

# Partnering with the World Bank through Trust Funds and Umbrella 2.0 Programs

November 2021



## About the World Bank Group

The World Bank<sup>1</sup>, comprising the [International Bank for Reconstruction and Development \(IBRD\)](#) which lends to governments of middle-income and creditworthy low-income countries and the [International Development Association \(IDA\)](#) which provides financing on highly concessional terms to governments of the poorest countries, is one of the largest sources of development finance and expertise globally. Working across almost all thematic and sectoral international development issues, it made development commitments of US\$66.5 billion in its fiscal year 2021 (July 2020 – June 2021).

The World Bank is headquartered in Washington, D.C., USA and operates in 142 countries worldwide. In fiscal year 2021, the World Bank employed more than 12,000 staff and a further 5,900 full-time staff equivalent short-term consultants/temporaries. Ninety-seven percent of Country Directors/Country Managers and 47 percent of staff are based in seven geographic regions.

The World Bank organizational structure is designed to support the delivery of its strategy and programs. Under this model, technical staff are organized in four Practice Groups and seven Regional Vice Presidency Units. The Practice Groups — Human Development, Equitable Growth, Finance and Institutions, Sustainable Development, and Infrastructure — house Global Practice units (technical areas of expertise). Country Management Units are in the Regional Vice Presidencies – Eastern and Southern Africa, Western and Central Africa, East Asia and Pacific, Europe and Central Asia, Latin America and the Caribbean, Middle East and North Africa, and South Asia. Technical staff are professionally mapped to a Practice Group and organizationally assigned to a Regional Vice Presidency Unit. These units are supported by units delivering corporate services and functions.

## Our Mission

To end extreme poverty and promote shared prosperity in a sustainable way.

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1 - The other institutions of the World Bank Group are the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for Settlement of Investment Disputes (ICSID).

## About this Guide

This Guide provides a brief overview of World Bank Trust Funds<sup>2</sup> – what they are, what they fund, and the operating environment in which they are managed — and introduces the Umbrella 2.0 Program, an approach for organizing and managing Trust Funds for increased development impact.

This Guide also highlights and provides links to key policies underpinning the implementation of activities carried out by the World Bank or by recipients of its funds — policies that apply equally to activities funded by trust fund contributions.

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## Other Resources

- [2021 World Bank Annual Report](#)
- [2021 Trust Fund Annual Report](#)

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2 - This Guide does not address management and administration of Financial Intermediary Funds (FIFs) or Trust Funds managed by the International Finance Corporation (IFC). Those Trust Funds are administered using their respective policy frameworks.

# 1. Introduction

The complexity and urgency of the world’s challenges require meaningful collaboration among members of the development community and other stakeholders to realize the goals of ending extreme poverty and promoting shared prosperity.

The World Bank works with a growing number of Development Partners from around the world to help deliver on its strategy ([Forward Look – A Vision for the World Bank Group in 2030](#)) and contribute to the achievement of the [Sustainable Development Goals](#). From the international coalition of donors and clients that constitute IDA, through engagement with United Nations agencies, international non-governmental organizations, foundations and civil society, to an increasing focus on leveraging private capital, the World Bank recognizes the transformative power of partnership when new ideas, perspectives and experiences are combined with the necessary financial resources.

## Partnerships through Trust Funds

Partnering with the World Bank is enabled through a variety of financial instruments and coordination mechanisms. The appropriate partnering approach is selected based on the objectives of the initiative, the nature of the activities being supported, and the role(s) of the World Bank and its Partners.

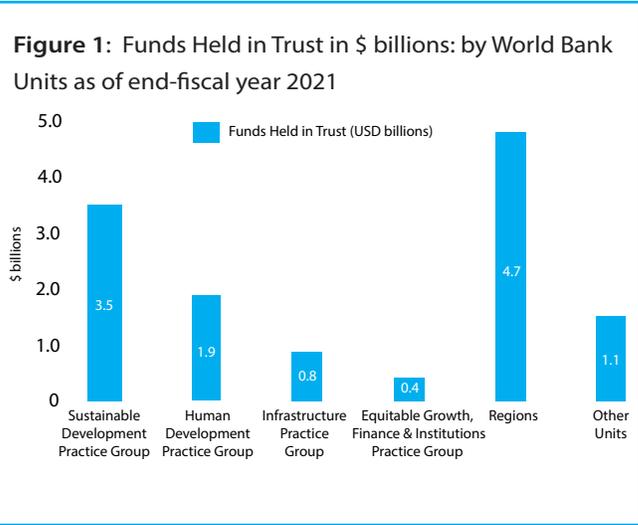
Trust funds, and the Umbrella 2.0 Programs through which they can be organized, are the most commonly used funding vehicles for partnerships in which the World Bank, Development Partners, clients, and other stakeholders work together to tackle a specific development issue or to find new ways to approach problems at the global, regional, or country level.

Trust funds are essential to a stronger, better, more flexible World Bank. Trust fund resources complement World Bank operations, expanding their scope and reach and supporting their quality. They promote increased development effectiveness and enable the World Bank to provide assistance when its ability to lend is limited, including in fragile and emergency situations, and for countries in arrears and to non-member countries. Trust Funds also contribute to the World Bank’s knowledge agenda by financing close to two-thirds of its advisory services and analytics products as well as technical advisory services for clients. Trust Funds attract new sources of finance and promote innovative financial solutions in support of the global public goods agenda, including combating climate change and addressing the challenges of fragility, conflict, violence, forced displacement and pandemics.

In fiscal year 2021, cash contributions to World Bank Trust Funds totaled US\$4.1 billion and disbursements totaled US\$3.6 billion. Funds held in trust were US\$12.4 billion, of which 28 percent (US\$3.5 billion) were for activities in Sustainable Development (See Figure 1).

Trust Funds as a partnering mechanism have been in place for decades and have been instrumental in catalyzing both Development Partner and IBRD and IDA resources. Through recent Trust Fund reform efforts aimed at enhancing the efficiency, effectiveness and strategic alignment of activities funded, the Umbrella 2.0 Program was introduced as an approach for consolidation and optimization of the Trust Fund portfolio.

A Trust Fund portfolio based in Umbrella 2.0 Programs promotes strategic alignment of Development Partner preferences and development



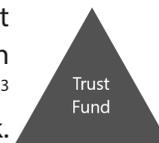
goals with the World Bank's own priorities and resources and elevates the dialogue between and among Development Partners and the World Bank on shared priorities. For clients, Umbrella 2.0 Programs offer streamlined alignment of trust funded activities with country priorities and increased complementarity with IBRD and IDA operations – maximizing the impact of both. See Box 1 for more information on Trust Fund process improvements and reforms, and pages 8-10 for more on Umbrella 2.0 Programs.

As part of the overall partnership universe, the World Bank also manages global funds and innovative financing funds referred to as Financial Intermediary Funds (FIFs) for which the World Bank provides a specific set of administrative, financial and/or operational services. See page 18 for more on FIFs.

## 2. Trust Funds, The Basics

### What is a Trust Fund?

A Trust Fund is a financing arrangement established by the World Bank with contributions from one or more Donors<sup>3</sup> and, in some cases, from the World Bank.



Consistent with the overall purposes of IBRD and IDA set out in the [Articles of Agreement](#), the World Bank establishes and administers Trust Funds as a complement to IBRD and IDA financing to promote development and aid effectiveness by leveraging its capacity and development knowledge. In administering a Trust Fund and holding the trust fund resources, the World Bank acts in a fiduciary capacity in accordance only with the provisions of the agreement concerning the Trust Fund.

#### Box 1: Continuous Improvement through Reform

As early as the 1960s, Trust Funds have been used to enhance the financial support available to members by providing co-financing for IBRD and IDA operations or direct funding of technical assistance. However, this role has evolved dramatically during the last few decades, and the World Bank has undertaken initiatives and reforms to promote continuous improvement of the efficiency, strategic alignment and robust oversight of trust fund resources and the activities they support. Reforms have enabled significant progress in transitioning Trust Funds to World Bank operational, financial, and administrative controls, including implementation of the Trust Fund fiduciary framework, which is now fully mainstreamed into regular business processes. Following the development of these controls, successive reforms have improved the integration of trust funded activities into World Bank operational and administrative processes and have aimed to reduce costs, and better manage risks.

Designed to address a persistent challenge of a large and fragmented Trust Fund portfolio (many small funds with highly customized features), the Umbrella 2.0 Program was introduced in January 2020. Umbrella 2.0 Programs strengthen the link between funding and the strategic priorities of the World Bank, its clients, and Development Partners, and promote impact at scale. A Trust Fund portfolio grounded in Umbrella 2.0 programs means fewer, larger, more strategically aligned funding initiatives. The design of the Umbrella 2.0 Program built on a piloting phase involving diverse units in the World Bank experienced in managing trust fund resources. It was informed by lessons from existing programs as well as from the previous Umbrella model (1.0) and benefited from active Development Partner support and engagement through a series of consultations organized by the World Bank over two years.



