetings and ensure sufficient time is provided to the Donors to review and provide feedback ahead of the governing body meeting and, to the extent possible, revise the documents to reflect Donor comments before they are endorsed. After the governing body meeting, the Program Management Team prepares a summary of the meeting and shares it promptly with Donors, along with any revised documents, as consistent with the decisions taken at the governing body meeting.
  7. Decision-making: Decisions are made by consensus during meetings or by virtual “no objection” processes conducted by email between meetings. The Bank, as Chair of the governing body, plays a facilitating role in helping the Donors arrive at consensus. Members may abstain from decision-making without formally objecting. In this case reservations are recorded in the minutes of the meeting. Should the governing body be unable to arrive at a consensus decision, the Bank continues discussions with members on the matter of disagreement with the aim of forging a consensus if possible; however, implementation on all other activities for which consensus is reached continues as planned.
  8. Composition of the Governing Body: The governing body is comprised of the Bank (as Chair), Donors and in some cases other relevant stakeholders. For single country TFs, the recipient representative may be part of, or in some cases co-Chair, the governing body. In cases when a co-Chair is designated, the Bank presides over the governance body meetings. The Bank is responsible for keeping the governing body informed of any changes to its membership to ensure openness and transparency.
  9. Chair: The role of the Chair of the governing body is to facilitate participation and dialogue in meeting discussions and to facilitate decision-making by consensus. The Chair presides over the governing body meetings and may invite technical experts and other stakeholders to join the meeting, in consultation with the governing body, on an as needed basis. See paragraph 33(a) for more information on nominating a co-Chair for the governing body meetings.
  10. Stakeholders: Other stakeholders (e.g., client country representatives, United Nations, representatives of civil society or nongovernmental organizations, private sector representatives<sup>1</sup>) may be invited by the Bank, in consultation with Donors, to attend governing body meetings in a non-decision-making role. Decisions on inviting other stakeholders are handled on a case-by-case basis taking into consideration potential conflict of interest and other risks.
  11. Private Donors: The Bank may accept a TF contribution from a private entity, subject to a due diligence review. The Bank’s due diligence process is used to identify, assess and mitigate potential risks, including conflicts of interests, and to allow for informed decision-making about whether it is in the interest of the Bank to accept

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1 - Private sector is typically represented by an association representing the sector or theme rather than an individual firm.

a contribution from such an entity to a specific TF. As a matter of principle, governance arrangements in a TF apply equally to all of its donors. The implications of these arrangements are taken into consideration in the due diligence assessment for private contributions, especially for corporate or corporate-affiliated donors, on a case-by-case basis. The Bank informs the Donors to a TF before accepting contributions from private entities.

12. *Frequency of Governing Body Meetings:* The governing body meets annually, although ad-hoc meetings of the governing body may be convened at the request of a member, based on the context of the TF. Meetings can be either virtual or face-to-face. To the extent feasible, such ad hoc meetings are kept at a minimum to avoid adding to the overall Program Management and Administration costs for the TF.
13. *Role of the Bank:* The Bank convenes and chairs the governing body. The Program Management Team: (a) organizes meetings of the governing body and prepares and submits the annual work plans and budgets for endorsement by the Donors contributing to the TF; (b) develops and submits progress and financial reports which provide the foundations for decision-making by the governing body; and (c) prepares a written summary of discussion of the governing body meeting, including key issues discussed and advice provided. Should any governing body member find an inaccuracy or discrepancy in the meeting summary, it is raised with the Program Management Team within 10–15 business days after the summary is shared. The issue is then addressed, and the minutes revised and reissued as needed.
14. The Bank is responsible for project/activity level approvals for bank- and recipient-executed activities, consistent with its policies and procedures. In the case of Transfers-out (TO), the Donors are responsible for reviewing and approving each TO. The Bank does not participate in the decision-making relating to funding requests submitted by Eligible Transferees nor reviews progress and financial reports provided by Eligible Transferees.

### C. Governance Arrangements for Standalone Trust Funds

15. For Programmatic Standalone TFs where the specific activities financed by the TF are determined over time, Donors and the Bank agree on the governance arrangements for the TF. In some cases, the Donors may agree not to have any involvement in decision-making.
16. The governing body for a Programmatic Standalone TF is called a *Steering Committee, (SC)*. The main role of the SC is to: (a) provide strategic guidance and direction on the implementation of the TF activities; (b) endorse annual work plans and budgets presented by the Bank; (c) review progress reports provided by the Bank in reference to the TF's Results Framework; and (d) provide feedback on the Results Framework and Communication and Visibility Plan (if applicable). See *Box 1* for Governance Arrangements for a Standalone TF.
17. Standalone TFs where activities to be financed are predefined by the Bank and the Donors do not have any governance arrangements.

