



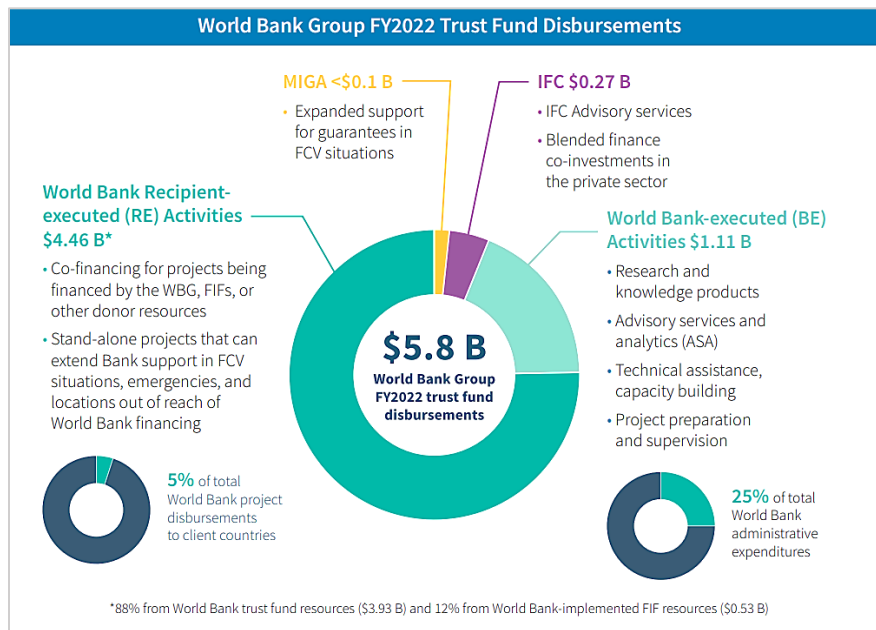
Trust Fund Reform Update

April 2023

[Trust Funds](#) continue to serve as an important source of financing that complements core funding from IBRD and IDA, helping the World Bank Group tackle the increasingly complex global development challenges—such as climate change, pandemics, refugees, and fragility, conflict, and violence, that have been recognized in the Bank Group’s [Evolution Process](#). The ambitious [Trust Fund reform](#) process continues to build momentum, facilitating better strategic alignment of trust fund activities with corporate and country priorities, improving efficiency, and supporting partnerships.

Supporting rapid response to global emergencies and extending the Bank’s reach in FCV countries

In fiscal year 2022, the World Bank Group disbursed a total of \$5.8 billion in trust fund financing, including rapid response to ongoing emergencies, such as the COVID-19 pandemic and the war in Ukraine. Since February 2022, the World Bank has mobilized \$16 billion in grant financing for financial support to Ukraine. Moreover, the Bank established a new Umbrella Program—the [Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund](#) to provide complementary financing and technical support to Ukraine.