Learn more about Trust Fund Reform [here](#).

3 - For the purposes of this Guide, the term "Donor" means a Development Partner that contributes funds to a World Bank Trust Fund.

The World Bank promotes Trust Funds that draw on its operational role, reinforce country capacity and ownership, foster harmonization and alignment of aid modalities, and include contributions from more than one Donor.

## What are the Criteria for accepting Trust Funds?

For each intended Trust Fund, the World Bank decides whether to accept the roles and responsibilities proposed, based on the following criteria:

- **Consistency with the World Bank's Purposes and Mandate.** Activities financed from the Trust Fund are in keeping with the [Articles of Agreement](#).
- **Strategic Relevance.** Activities financed from the Trust Fund are aligned with the World Bank's priorities.
- **Risk Management and Controls.** The risks arising from the Trust Fund, including those arising from any conflicts of interest or any restrictions on its use, are explicitly considered and are judged to be acceptable and manageable by the World Bank.
- **Governance.** The World Bank has decision-making authority on the use of the funds adequate to fulfill its roles in administering the specific type of Trust Fund.
- **Nationality Restrictions on Procurement.** The World Bank does not accept any contribution to a Trust Fund that imposes nationality restrictions on procurement.
- **Operational Efficiency and Sustainability.** Trust Funds are of a sufficient size and scope as determined by management from time to time to ensure efficient administration and portfolio consolidation. The World Bank recovers the costs of performing agreed roles in administering Trust Funds, taking into account benefits associated with such funding.

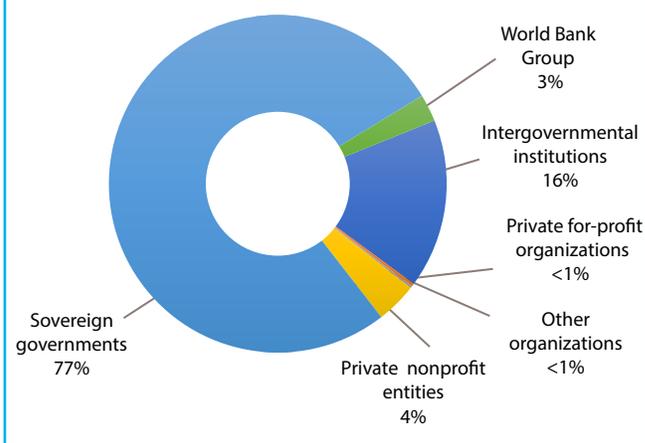
## Who contributes to Trust Funds?

Over 200 organizations and entities partner with the World Bank through Trust Funds, the majority of which are sovereign entities. The World Bank's Development Partners, including World Bank's member countries as well as multinational agencies, foundations, nongovernmental organizations (NGOs), and private organizations, finance Trust Funds.

The World Bank contributes to some Trust Funds from its own budget or from the IBRD's surplus or net income.

See Figure 2 for the share of cash contributions in fiscal year 2021 by Development Partner type and Figure 3 for the cash contributions of the top ten Donors for fiscal years 2017-20 and 2021.

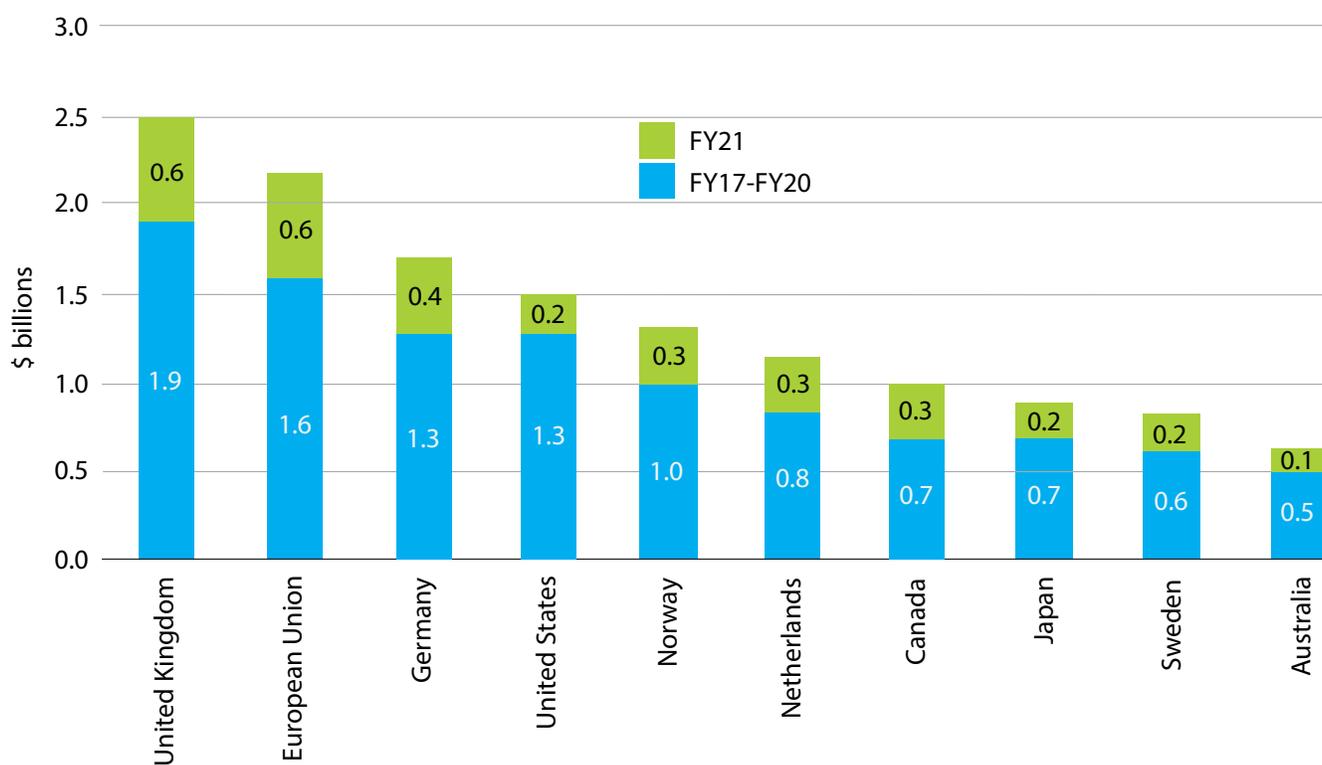
**Figure 2: Share of World Bank Trust Fund Cash Contributions by Development Partner Type, fiscal year 2021**



## Who may contribute to a World Bank Trust Fund?

As noted above, the World Bank accepts contributions to its Trust Funds from a wide range of Development Partners/Donors. World Bank staff carry out a due diligence review<sup>4</sup> of prospective Donors intended to identify and assess the World Bank's exposure to potential reputational, financial, operational, strategic and stakeholder risks which may arise when new Donors (both sovereign and non-sovereign) wish to contribute funding to Trust Funds.

**Figure 3: World Bank Trust Funds: Cumulative Cash Contributions by Top 10 Donors, fiscal year 2017–2021**



Any proposed contribution to a Trust Fund from a private donor that is, or is closely affiliated with, a corporation or other for-profit entity is subject to an enhanced due diligence review. Such review takes into account the specific context of the Trust Fund and gives special consideration to potential, actual or perceived benefits, unfair advantage and conflict of interest, including in Trust Fund governance and in the planning and implementation of trust funded activities.

### Why do Development Partners contribute to Trust Funds?

Trust funds enable financial, knowledge, and other forms of collaboration among Development Partners, client countries, and other stakeholders, at the global, regional, and country levels.

Development Partners work with the World Bank through Trust Funds for the following reasons:

- To align and catalyze scaled-up funding

**support with other Development Partners within agreed strategic frameworks**, including for global public goods.

- To leverage the **World Bank’s convening power**, at both the international and country level, to maximize coordinated action and achieve impact at scale.
- To benefit from the **World Bank’s extensive technical expertise, country experience and supervision capacity**, its financial control framework, and its ability to monitor and report on results.
- To **provide grant funding** in fragile, conflict-affected and other complex situations enabling the World Bank to engage and provide critical assistance where traditional instruments are not well-suited or are unavailable.
- To **support innovative or emerging policy areas**, which partners view as a priority.

4 - These criteria and due diligence assessments apply equally to prospective donors to Financial Intermediary Funds and Externally Financed Outputs (EFOs). For more on FIFs and EFOs, see page 18.