#### **Box 1: Governance Arrangements for a Standalone Trust Fund**

A Steering Committee may be established for a standalone trust fund to provide strategic guidance and direction on the implementation of the Trust Fund activities, endorse annual work plans and budgets presented by the Bank and review progress reports provided by the Bank based on the results framework for the trust fund.

The Steering Committee will consist of representatives of the Bank, including as Chair, and a representative of each Donor contributing to the Trust Fund. The Steering Committee will meet annually, as convened by the Bank. Meetings may be conducted physically or virtually, and decisions will be made by consensus.

## D. Governance Arrangements for an Umbrella Program

18. The governing body for an Umbrella Program is called a *Partnership Council* (PC). Given the broad scope of Umbrella Programs, discussions in the PC meetings allow for a strategic level interaction between the Bank and the Donors and ensure coordination with relevant multilateral and bilateral initiatives. The day-to-day management of the Umbrella Program, including the selection of projects/activities funded by the Umbrella Program, is the responsibility of the Bank, which, in doing so, follows the strategic guidance of the PC, and the Bank's operational policies and procedures. Having the flexibility to make these decisions within the context of PC-endorsed annual work plans and budgets allows the Bank to integrate TFs into its internal strategy, planning, budgeting and staffing processes, which are grounded in a regular cycle of Global Practice (GP)-Region dialogue. This ensures trust-funded activities are in demand and have management line-of-sight, factors that are critical to the impact of such funds.
19. The PC covers all TFs under the Umbrella Program (Anchor and Associated) and all Donors contributing to the Anchor and any Associated TFs participate in discussions of the PC. The main role of a PC is to: (a) provide strategic guidance and direction on the implementation of the Anchor and any Associated TF(s); and (b) review progress reports provided by the Bank based on a Results Framework for the Umbrella Program. The Donors to each TF under the Umbrella Program endorse annual works plans and budgets for the particular TF they contribute to. See *Box 2* and *3* for the description of Governance Arrangements as set out in the Administration Agreement for an Anchor MDTF and for an Associated TF of an Umbrella Program, respectively.
20. The PC also provides feedback on the Results Framework and Communication and Visibility Plan prepared for the Umbrella Program as whole. These documents are developed in close consultation with the PC members and may be modified over the life of the Umbrella Program to reflect Donor guidance and/or respond to implementation opportunities and/or challenges. Any changes are discussed with the PC.

### **Box 2: Governance Arrangements for an Anchor Multi-Donor Trust Fund as set out in its Administration Agreement**

A Partnership Council will be established to: (a) provide strategic guidance and direction on the implementation of this Trust Fund and any other Bank administered trust funds that, as determined by the Bank, support the achievement of the Trust Fund's objective ("Associated Trust Funds"); and (b) review progress reports provided by the Bank based on the results framework for the Trust Fund and any Associated Trust Funds.

The Partnership Council will comprise the following members: (a) representatives from the Bank, including as Chair; (b) a representative of each Donor contributing to this Trust Fund; and (c) a representative of each Donor contributing to Associated Trust Funds.

The Partnership Council will be expected to meet annually, as convened by the Bank. Meetings may be conducted physically or virtually. The Bank may agree to hold ad hoc meetings of the Partnership Council at the request of a member.

The Bank may, in consultation with the Partnership Council, invite other relevant stakeholders to attend meetings of the Partnership Council.

The Donors contributing to the Trust Fund and the Bank will endorse annual work plans and budgets for the Trust Fund presented by the Bank during the Partnership Council meetings. Decisions will be made by consensus of the Bank and the Donors contributing to the Trust Fund.

### **Box 3: Governance Arrangements for an Associated Trust Fund as set out in its Administration Agreement**

A Partnership Council has been established to: (a) provide strategic guidance and direction on the implementation of the [name of anchor Trust Fund] and any Associated Trust Funds, including this Trust Fund; and (b) review progress reports provided by the Bank based on the results framework for [name of anchor Trust Fund] [Trust Fund No. \_\_\_\_] and any Associated Trust Funds.