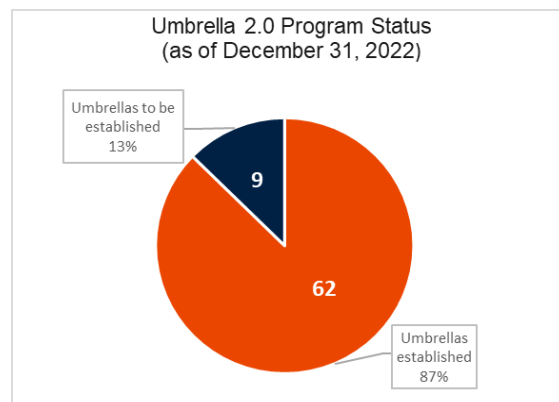
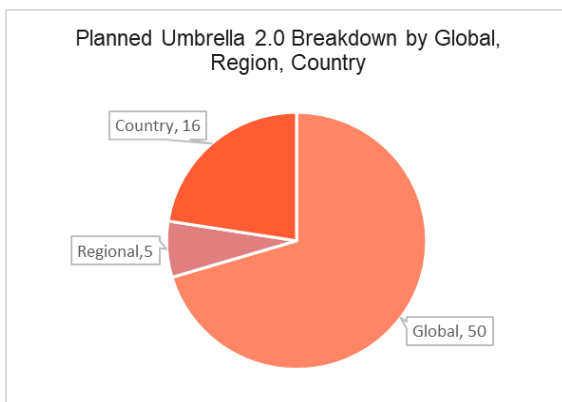
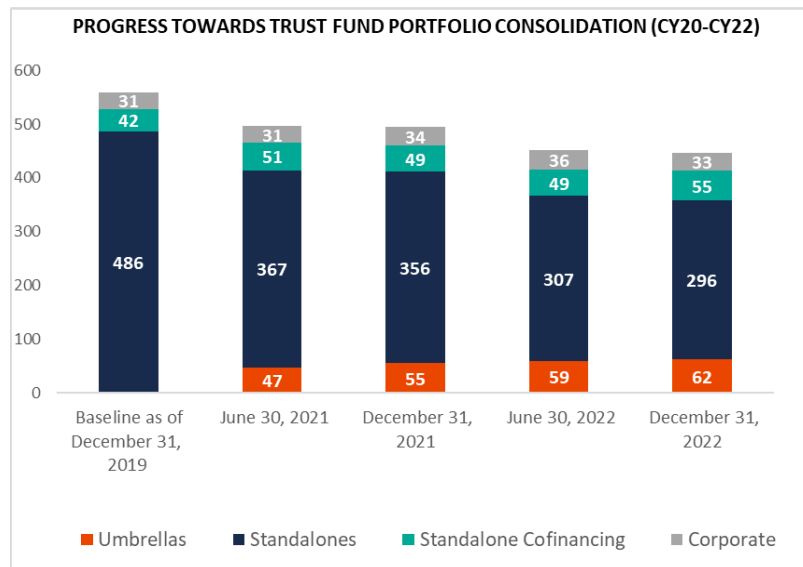
Trust Funds extend the reach of the World Bank in countries affected by fragility, conflict, and violence (FCV), countries in arrears, non-member countries, and non-sovereign entities that cannot receive World Bank Group financing. FCV-affected countries have received more than half (57 percent) of total World Bank trust fund disbursements for recipient-executed activities during the last five years, primarily for Ukraine and Afghanistan. For more information, please see the [Trust Fund Annual Report](#).



Establishing and operationalizing the remaining Umbrella 2.0 Programs

Since its inception, Trust Fund reform has been steadily consolidating the previously highly fragmented trust fund portfolio into fewer, larger, and more strategically aligned Umbrella Programs for efficiency and greater results focus. As of December 31, 2022, 62 (almost 90 percent) of the planned 71 Umbrella Programs are operational and Standalone trust funds have been reduced by nearly 39 percent since December 2019. Of the planned Umbrella Programs, 50 are global, 5 are regional, and 16 are country specific. See the [Directory of Trust Fund Programs](#) for a list of active Umbrella Programs.

The Umbrella Program architecture continues to enable the Bank to have greater management oversight over them, ensure strategic alignment with client priorities, exercise responsible fundraising, bring increased coordination within Bank units, and provide a [partnership platform for donor engagement](#). Umbrella Programs have a common approach to [governance](#), [results](#), [reporting](#), and [communication and visibility](#), based on good practice and developed in consultation with the donor community.





Strengthening integration between global Umbrella Programs and the Bank's regional and country priorities

As part of the Trust Fund reform agenda, measures have been put in place to strengthen the alignment of global Umbrellas with the World Bank's regional and country priorities, through early Country Management Unit endorsement of new internal funding proposals. The initiative has also increased transparency of trust fund availability within the Bank. Work is currently underway to strengthen guidance on the allocation methods used to determine how trust funds will be used across the Bank for greater transparency, predictability and strategic alignment.

Building capacity, sharing knowledge, and developing guidance to promote harmonization and consistency across the portfolio

An important deliverable of Trust Fund reform has been the development of a set of modernized, comprehensive policy documents, including on [governance](#), [results](#), and [reporting](#). These updated documents support consistent application of good practices across all trust funds, and especially Umbrella Programs.

Umbrella Program teams are also working on developing and implementing [Communication and Visibility Plans](#) that define Program communication objectives, activities, and branding, and lay out efforts at promoting donor visibility.

Continued capacity building and encouraging peer-to-peer dialogue is a hallmark of Trust Fund reform. In this spirit, the Bank is endeavoring to develop a robust capacity building program targeting the Trust Fund Community at large, as well as Umbrella Program Managers and their teams. The program includes an Umbrella Program Manager Network, peer-to-peer learning/dialogue series, and technical sessions/training devoted to various aspects of the Trust Fund life cycle. This is bolstered through day-to-day advisory support provided to the Bank's various business units by DFi Client Officers.

Engaging with Development Partners

Finally, our development partners are an integral part of the reform process and encourage us to manage trust funds in a way that can engender greater development impact. A [Guide for Development Partners](#) has been developed that provides an overview of World Bank Trust Funds and related key policies. The Bank and donors also continue to regularly engage on technical issues, through events such as the Trust Fund Forums, held twice a year.