## How are Trust Funds Classified?

Each World Bank Trust Fund is identified using the following classifications:

### Whether it is part of an Umbrella 2.0 Program

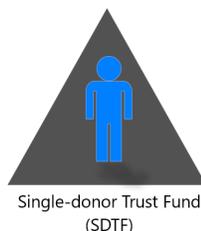
- A Trust Fund that is part of an Umbrella 2.0 Program is either an *Umbrella Anchor Trust Fund* or an *Umbrella Associated Trust Fund*. See page 9.
- A Trust Fund that is not part of an Umbrella 2.0 Program is a *Standalone Trust Fund*. See page 11.

### Geographic Scope

- A Trust Fund that supports activities within or for the benefit of a single country is a *Single Country Trust Fund*.
- A Trust Fund that supports activities within or for the benefit of several countries within a region is a *Regional Trust Fund*.
- A Trust Fund that supports activities within or for the benefit of several countries across multiple regions is a *Global Trust Fund*.

### Whether contributions are from one or more than one Development Partner

- A Trust Fund that involves contributions from more than one Development Partner is a *Multi-Donor Trust Fund (MDTF)*. A MDTF may be established with contributions from only one Donor if it is envisaged that other Donor(s) will contribute to the Trust Fund.
- A Trust Fund that involves contributions from one Development Partner exclusively is a *Single-Donor Trust Fund (SDTF)*. A Trust Fund that is established as a SDTF cannot be converted into a MDTF.



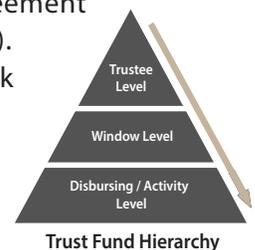
## Activities funded

- A Trust Fund that is used exclusively to fund the World Bank's own development activities (Bank-executed activities, see page 6) is a *Bank-executed Trust Fund*.
- A Trust Fund that, in addition to Bank-executed activities, may be used to provide grants to recipients for the purpose of financing projects or programs (Recipient-executed activities, see page 6) is a *Hybrid Trust Fund*.

## How does the World Bank administer Trust Funds?

A World Bank administered Trust Fund has a three-level structure or hierarchy:

- *Trustee level* at which Donor funds are contributed based on the provisions of a Trust Fund's Administration Agreement or Arrangement (see Box 2). At this level, the World Bank as trustee receives, holds, invests, allocates, and reports on these funds. Each Trust Fund has one Trustee level account identified by a Trust Fund number.
- *Window level* at which funds are allocated for activities or projects. For Trust Funds with a broad sector, thematic or geographic scope, multiple windows may be established to facilitate the allocation of funds, work plan and budget monitoring and results management. Each Trust Fund has at least one window.
- *Disbursing/activity level* at which funds are either disbursed or transferred. Disbursing/activity level allocations can be for Recipient-executed activities, administered under Grant Agreements, or for Bank-executed activities.



### Box 2: Administration Arrangement / Agreement

An Administration Agreement/Arrangement (AA) is the legal agreement between the World Bank, as administrator of a Trust Fund, and a Donor, setting out the terms for the receipt and use of a contribution for a Trust Fund, and the World Bank's and Donor's respective rights and obligations in relation to the establishment of the Trust Fund and its administration and management.

The AA describes, among other things, the Trust Fund's development objective, types of activities to be funded, governance arrangements as applicable, and End-Disbursement Date (EDD), the date after which no expenditures can be charged to the Trust Fund and all financial closure procedures are completed.

AA are signed by the authorized representative of the World Bank and countersigned by the authorized representative of the Donor. Signed Administration Agreements are made available to the public according to the World Bank's [Access to Information policy](#).

## What do Trust Funds Finance?

World Bank Trust Funds provide support — typically on a grant basis — to activities that complement IBRD and/or IDA programs, are consistent with the World Bank's strategy, and are delivered through World Bank products and services (see Box 3). Activities supported are either Recipient-executed (RE) or Bank-executed (BE) depending on the role played by the World Bank in the delivery of the activity<sup>5</sup>.

- **Recipient-executed (RE) activities** are projects or programs implemented by a third-party recipient for which the Bank provides trust fund resources to the recipient under a Grant Agreement (see page 14). The Bank appraises and provides implementation support for RE activities.

- **Bank-executed (BE) activities** are development activities carried out by the World Bank as part of its regular work program. BE activities include project identification and appraisal, project implementation support, knowledge dissemination, technical assistance, impact evaluation, research activities and other knowledge products, and analytics and advisory services. Trust fund Program Management and Administration are also BE activities.

The majority of Trust Fund resources are used for financing projects or programs including co-financing IBRD and IDA operations to bridge funding gaps. In fiscal year 2021, Recipient-executed activities accounted for around 71 percent (US\$2.5 billion) of total disbursements from World Bank Trust Funds and Bank-executed activities represented the balance of 29 percent (US\$1.0 billion).

## How does the World Bank recover indirect costs associated with Trust Funds (Cost Recovery)?

While costs directly associated with the implementation, supervision, and management and administration of a Trust Fund (e.g. personnel and travel) are charged to the Trust Fund, the World Bank recovers a share of Trust Fund-related indirect costs, such as information technology, human resources, legal services, and accounting through application of a common cost recovery framework.

The cost recovery framework itself is subject to periodic review and may change from time to time based on analysis of actual costs of establishing and administering Trust Funds. The current Cost Recovery Framework can be found [here](#).

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5 - In addition to RE and BE activities the World Bank may in exceptional circumstances allow for the use of a Transfer Out, an arrangement through which the Bank acts at the request of all Donors to a MDTF to transfer Trust Fund resources to another entity (the Transferee) under a Transfer Agreement. Under the Transfer Agreement, the Bank has no responsibility for the funds transferred and does not perform a supervisory role with respect to the funds transferred or the activities financed by these funds. The Bank's operational policies and procedures do not apply to the activities carried out by the recipient entity, rather the policies and procedures of the Transferee apply.

### Box 3: World Bank Products and Services

The World Bank offers a range of financing instruments and advisory products to its clients including the following:

**Investment Project Financing (IPF)** provides IBRD loan, IDA credit/grant and guarantee financing to governments for activities that create the physical/social infrastructure necessary to reduce poverty and create sustainable development. IPF is used in all sectors, with a concentration in infrastructure, human development, agriculture, and public administration. IPF is focused on the medium to long-term (5- to 10-year horizon) and supports a wide range of activities including capital-intensive investments, agricultural development, service delivery, credit and grant delivery (including micro-credit), community-based development, and institution building.

Unlike commercial lending, World Bank IPF not only supplies borrowing countries with needed financing but also serves as a vehicle for sustained, global knowledge transfer and technical assistance. This includes support to analytical and design work in the conceptual stages of project preparation, technical support and expertise (including in the areas of project management and fiduciary and environmental and social activities) during implementation, and institution building throughout the project.

**Program-for-Results (PforR)** financing links disbursement of funds directly to the delivery of defined results, helping countries improve the design and implementation of their own development programs and achieve lasting results by strengthening institutions and building capacity. This approach enhances effectiveness and efficiency and leads to tangible, sustainable program results. PforR helps catalyze World Bank development assistance by fostering partnerships and aligning development partner goals and results that can lead to greater development effectiveness.

**Development Policy Financing (DPF)** provides rapidly-disbursing financing to help a borrower address actual or anticipated development financing requirements. DPF supports borrowers in achieving sustainable, shared growth and poverty reduction through a program of policy and institutional actions aimed at, for example, strengthening public financial management, improving the investment climate, addressing bottlenecks to improve service delivery, and diversifying the economy. DPF supports such reforms through non-earmarked general budget financing that is subject to the borrower's own implementation processes and systems. The Bank's use of DPF in a country is determined in the context of its [Country Engagement](#).

**Advisory Services and Analytics (ASA)** are non-lending activities that help external clients or audiences advance a development objective. The World Bank provides ASA to support design or implementation of better policies, strengthen institutions, build capacity, inform development strategies or operations, and contribute to the global development agenda. ASA outputs include analytical reports, policy notes, hands-on advice, and knowledge-sharing workshops or training programs.

### Is Trust Fund Information Public?

The World Bank's [Access to Information Policy](#), effective July 1, 2010, applies equally to Trust Fund-related information as to all other World Bank-related information.

Underlying the policy is the principle that the World Bank will disclose any information in its possession

that is not on its list of exceptions. Trust Fund related documents such as fully executed Administration Agreements and approved implementation and completion reports are publicly disclosable.

The list of exceptions and other resources on the World Bank's policy on Access to Information are available [here](#).

### 3. Umbrella 2.0 Programs

The Umbrella 2.0 Program is a flexible approach to Trust Fund organization and management that enables Development Partners and the World Bank to partner on, and finance, mutual strategic priorities.