The Donor(s) to this Trust Fund will participate as members of the Partnership Council that also includes: (b) representatives from the Bank, including as Chair; (b) a representative of each Donor contributing to the [name of anchor Trust Fund]; and (c) a representative of each Donor contributing to other Associated Trust Funds.

The Partnership Council is expected to meet annually, as convened by the Bank. Meetings may be conducted physically or virtually. The Bank may agree to hold ad hoc meetings of the Partnership Council at the request of a member.

The Donor(s) to this Trust Fund and the Bank will endorse annual work plans and budgets for this Trust Fund presented by the Bank during the Partnership Council meetings. Decisions will be made by consensus of the Bank and the Donor contributing to this Trust Fund.

The Bank may, in consultation with the Partnership Council, invite other relevant stakeholders to attend meetings of the Partnership Council.

21. As long as there is consensus on the Umbrella Program's overall strategic direction, disagreement over the work plans and budgets of one TF does not hold up work of other TFs under the Umbrella Program while any misunderstandings or differences are worked out between the Bank and Donors to that particular TF.

## **E. Technical Engagement in Umbrella Programs**

22. The Bank strongly values technical dialogue and partnership with its Donors and other partners to benefit from their valuable expertise and experience at the global, regional and country levels. Strong technical partnerships are achieved by providing opportunities for continuous technical dialogue throughout the lifecycle of Umbrella Programs. Ensuring consultation, discussion, and two-way knowledge sharing forms the foundation for direction-setting and decision-making by the PC. Such dialogue helps foster productive learning partnerships where the Bank and Donors continue to leverage and learn from each other's technical knowledge and experience for the benefit of client countries.
23. Well-organized and structured PC meetings ensure that ample time is devoted to substantive technical discussions of the work supported by the Umbrella Program. Donors have multiple, impactful ways to shape the Umbrella Program and bring to bear their technical expertise through the advice they provide during the PC meetings, including but not limited to:
  - *Providing Feedback on the Results Framework:* All activities to be financed by the Umbrella Program contribute to an Umbrella's Development Objective and their outputs and outcomes are aligned with the Umbrella's Results Framework, which is prepared by the Bank in consultation with the Donors. The choice of results reflects the overall strategic direction discussed and agreed upon in the PC. Additionally, endorsement of work plans and budgets by Donors that contribute to the TF helps provide a common

understanding of the planned direction for implementation of the Umbrella Program and provides the opportunity for discussions and course correction when needed. The work plans and budgets and the Results Framework are therefore critical tools through which Donors guide the work of the Umbrella Program and monitor the results achieved in the implementation of the Umbrella Program in a manner consistent with the overall strategic direction agreed by the PC.

- *Informing Activity Selection Criteria and Funding Allocation Methods:* The Bank decides on suitable funding allocation method(s) based on the strategic direction of the PC. The activity selection criteria (if applicable) are agreed to with the PC members. The proposed method(s) envisaged for the Umbrella Program and the broad parameters for this process are also shared with the PC for information. Donors are invited to provide feedback on the activity selection criteria. When practicable, the Program Management Team informs PC members when calls for proposals are a part of the allocation process and launched to finance country-level activities. This provides them an opportunity to inform their country-based Donor counterparts so that they can provide technical inputs directly to the Bank's country teams, as appropriate.
  - *Participating in Ad-hoc Meetings:* The Bank keeps Donors abreast of implementation aspects of the operational activities outside of the PC meetings, as needed. This may include providing informal updates or in some cases holding ad hoc meetings necessary to conduct its business or at the request of Donors. Keeping Donors informed of any significant changes to the approved work plans or budgets or when implementation challenges arise for significant activities helps foster effective feedback loops that can further aid implementation. The meetings may be held in person or virtually. The Bank's technical experts and TTLs of disbursing/activity-level accounts financed by the Umbrella Program may be invited to share their experiences and provide an update on progress and challenges encountered, including any course corrections that have been undertaken, and feed these emerging lessons into implementation of activities.
  - *Engaging in Technical Dialogue:* Donors may engage with the Bank operationally at the technical level, including participating in any Bank supervision missions, as appropriate and subject to the consent of the Recipient. They may also take part in a variety of knowledge fora, such as workshops, seminars, or webinars and/or be engaged in the development of knowledge products, tools or methodologies and sharing of knowledge developed. Ensuring that knowledge products, tools or methodologies are continuously informed by Donor's perspectives, practical knowledge, and experiences helps improve overall quality of these products and tools.
24. In instances where it is deemed important for the successful implementation of the Umbrella Program and/or a subset of its activities and where the specific technical needs cannot be covered by the PC, technical dialogue with Donors may be strengthened through establishment of a Technical Advisory Group (TAG) at the global or regional level or a Technical Coordination Committee (TCC) at the country level to provide advice and guidance on technical or implementation issues. In such cases, TAGs and TCCs may also help promote coordination, collaboration and partnerships. Such bodies do not form part of the governance of the Umbrella Program. The TAG or the TCC do not have any decision-making authority over work plans and budgets or allocation of funds, rather they provide suggestions on how to maximize the effectiveness of the trust-funded activities.
25. Any plans to establish a TAG or a TCC, including their rationale and role, are discussed in consultation with DFi and described as such in the Partnership Document (see paragraph 33 (b)). The Terms of Reference of these bodies are reviewed by DFi and carefully assessed with a view to ensure that: (a) they do not conflict with the governance arrangements for the TF, or ability of Bank management to exercise its oversight role; (b) pose any reputational or other risks for the Bank; and (b) place too much administrative burden on the Umbrella Program Management Team, or in the case of country-level activities, place too much burden on the Recipient.