Umbrella 2.0 Programs are the primary way to partner with the World Bank through trust funds and are designed to channel the vast majority of donor contributions. They provide scale and efficiency for enhanced development impact and effectiveness.

Umbrella 2.0 Programs promote:

- **A strategic way to partner** with the World Bank and to finance mutual priorities.
- **Access to the World Bank’s senior management** in the context of high-level policy and strategy dialogue.
- Opportunities to **collectively address global and local development challenges** and achieve meaningful results at scale.
- **Improved narrative and results reporting** and greater attention to **communications and visibility** for Development Partners/ Donors.
- Increased access to **knowledge sharing opportunities** on key development issues.

Umbrella 2.0 Programs are made up of Trust Funds and as such, all features of Trust Funds mentioned in this Guide apply to Trust Funds in Umbrella 2.0 Programs.

The Umbrella 2.0 Program at a Glance is shown in Annex 1.

#### Umbrella 2.0 Program Principles

Umbrella 2.0 Programs are designed based on the following guiding principles:

- A **single governance structure** – a Partnership Council (PC), comprising Donors to the Umbrella 2.0 Program Trust Funds and the World Bank as Chair, provides strategic guidance and direction on the implementation of all Trust Fund activities in the Umbrella 2.0 Program. For more on governance see the [Guidance Note – Governance in IBRD/IDA Trust Funds](#).
- **Options for Development Partners to express preferences** for a specific sector, theme or geographic area. For more on donor options see the [Guidance Note – Options for Managing Development Partner Preferences in Umbrella 2.0 Programs](#).
- A **Results Framework** developed in consultation with Development Partners to help monitor/assess how individual activities are contributing to the overall development objectives of the Umbrella 2.0 Program. For more on results frameworks, see [Guidance Note – Managing Trust Funds for Results](#).
- **Unified narrative reporting** at the program level with a strong focus on results. For more on unified reporting for Umbrella 2.0 Programs see [Guidance Note – Trust Fund Reporting for Development Partners](#).
- A **Communication and Visibility Plan (CVP)** addressing the strategic communications needs of the Umbrella 2.0 Program, World Bank / Partner branding and recognition. For more on communications and visibility see [Guidance Note – Communications and Visibility in Umbrella 2.0 Programs](#).

#### Umbrella 2.0 Program Management and Administration

Umbrella 2.0 Programs are supported in the World Bank by an **Umbrella Program Management Team**. The team is led by an Umbrella Program Manager and is comprised of technical and administrative staff of the World Bank and consultants who are subject to the World Bank’s policies and procedures.

## Umbrella 2.0 Program Structure

An Umbrella 2.0 Program is made up of one or more Trust Funds. It always has an *Anchor MDTF* with a broad sector, thematic and/or geographic scope and may have one or more *Associated Trust Funds*. The overarching Development Objective of the Umbrella 2.0 Program is the Development Objective of the Anchor MDTF. An Umbrella 2.0 Program is global, regional or single country in scope and supports one or more Priority Areas of a Global Practice or Region as set out in its business plan.

In many cases, the Umbrella 2.0 Program will simply consist of the Anchor MDTF. However, a Development Partner's interests or need to support a narrower sector, thematic or geographic scope (within the scope of the Anchor MDTF) can be accommodated by the establishing one or more Associated Trust Funds, which could be Single- or Multi-Donor and/or by nonbinding "preferencing" of their contribution.

**Associated Trust Funds** support the Umbrella 2.0 Program Development Objective and contribute to the overarching Results Framework of the Umbrella 2.0 Program. They have a sector, thematic or geographic scope that is within the scope of the Anchor MDTF.

### Options for Donors to express preferences under Umbrella 2.0 Programs

**Nonbinding "preference":** A Donor to a MDTF may express a non-binding preference that its contribution be used to finance a sector, theme and/or geographic area within the overall scope of the Trust Fund<sup>6</sup>. Preference requests are accepted by the World Bank on an exception basis – when a Donor's internal approvals for its contribution are limited to financing of a specific sector, theme or geographic area within the scope of the MDTF. The Bank cannot guarantee that the contribution will be used for the Donor's specific preference and does not have any obligation to the Donor if

its preference cannot be accommodated, but it is understood that the request is accommodated to the extent possible.

Preferencing is not accepted for a specific project or activity, type of execution (BE or RE), or categories of expenditure. Donors cannot express negative preferences. No monetary value or percentage is attached to the expressed preference. Preference cannot be expressed for a group of countries for which membership is maintained by an organization other than the World Bank Group.

The governance arrangements for a MDTF do not differentiate among Donors based on preferencing. All Donors contribute to Program Management and Administration costs, regardless of whether their contribution is preferenced. Donor preferences are not considered when calculating the Donor's share of the remaining balance at Trust Fund closing or refunds from a MDTF. These are calculated based on the pro rata share of paid-in contribution amounts.

**Establishment of an Associated Trust Fund:** An Associated Trust Fund may be established in cases where a Donor is unable to pool their contribution with other Donors in the Anchor MDTF due to internal budgeting constraints or legislative regulations requiring dedicated financial reporting to track their contribution. Activities financed by Associated Trust Funds support the Umbrella Program's Development Objectives, fall within the agreed sector, thematic or geographic scope of the Umbrella Program, and contribute to the overarching Results Framework of the Umbrella Program. The End-Disbursement Date of an Associated Trust Fund is no later than the End-Disbursement Date of the Anchor MDTF.

<sup>6</sup> - Nonbinding preference also applies in Standalone MDTFs.

#### **Box 4: Spotlight on Selected Umbrella 2.0 Programs**

**Health Emergency Preparedness and Response (HEPR) Umbrella Program.** Responding to the COVID-19 pandemic, the World Bank Board approved the HEPR in June 2020 with a projected size of US\$500 million.

The HEPR complements the World Bank's support to countries and provides further resources for health emergency preparedness and response for COVID-19 and future epidemics. The HEPR was established to (i) provide incentives to IDA-eligible countries to increase investments in preparedness, for example, by offering co-financing grants that encourage the use of their IDA allocations for better health emergency prevention, detection and response; (ii) enable low-income countries to quickly and effectively respond to major disease outbreaks at an early stage, complementary to IDA's Crisis Response Window; and (iii) support the immediate COVID-19 response in countries and territories which do not have access to financing through the World Bank's COVID-19 Fast Track Facility.

By the end of fiscal 2021, HEPR had secured over \$175 million in donor contributions, and allocated nearly \$117 million in two rounds to 24 countries and regional efforts to address the COVID-19 pandemic and to prepare better for future health emergencies. Forty-one percent of grants have been allocated to preparedness activities (preparedness for future emergencies) and 59 percent to response activities (i.e. support for the current COVID-19 pandemic). Many of these grants have been processed as co-financing to new or existing World Bank projects that focus on health emergency preparedness and the countries' COVID-19 responses.

The **Climate Support Facility (CSF)**, launched on December 10, 2020 with an initial investment of US\$55 million from the German Federal Ministry of Economic Cooperation and Development, the United Kingdom's Foreign, Commonwealth and Development Office, and the Austrian Federal Ministry of Finance, aims to help countries build a low-carbon, climate-resilient recovery from COVID-19.

CSF's launch was timed with the 5th anniversary of the Paris Agreement. It will focus on green recovery, including support to countries to enhance their national climate targets (the Nationally Determined Contributions or NDCs) and in their efforts to integrate climate into long-term development planning. It will also fund analytical tools and knowledge development to inform country climate planning and development strategies. It expands on the work of the World Bank's NDC Support Facility, which has assisted over 50 countries since its establishment in 2016. Since its launch, the CSF has now fully allocated its signed contributions of US\$55 million and is now engaging with all seven Bank regions and six Global Practices to implement its activities.

**Lebanon Financing Facility (LFF):** In the aftermath of the August 4, 2020 Port of Beirut explosion and following the launch of the Lebanon Reform, Recovery and Reconstruction Framework (3RF), the World Bank and the donor community came together to establish the LFF Umbrella. LFF Partners include the governments of Canada, Denmark, France, Germany, EU, Norway and Italy. The LFF provides coordinated financial support for the immediate socio-economic recovery of vulnerable people and businesses impacted by the explosion, and creates the foundation for medium-term recovery and the sustainable reconstruction of the Port of Beirut and affected neighborhoods. It prioritizes: (i) Socioeconomic and business recovery; (ii) Preparing for reform and reconstruction; and (ii) Strengthening coordination, monitoring, accountability and oversight of the 3RF, while ensuring programs promote gender equality and community engagement.

## 4. Standalone Trust Funds

In some limited circumstances the World Bank may establish a *Standalone Trust Fund* -- a Trust Fund that is not part of an Umbrella 2.0 Program. Establishment of a Standalone Trust Fund is considered when activities to be funded are aligned with World Bank development priorities but cannot be accommodated in an existing Global, Regional or Country Umbrella 2.0 Program. This may include activities that do not contribute to a World Bank Business Unit's highest strategic priorities but are of medium-term interest.

In instances where a Standalone Trust Fund supports a program of activities for which guidance on activity selection and resource allocation will be required, a Steering Committee is typically established. The Steering Committee is made up of the Donors to the Standalone Trust Fund and the World Bank as Chair.

The most common use of a Standalone Trust Fund is when a Trust Fund is established to co-finance an IBRD or IDA project. *Note however that some Global or Regional Umbrella 2.0 Programs are also designed to support co-financing of IBRD and/or IDA projects.*

Box 5 highlights one Standalone Trust Fund — the Co-financing Mozambique Trust Fund.

## 5. The Trust Fund Lifecycle

This Section highlights the major stages in the Trust Fund Lifecycle. World Bank units in charge of managing Trust Funds and activities supported by Trust Funds are responsible for observing internal



management controls and for following procedures to ensure that Trust Fund programs and activities they finance are supervised, audited, and evaluated, and that reporting requirements are met. They also ensure the Trust Funds they are managing are aligned with regional and country strategies and are included in reviews of their operations portfolio. In addition, they ensure that: (i) adequate management and control structures are maintained for proper implementation and oversight of trust funded activities; (ii) there is sufficient administrative and budgetary support for these tasks; (iii) all trust-funded activities are included in the budget and work plans of the managing unit to ensure full transparency; and (iv) trust fund resources are used only for costs of activities or for staff time related to supervision or implementation of the eligible trust funded activity.

The World Bank has a fiduciary responsibility to ensure that funds received are used in accordance with the Administration Agreement and World Bank policies and procedures. Resources provided through Trust Funds are subject to the same control principles as other World Bank resources, including those applied

### Box 5: Co-financing Mozambique Trust Fund

This Single-Donor, Standalone Trust Fund supports the achievement of the Program-for-Results (PforR) operation — the Mozambique Primary Health Care Strengthening Program, with the Program Development Objective: to improve the utilization and quality of reproductive, maternal, child and adolescent health and nutrition services, particularly in underserved areas. The project is financed by IDA (\$80 million) and the Global Financing Facility (\$25 million). The United Kingdom Foreign, Commonwealth and Development Office (FCDO) is the Donor to this Trust Fund and provides co-financing in the amount of \$3.2 million.

by the World Bank Group's accountability mechanisms (see Annex 2). In addition, the administration of Trust Funds is subject to real-time compliance and quality reviews through Trust Fund specific controls and quality assurance exercises.

The World Bank's Board approved a [Policy on Trust Funds](#) which is supplemented by a Directive that provides details on how to implement the policy. World Bank staff assigned to manage Trust Funds must be accredited to do so.

## Planning

On an annual basis, Business Units across the World Bank define their medium-term work program priorities, including priorities for external fund raising and plans for the portfolio of Trust Funds under their management. These plans collectively form the basis for mobilization and use of all external funds, including through Umbrella 2.0 Programs.

## Engaging

To facilitate transparency and coordination of fundraising activities, Business Units share information across the World Bank on their pipeline of active fundraising initiatives. This process promotes early collaboration among Business Units, facilitates consolidated fundraising and minimizes the establishment of small, overlapping Trust Funds for related topics.

## Designing

Once the decision is taken to move forward with the establishment of a Trust Fund, World Bank staff prepare a Concept Note for internal World Bank review and endorsement. The Concept Note typically reflects discussions held with prospective Donors. The Concept Note goes through a formal internal review and decision process, where guidance and agreement are sought on issues and approach, scope, activities to be financed, risks and potential mitigation measures, resource estimates, and schedule. Once signed off by the Business Unit decision-maker, the World Bank staff coordinate with prospective Donors and other relevant stakeholders including recipients and beneficiaries.

## Establishing

After approval by World Bank management of the concept and design of the Trust Fund and following discussion with potential Donors, the Trust Fund is established through the execution of an Administration Agreement (see Box 2).

In the case of an MDTF, the World Bank enters into an Administration Agreement with each Donor separately concerning the Trust Fund. All Administration Agreements for all Donors to a MDTF must contain the same terms and conditions for use of the Trust Fund, and for the World Bank's and Donor's respective rights and obligations in relation to the establishment of the Trust Fund and its administration and management.

**Trust Fund Activation and Call of Funds:** Upon receipt of a fully executed (signed and countersigned) Administration Agreement, the World Bank activates the Trust Fund. Activation allows the Donors to remit contributions according to the schedule included in the Administration Agreement.

Contributions are paid-in based on a Call of Funds, which is initiated by World Bank staff and sent to the Donor. The Call of Funds package includes the official invoice with all the depository banking details necessary for the Donor to remit the contribution, along with the amount being requested in the currency set out in the Administration Agreement. Once the Trust Fund is under implementation, subsequent Call of Funds packages also include a copy of the latest unaudited Trust Fund Financial Report for the Donor.

To provide assurance as to the authenticity of a Call of Funds request, an electronic copy of the Call of Funds package is provided as an "alert" in the Donor's secure account on the World Bank's Development Partner Center website (see Box 6).

*The World Bank does not request funds from Donors via manual invoices or share banking information outside of the Call of Funds system and Donors should not attempt to deposit funds in advance of receipt of a Call of Funds package.*

## Box 6: Development Partner Center (DPC)

The Development Partner Center (DPC) is a single-stop portal for Development Partners to access their World Bank Group financing portfolios. The portal offers users access to financial and operational information on IBRD/IDA Trust Funds, IFC Trust Funds, Financial Intermediary Funds, Externally Financed Outputs and IDA. The DPC provides daily updated financial data and gives Development Partners access to a range of reports on Trust Funds/Programs they are contributing to, including the monthly Trust Fund Financial Reports, signed Administration Agreements, Result Frameworks, Indicative Budgets and Progress Reports. DPC also provides access to other types of information such as: Summary of contributions to the World Bank; IBRD/IDA Country Lending Summaries; Disbursement details of Recipient- and Bank-executed activities; and Country-specific World Bank documents, and news. DPC offers analytical features that allows users to slice-and-dice financial information in a customizable and downloadable format. *Note: Financial reports provided to Development Partners in the DPC are organized by relevant accounting expense categories, rather than by Trust Fund activity or component.*

The DPC can be accessed via: <http://dpc.worldbank.org/>. Please write to [dpcqueries@worldbank.org](mailto:dpcqueries@worldbank.org) for specific questions related to the DPC.

**Treatment of Contributions Received:** Funds received from Donors for Trust Funds are converted by the World Bank into the Holding Currency of the Trust Fund as set out in the relevant Administration Agreement and commingled with other contributions from Donors to the respective Trust Fund. Funds on deposit are invested and reinvested pending their disbursement. They may be freely exchanged into other currencies to facilitate their disbursement for eligible expenses.

**Basis of Commitment (BoC) of Funds:** Once the Trust Fund has been established and funds have been received, the World Bank starts making financing commitments in order to implement the planned activities. In the case of RE activities, this involves signing Grant Agreements, and in the case of BE activities, this involves hiring consultants and staff, booking travel, and committing other expenses.

The BoC is the criterion used by the World Bank to determine the amount of Donor funding available for entering into financing commitments. For all World Bank Trust Funds, the standard BoC is “Cash only”—wherein the World Bank makes commitments based on cash received from Donors. This ensures that funds will be available for disbursement when needed and avoids exposure of the World Bank to potential financial, currency and reputational risks. Such risks could arise when Donors provide

funding in amounts less than what is set out in their Administration Agreement or delay their funding. The *Cash only* BoC is calculated as the total amount of unqualified cash contributions received, plus investment income credited to the Trust Fund to date, minus applicable cost recovery fees.

In exceptional circumstances, the World Bank may decide to apply a non-standard BoC. Non-standard options include: (i) cash plus promissory notes held but not yet encashed and (ii) cash, promissory notes plus unqualified future Donor receivables.

**Partnership Document:** A Partnership Document may be prepared by an Umbrella Program Management team—typically soon after the Umbrella Anchor TF has received funds from Donors and is operational—and preferably is agreed by the Donors by the time of the first Partnership Council meeting. The purpose of the Partnership Document is to describe for the benefit of the Donors to the Umbrella 2.0 Program principles and procedures for the day-to-day management and operations of the Umbrella 2.0 Program including operational arrangements related to the Partnership Council meetings, technical partnerships (when applicable), program management and administration, work plan and budget, results framework, reporting and evaluation, and the approach to communications and visibility.