Establishment of such bodies adds to the Program Management and Administration costs for the Umbrella Program. The Umbrella Program Manager carefully evaluates the benefits of these bodies against the nature, risk and complexity of activities.

26. Technical Advisory Groups: A TAG may be established to serve a strategic advisory role and provide technical advice/input to the PC on the direction and priorities of the Umbrella Program. It may also serve as a platform for exchanging views and leveraging practical knowledge, expertise and experience from relevant sector or thematic experts on technical aspects of an Umbrella Program that complements Bank's expertise. Though a TAG may be established at any time during a TF's life cycle, it is typically established for a fixed period of time to serve specific objectives and achieve agreed deliverables and is subject to review before extension. TAGs established for a period of five or more years are reviewed once every three years to ensure that their objective and roles and responsibilities remain relevant for the trust-funded program.
27. It is important to keep in mind that any knowledge sharing, advocacy, partnership, and collaboration with key sector stakeholders necessary to achieve TF objectives is undertaken as part of operational activities envisaged for the TF and does not necessitate establishment of a TAG. In instances where multi-stakeholder expert fora already exist, technical engagement takes place through these existing networks instead of establishing new TAGs. This helps avoid proliferation of existing platforms and creation of formalized bodies that may be duplicative and add to the administrative burden on the Bank.
28. Members of the TAG are invited by the Bank, with inputs from Donors, and chosen based on their technical expertise, experience and/or their strong track record of engagement in a particular area. Members may include Donors, academia, private sector, civil society etc., that do not have a conflict of interest. In certain cases, members of the PC with relevant technical expertise may also participate in the TAG. Membership of TAGs is limited to 3–5 participants in order to remain manageable and allow flexibility in its operation. The Program Management Team is responsible for organizing TAG meetings and supporting communication with PC members, including reporting back on activities and outcomes from the TAG meetings for discussion and decision. A TAG meets periodically, as agreed to by all members, on a voluntary basis. The meetings may be held in person or virtually.
29. Technical Coordination Committees: Establishment of a country-level TCC may be considered in specific cases for Global/Regional Umbrella Programs, where: (a) significant country-level engagement is anticipated through the Global/Regional Umbrella, such as in cases where a series of projects or activities are expected to be financed in a given country; (b) substantial resources are directly received from country-based Donor representatives for the Umbrella Program that have delegated decision-making at the country level; and (c) the nature of country projects or activities to be financed by the Umbrella Program require multi-stakeholder coordination and collaboration which cannot take place through an existing country/project/activity coordination platform.
30. The TCC may serve as a platform for the Bank country teams implementing operational activities, country-based Donor counterparts, client countries' government ministries/agencies, recipients, and other stakeholders deemed relevant by these parties to discuss technical and operational aspects of country projects or activities, as appropriate, with a view to an open and collaborative dialogue and knowledge exchange on such activities in client countries, where a suitable alternative mechanism is not available.
31. Though the TCC may discuss implementation progress and exchange views on possible adjustments that may be required to certain aspects of the Umbrella Program's work at the country level, discussions that may affect work plans and budgets are taken up by the Donors to the TF that finances the country activities, consistent with the governance arrangements of the Umbrella Program. The key objective of the technical and operational discussions at the country level is to help inform discussions and provide recommendations to the PC.