The Partnership Document is not intended to summarize or reproduce World Bank policies and procedures governing Trust Funds. It does not expand, supplement, or otherwise modify the provisions of the Administration Agreement for the Trust Fund. In the event of any conflict between the content of Partnership Document and the provisions of the Administration Agreement, the provisions of the Administration Agreement prevails.

## Implementing and Supervising Activities funded by Trust Funds

Once a Trust fund is established, and activities to be funded are selected, World Bank staff proceed to implement (in the case of Bank-executed activities) or supervise implementation of (in the case of Recipient-executed activities) the trust funded activities.

**Implementing Bank-executed Activities:** BE activities that are selected and approved for financing through trust funds are implemented by the responsible World Bank Business Unit as part of its regular portfolio of activities. Each trust-funded BE activity is identified with its funding source(s) and is included in the Business Unit's resource and work program planning, budgeting, and performance exercises. BE activities are administered in accordance with the World Bank's administrative, planning, budgeting, performance and human resources policies, directives and procedures that also apply to the use of the World Bank's administrative budget. For BE activities that are Advisory Services and Analytics products, policies and procedures for those products and services apply.

**Supervising Implementation of Recipient-executed Activities:** When trust fund resources will be used to provide a grant to a third-party recipient for the purpose of financing a development project or program, the World Bank appraises and provides implementation support for the activities financed by the grant. The World Bank enters into a Grant Agreement with the Recipient to extend such grant.

A **Grant Agreement** is a written legal instrument between the World Bank and a Recipient for the

*purpose of providing a grant to assist with financing a project or program. It describes the project or program and its objective, sets out the terms of the financing, and the Recipient's obligations in relation to the project or program.*

The policy framework for supervising implementation of RE activities seeks to promote achievement of the activity goals while supporting risk management during activity implementation. Included in the policy framework are:

- **Environmental and Social Framework (ESF).** The ESF enables the World Bank and Borrowers to better manage environmental and social risks of projects, and to improve development outcomes. The ESF offers broad and systematic coverage of environmental and social risks (see Box 7). It makes important advances in areas such as transparency, non-discrimination, public participation, and accountability — including expanded roles for grievance mechanisms. It brings the World Bank's environmental and social protections into closer harmony with those of other development institutions. Go [here](#) for details on the content of the ESF.
- **Financial Management (FM):** The World Bank's Financial Management work supports client countries in improving their financial management performance and capacity while encouraging public disclosure and transparency and provides reasonable assurance on the use of World Bank loan proceeds and trust fund resources. Sound public financial management ensures accountability and efficiency in the management of public resources and is an essential underpinning to improve governance and fight corruption.

In accordance with the Bank's [operational policies and procedures](#), FM specialists work with countries to design financial management and disbursement arrangements and to supervise and support the performance of World Bank- and Trust Fund-financed operations.

Recipients of Trust Fund grants (under Grant Agreements) are required to maintain adequate financial management systems, prepare annual financial statements in accordance with accounting standards acceptable to the World Bank, and to have these statements audited by independent auditors acceptable to the World Bank. Recipients are also required to submit interim financial reports acceptable to the World Bank. Each RE operation involves a World Bank Financial Management Specialist who assesses financial management risk and performance, and reviews financial management compliance of the recipient. Go [here](#) for more on Financial Management in Bank operations.

- **Procurement:** The World Bank's [Procurement Framework](#), promotes tailored procurement approaches that emphasize choice, quality, and value for public spending, while enabling

adaptation to country contexts. It allows projects to respond quickly to emerging needs and helps client countries determine the best value for money to ensure quality outcomes and sustainability over the life of a project. By focusing on market research, needs analysis, and project-specific risks, including environmental and social issues, the World Bank supports countries to develop procurement strategies and plans that meet their needs and ensure successful implementation.

The Framework approach includes four key points to help clients and businesses: a Project Procurement Strategy for development in which the needs and risks of a project are analyzed; a focus on Value for Money; an approach to resolving procurement-related complaints; and increased involvement by World Bank staff in contract management with high value and high risk.

### Box 7: Environmental and Social Risks

**Environment-related:** The World Bank Group is globally committed to environmental sustainability, by helping Borrowers and third-party grant recipients manage environment-related risks in World Bank-financed and trust funded projects and by promoting stronger collective action. All economies, particularly developing ones, need to grow, but they need to do so sustainably, so that income producing opportunities are not pursued in ways that limit or close off opportunities for future generations. At the project level, the global aspiration of environmental sustainability translates into enhancing development opportunities for all, particularly the poor and vulnerable, and promoting the sustainable management of natural and living resources. Within the parameters of a project, the World Bank seeks to: (i) avoid or mitigate adverse impacts to people and the environment; (ii) conserve or rehabilitate biodiversity and natural habitats, and promote the efficient and equitable use of natural resources and ecosystem services; (iii) support climate change mitigation and adaptation, recognizing this as essential in a world of finite natural resources. Climate change is a fundamental threat to development in our lifetime: therefore the World Bank-financed projects aim to reduce their impact on the climate by choosing alternatives with lower carbon emissions. The World Bank is committed to supporting its client countries to manage their economies, to decarbonize and invest in resilience, while ending poverty and boosting shared prosperity.

**Social risks** are defined broadly under the ESF and include Gender-Based Violence, Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH), threats to human security and impacts on the health, safety and well-being of workers and project-affected communities, among others. The World Bank uses specific guidance and tools, including a Gender Based Violence risk screening and risk rating tool, to help staff identify SEA/SH risks during project preparation, and a good practice note for World Bank staff on addressing these risks in projects involving major civil works. Given that child survivors require specific protection measures and can often trigger mandatory reporting laws, the World Bank Group has also issued specific guidance on how to assess, prevent and respond to SEA/SH involving child survivors.

- **Risk Framework:** The World Bank's Risk Framework represents a set of institutional systems in place for the management of risk in World Bank operations, including trust funded RE activities. The Risk Framework pillars include the Systematic Operations Risk-Rating Tool (SORT), a risk rating tool which rates eight dimensions of risk (Environmental and Social, Fiduciary, Institutional Capacity; Macroeconomic; Political and Governance; Sector Strategies and Policies; Stakeholders; and Technical Design) on a four-point scale (high, substantial, moderate, or low) depending on the likelihood that risk will materialize and the expected severity of its impact if it does.
- **Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT):** The World Bank has an obligation to follow decisions of the Security Council under Articles 41 and 42 of the United Nations Charter, in carrying out their payments and disbursement activities. In addition, the World Bank is required to avoid doing business with entities or individuals that have been debarred or suspended under the World Bank Group's own sanctions system. The suppliers under World Bank-financed projects, the investee companies in IFC projects, the MIGA guarantee holders, corporate vendors, commercial banks for transferring funds, as well as payments to beneficiaries are screened against the external sanction lists and the internal debarment and suspension lists. The World Bank Group entities' AML/CFT and Sanctions screening processes and procedures define the types of entities/persons subject to screening and additional relevant details.
- **Anti-Corruption: Investigations, Sanctions, Prevention and Compliance:** The Anti-Corruption Guidelines and applicable World Bank procurement regulations provide that the World Bank may impose administrative sanctions on firms and individuals found to have engaged in corrupt, fraudulent, coercive, collusive or obstructive practices in connection with the use of the Trust Fund grant proceeds, including (but not limited to)

in the course of procurement or the selection of consultants, or in the execution of contracts financed by a Trust Fund grant. There are five possible administrative sanctions: Debarment, Debarment with Conditional Release, Conditional Non-Debarment, Public Letter of Reprimand, and Restitution. In the event that the World Bank determines that there are credible allegations of fraud, corruption, collusion or coercion in relation to RE and/or BE activities financed by the Trust Fund that result in the World Bank opening an investigation into such allegations the World Bank will, in accordance with its applicable policies and procedures, take appropriate measures to address such allegation, convey information to Donors on a confidential basis, take actions to recover funds as appropriate and refund any funds depending on the investigation's outcome. For more information, please refer to the World Bank's [Anti-Corruption Guidelines](#) and the World Bank Group's [Sanctions System](#).

**Results, Monitoring and Reporting:** The World Bank's fiduciary responsibility for BE and RE activities funded by Trust Funds includes monitoring and evaluation of activities, outputs, and outcomes. The process begins with a results-oriented design of the Trust Fund or Umbrella 2.0 Program, reflected in a results framework that is developed in consultation with Donors. It continues with regular monitoring and evaluation to assess progress towards achieving the development objectives of the Trust Fund or Umbrella 2.0 Program and activities/projects they fund and to confirm that the funds are being used in conformity with the Administration Agreement and, if applicable, with any Grant Agreements. Narrative progress reports are prepared on an annual basis in reference to the Results Framework for both RE- and BE-activities.

**Financial Reporting and Audits:** The World Bank provides Donors with up-to-date Trust Fund financial information through its secure Trust Fund website—the Development Partner Center (see Box 6). The World Bank also provides Donors within six months following the end of each World Bank fiscal year an Annual Single Audit Report in respect of all

cash-based Trust Funds. The single audit provides Trust Fund Donors with assurance that the World Bank's overall control framework surrounding Trust Funds provides reliable financial reports in place of individual externally audited Trust Fund financial statements. The single audit report is comprised of (i) a management report together with an audit opinion from the World Bank's external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based Trust Funds as a whole; and (ii) a combined financial statement for all cash-based Trust Funds together with the World Bank's external auditor's opinion thereon. Go [here](#) for the most recent Annual Single Audit Report.

## Restructuring and Canceling

**Restructuring:** Once established, a Trust Fund may be restructured to modify its Development Objective or activities, extend its End-Disbursement Date, modify any governance arrangements, or modify any other terms such as changes to reporting arrangements, and/or expense categories.

The restructuring of a trust fund requires approval by World Bank management and is carried out by amending the Administration Agreement(s) between the World Bank and the Donor(s) concerning the Trust Fund.

*The restructuring of a Multi-Donor Trust Fund requires the agreement of all Donors to the Trust Fund. The Administration Agreement for the MDTF is only amended following written agreement or acceptance by all contributing Donors and the amendment to the MDTF becomes effective once all Donors sign the amendment to their Administration Agreement. If a Donor does not wish to sign an amendment, the Donor reserves the right to exit from the MDTF according to the terms and conditions of the Administration Agreement thereby allowing other Donors to proceed with the amendment.*

**Canceling a Donor Contribution:** With three months' prior written notice, a Donor or the World Bank can cancel all or part of a Donor's pro-rata share of any contributions (paid and not yet paid)

to a Trust Fund that is not committed pursuant to any agreements or contracts between the World Bank and any consultants and/or other third parties, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the World Bank returns the Donor's pro-rata share in the holding currency, unless otherwise agreed between the World Bank and the Donor.

## Closing a Trust Fund

**Completion Reports:** Within six months from the Trust Fund's End-Disbursement Date, World Bank staff prepare a completion report for the Donors. The completion report summarizes the Trust Fund's (or Umbrella 2.0 Program's) Development Objective(s), aggregated results and outcomes achieved, and lessons learned. A completion report also includes a description of risks and challenges encountered and how they were managed and mitigated and any major deviations in work plan and budget during the life of the Trust Fund or Umbrella 2.0 Program.

**Donor Balance Accounts (DBA):** Once the Trust Fund account has been closed, unless otherwise agreed in writing between a Donor and the World Bank, the World Bank will transfer the remaining fund balance to the Donor's DBA pending notification from the Donor on how they want to process refunds. In the case of funds in a Multi-Donor Trust Fund, funds are transferred on a pro-rata basis according to the Donor's cumulative paid-in contributions. A DBA is an administrative 'pass through' account the World Bank establishes on behalf of an individual Donor agency to temporarily hold funds pending transfer to another Trust Fund account or return to Donor or to be used for purposes as agreed with the Donor.

## 6. Other Financing Arrangements

### Financial Intermediary Funds (FIFs)

A Financial Intermediary Fund (FIF) is a type of Trust Fund supported by the World Bank through tailored administrative, financial, legal, and/or operational services. FIFs are important tools in the development finance toolbox offering customized financing platforms for partnership programs and special financing mechanisms. They can catalyze a variety of public and private resources in support of international initiatives. Most often launched at high-level, multilateral forums, FIFs enable the international community to provide a direct and coordinated response to global priorities by providing mostly independently governed multi-contributor collaboration platforms focused on the provision of support for global public goods such as preventing communicable diseases, responding to climate change, and food security. For more on Financial Intermediary Funds, please see the [FIF trustee website](#).

### Externally Financed Outputs (EFOs)

The EFO is a streamlined instrument for receiving contributions of up to US\$2 million to support the World Bank's own work program over a maximum initial timeframe of 24 months. An EFO cannot

fund Recipient-executed activities and cannot be programmatic. EFOs have a standard legal agreement and use standard simplified progress and completion reporting. Financial reporting is not provided to the contributor. The World Bank's corporate procurement rules apply, and eligible expenditures are the same as those eligible under the World Bank's budget. As of July 2020, new cost recovery measures to fully recover the indirect costs associated with EFO have been implemented.

### Project Co-financing Arrangements

Under project co-financing arrangements, Donors provide financing directly to a recipient to finance activities within the scope of an IBRD or IDA project. No Trust Fund arrangement is involved. Supporting documentation involves a Project Co-lenders Agreement (between the World Bank and co-financier) and a Financing/Loan Agreement (between each financier and the recipient). The World Bank has overarching Co-financing Framework Agreements (CFAs) and/or Procurement Framework Agreements (PFAs) in place with several co-financing partners, which can facilitate expedited agreement on project co-financing arrangements. For more on project co-financing, please contact the World Bank's co-financing team: [WB\\_Co-Financing@worldbank.org](mailto:WB_Co-Financing@worldbank.org)

## Annex 1: The Umbrella 2.0 Program at a Glance

An **Umbrella 2.0 Program** is an approach to organizing and managing Development Partner trust funds in support of one or more shared strategic priority areas. The Umbrella 2.0 Program's broad scope and clear strategic focus elevates the dialogue with partners around shared priorities and mutually desired outcomes, while accommodating partners' interests.

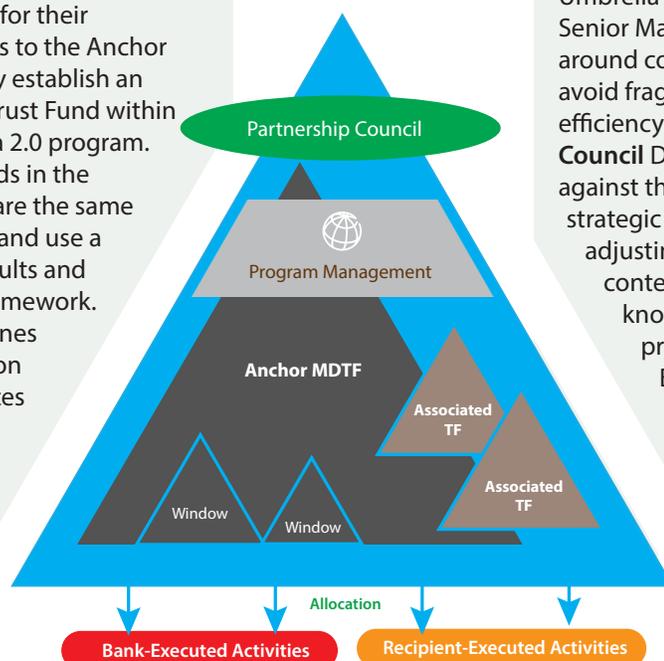
### A flexible approach for aligning and managing development resources for results.

The Umbrella 2.0 Program's **Results Framework** is developed in consultation with Development Partners. It covers activities funded by all Trust Funds in the Umbrella 2.0 Program (Anchor MDTF and Associated TFs). The Results Framework is the key monitoring tool to help assess how individual activities are contributing to the Umbrella 2.0 Program's overall Development Objectives. Results progress reporting is provided at the Umbrella 2.0 Program level and may highlight contributions from Associated Trust Funds in a comprehensive report.

Each Umbrella 2.0 Program has an Anchor MDTF as its primary funding instrument, which reflects its overall scope. Partners interested in a specific sector, theme or geographic area covered by the Umbrella 2.0 Program's scope have the option to indicate **nonbinding preferences** for their contributions to the Anchor MDTF or may establish an Associated Trust Fund within the Umbrella 2.0 program. All Trust Funds in the Umbrella share the same governance and use a common results and reporting framework. This streamlines administration and maximizes the impact of partner resources.

### Greater opportunities for Development Partners and the World Bank to work together strategically and efficiently and deliver better results for clients.

A single **governance structure** for all funds in the Umbrella 2.0 Program brings the World Bank's Senior Management and partners to the same table around common Development Objectives, helps avoid fragmentation of resources, and increases efficiency. Through participation in the **Partnership Council** Development Partners 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 allows the World Bank and partners to work together to help advance policy dialogue and to ensure that individual activities are aligned around common outcomes. Partnership Council endorses the Umbrella 2.0 Program's annual work program and budget after which the World Bank allocates program resources to individual activities.



### Ensuring wide communication and dissemination of activities and results achieved, highlighting the support provided by all Development Partners.