32. To avoid proliferation of country coordination mechanisms, task teams first consider any existing Donor-level platforms that may be used to further the technical dialogue, particularly if several Donors are involved. The Program Management Team is responsible for organizing TCC meetings and supporting communication with PC members, including reporting back on discussions and outcomes from the TCC meetings that may affect decision-making on work plans and budgets for country activities. The meetings may be held in person or virtually.

## F. Other Umbrella Program Governance Features

33. Keeping in mind the value of using simple and straightforward governance arrangements, other features may be added to the governance arrangements of Umbrella Programs where they improve efficiency or impact of the Umbrella Program. These additional features provide flexibility to accommodate the specific needs of each Umbrella Program while preserving the essential characteristics of standard governance arrangements. Features that may be considered for governance arrangements:
  - a. *Co-Chair*: In instances where there are ten or more Donors to an Umbrella Program, Donor representatives may in some cases be nominated to co-chair the PC meetings. The recipient representative may in some cases co-chair the PC meeting for a country Umbrella Program. Co-chairs are determined on a rotational basis. The role of the co-Chair is to facilitate stronger consensus building and promote collaboration among Donors, and to assist the Chair in preparation of the agenda for the PC meetings. In such cases, when a co-Chair is nominated, the Bank presides over the PC meeting. Consistent with paragraph 9, the recipient representatives may co-chair PC meetings for Country Umbrellas to help build consensus and strengthen ownership for the Program, especially in fragile contexts.
  - b. *Partnership Document*: A Partnership Document describes for the benefit of the Donors the principles and procedures for the day-to-day management and operations of an Umbrella Program, including operational arrangements related to, among other things, the PC meetings, technical partnerships (if applicable), program administration, work plan and budget, Results Framework, reporting & evaluation, and the approach to communications and visibility. In specific cases where the Umbrella Program has a TAG or a TCC, the Partnership Document outlines the terms of reference for these bodies. Partnership Documents are considered good practice for: (i) Umbrella Programs with sizable contributions (\$50 million or more); (ii) Umbrella Programs with many Donors (more than 10, including country-based Donors); and/or (iii) for Umbrella Programs that have specific implementation arrangements i.e., TAGs/TCCs. Such a document often helps clarify Donor expectations and ensures that all Donors (including any new Donors that join the Umbrella at a later stage) fully understand these arrangements. Umbrella Program Managers develop the Partnership Document in consultation with DFi and seek clearance of document before it is finalized and shared externally. Any changes or updates to the Partnership Document are also discussed and agreed with DFi. In case of any inconsistency between the Partnership Document and the Administration Agreement, the Administration Agreement prevails.
  - c. *Operations Manual*: An Operations Manual describes for the benefit of Bank teams internal arrangements related to day-to-day management (i.e., internal decision-making arrangements, fund allocation process, activity/project level reporting requirements etc.) of an Umbrella Program. Operations Manuals are considered a good practice in the case of large or complex Umbrella Programs such as—but not exclusively—those involving multiple Global Practices, Global Themes and Regions.

## G. Exceptional Cases

34. In exceptional cases, Umbrella Program governance arrangements may give Donors a more direct involvement in project/activity level allocation decisions. This may be justified for large, multi-sectoral single-Donor TFs and/or in cases where:
  - a. large TFs support projects/activities in sensitive and high-risk countries or subjects, including when there are concerns about fragility, conflict, or violence; and
  - b. large TFs support projects/activities in key areas of global public goods, especially those that have significant country impact and global externalities.
35. In the cases referred to in paragraphs 34(a) and (b), joint decision-making on projects/activities may help promote legitimacy and ownership.
36. An Umbrella Program Manager may consider alternative governance arrangements on a case-by-case basis, in consultation with DFi and the Bank's Legal Department, considering the Umbrella's specific context and the potential challenges of its execution. Appropriate approvals are obtained in accordance with Bank policies and procedures.
37. Joint decision-making is carefully considered and agreed by the Bank with the Donors in the design phase of the TF. A complex decision-making process can create risks of delay in implementation and be more time-consuming and costly to manage. These costs are directly charged to TFs. Joint decision-making on allocation decisions also complicates the integration of the TF's activities into the Bank's planning and budgeting processes and, in the case of Global or Regional Umbrella Programs, into the Bank's country programs, and potentially undermines development effectiveness of trust-funded activities. These risks are carefully considered before pursuing such governance arrangements.
38. In exceptional cases, Senior Management approval may be required for more complex governance arrangements.