Umbrella 2.0 Programs develop **Communication and Visibility Plans (CVP)** that are discussed with the Partnership Council. The CVP ensures that the strategic communication needs of the Umbrella 2.0 Program are considered and implemented — for example stakeholder analysis, audience segmentation, key messaging and channel selection — and how these can support the overall program goals and drive for results. The CVP also ensures appropriate branding of the Umbrella 2.0 Program, of the participating Development Partners and of the World Bank.

## Annex 2: World Bank Group Accountability

The World Bank Group holds itself accountable through institutional mechanisms—both within and independent of the World Bank—that monitor operational performance, manage institutional risks, address concerns and grievances, and ensure transparency in the work. They provide guidance and recommendations to promote maximum development effectiveness and adherence to the highest accountability standards. Highlighted below are some of the World Bank Group units responsible for overseeing feedback and accountability mechanisms and for tracking progress on results and effectiveness. Go [here](#) for more on World Bank Group Accountability mechanisms, and [here](#) for a combined summary of the independent oversight and accountability functions of the World Bank Group.

### Inspection Panel

The [Inspection Panel](#) is an independent complaints mechanism for people and communities who believe that they have been, or are likely to be, adversely affected by a World Bank-funded project. The [Board of Executive Directors](#) created the Inspection Panel in 1993 to ensure that people have access to an independent body to which they can express their concerns and seek recourse.

The Panel is an impartial fact-finding body, independent from the World Bank management and staff, reporting directly to the Board. The Inspection Panel process aims to promote accountability at the World Bank, give affected people a greater voice in activities supported by the World Bank that affect their rights and interests, and foster redress when warranted.

### Independent Evaluation Group

The [Independent Evaluation Group \(IEG\)](#) aims to strengthen the World Bank Group's development effectiveness through evaluations that assess results and performance and that provide recommendations for improvements. It also validates the World Bank Group's self-evaluations of the results of country programs and projects. The evaluations and validations provide evidence on factors influencing success and failure as well as lessons to help inform the World Bank Group's directions, policies, programs, and operations. IEG is independent of the Management of the World Bank Group and reports directly to the Executive Board.

### Integrity Vice Presidency

The [Integrity Vice Presidency \(INT\)](#) is an independent unit within the World Bank Group that detects, deters, and prevents fraud and corruption in World Bank Group-financed operations and involving World Bank Group staff and corporate vendors. It carries out this mandate by investigating allegations of fraud, corruption, and other sanctionable practices and, when substantiated, pursuing sanctions against external entities and disciplinary measures against staff. In connection with the sanctions processes, the Integrity Compliance Office (ICO), an independent unit within INT, reviews the compliance posture of outside firms. Following sanctioning decisions, the ICO engages with sanctioned entities that are working to meet their conditions for release from sanction. INT also works to identify, monitor, and mitigate integrity risks in World Bank Group projects. INT reports directly to the President of the World Bank Group institutions and is under the oversight of the Audit Committee of the Executive Board.

### Group Internal Audit

[Group Internal Audit \(GIA\)](#) is an independent function reporting to the President and under the oversight of the Board's Audit Committee. GIA provides senior management and the Board reasonable assurance that processes for managing and controlling risks—as well as their overall governance—are adequately designed and functioning

effectively. GIA's work helps the World Bank Group serve its clients more effectively. GIA delivers audits, as well as assurance and advisory reviews, which cover all key institutional areas: strategy, operations, finance, and corporate functions, including IT systems and processes. Its work is carried out in accordance with the Institute of Internal Auditors' International Professional Practices Framework. GIA collaborates with risk management and governance functions within management, as well as with other oversight and accountability units.

GIA works across all the World Bank Group institutions, covering all operational corporate functions as well as IT systems and processes. GIA's work is carried out in accordance with the [Institute of Internal Auditors \(IIA\) International Professional Practices Framework](#).

## Ethics and Business Conduct Department

The World Bank Group's [Ethics and Business Conduct Department \(EBC\)](#) promotes the development and application of the highest ethical standards by staff members in the performance of their duties. EBC is committed to integrity, impartiality and independence in its work and reports to the Managing Director and World Bank Group Chief Administrative Officer and has direct access to the President whenever the situation or subject matter requires it.

EBC focuses on four key areas:

- Standard setting through the design and stewardship of ethical policy, practices, decisions, and behavior, including administering Declarations of Interest Programs to ensure public confidence.
- Outreach and training to strengthen World Bank Group values, foster a culture of respect and integrity, and build bridges between scientific research and practice in ethical development.
- Advice to staff and clients by sharing ethics expertise and spotting trends—providing counsel on conflicts of interest and compliance-related issues as needed.
- Addressing misconduct by reviewing concerns, recommending actions, and facilitating resolutions.

**World Bank Group Action Plan for preventing and addressing sexual harassment:** The World Bank Group is committed to providing a safe environment for its people to do their best work. This means doing everything possible to uphold systems of accountability and transparency. The World Bank Group must create a culture in which all feel safe to report incidents of sexual harassment and are able to trust that robust systems are in place to address them—a culture of zero tolerance where sexual harassment is being systematically addressed. Read the Action Plan [here](#).

## Annex 3: Active and Proposed Umbrella 2.0 Programs by World Bank Practice Group/ Business Unit as of June 30, 2021

**Bold = Established**, Regular = Pending Establishment

Practice Group / Business Unit	No	Umbrella 2.0 Program
Equitable Growth, Finance and Institutions	1	<b>Financial Sector Reform and Strengthening Initiative (FIRST 2.0)</b>
	2	Risk Finance
	3	Finance for Development
	4	<b>Umbrella Facility for Trade (UFT)</b>
	5	<b>Competitiveness for Jobs and Economic Transformation (C-JET)</b>
	6	Governance and Institutions (G&I)
	7	<b>Financial Management and Accountability (FMA)</b>
	8	Procurement for Development (P4D)
	9	<b>Debt Management Facility (DMF)</b>
	10	<b>Global Tax Program (GTP)</b>
	11	Umbrella Facility for Poverty and Equity (UFPE)
	12	<b>Consultative Group to Assist the Poor (CGAP)</b>
	13	Fiscal Policy and Sustainable Growth Umbrella Program
Human Development	14	<b>Foundational Learning Compact (FLC)</b>
	15	Tertiary Education and Skills Training (TEST) Umbrella
	16	<b>Umbrella Facility for Gender Equality (UFGE)</b>
	17	<b>Human Capital Umbrella</b>
	18	<b>Health Emergency Preparedness and Response Umbrella (HEPRF)</b>
	19	Healthy Lives Nutrition and Population (HLNP)
	20	<b>Global Financing Facility (GFF)</b>
	21	<b>Adaptive and Dynamic Social Protection (ADSP) Umbrella Partnership</b>
	22	<b>JOBS Umbrella Partnership</b>
	23	<b>KNOMAD-Migration Umbrella</b>
Infrastructure	24	<b>Digital Development Partnership (DDP)</b>
	25	<b>Identification for Development (ID4D)</b>
	26	<b>Extractives Global Programmatic Support 2 (EGPS-2)</b>
	27	<b>Energy Sector Management Assistance Program (ESMAP)</b>
	28	Sustainable Infrastructure
	29	<b>Enabling Environment &amp; Pipeline Development</b>
	30	Global Facility to Decarbonize Transport (GFDT)
Sustainable Development	31	<b>Food Systems 2030</b>
	32	<b>Climate Support Facility (CSF)</b>
	33	<b>Partnership for Market Implementation (PMI)</b>
	34	Climate Emissions Reduction Facility (CERF)
	35	Global Facility for Disaster Reduction and Recovery (GFDRR)
	36	<b>PROBLUE</b>
	37	<b>PROGREEN</b>
	38	<b>PROCLEAN</b>

**Annex 2: Cont'd - Active and Proposed Umbrella 2.0 Programs by World Bank Practice Group / Business Unit as of June 30, 2021**

**Bold = Established, Regular = Pending Establishment**

Practice Group / Business Unit	No	Umbrella 2.0 Program
Sustainable Development, cont'd	39	<b>Global Program on Sustainability (GPS)</b>
	40	<b>Human Rights, Inclusion and Empowerment</b>
	41	<b>Social Sustainability Initiative for All (SSI4ALL)</b>
	42	<b>Sustainable Urban and Regional Development (SURGE)</b>
	43	Global Partnership on Results-Based Approaches (GPRBA)
	44	<b>Land 2030 Global Partnership</b>
	45	<b>Global Water Security and Sanitation Program (GWSP)</b>
Development Economics	46	<b>Knowledge for Change Program (KCP)</b>
	47	Global Data Facility
	48	<b>Impact Evaluation to Development Impact (i2i)</b>
Fragility, Conflict and Violence	49	State and Peacebuilding Fund 2.0 (SFP 2.0)
Regions	50	AFE <b>Somalia Country Engagement</b>
	51	AFE <b>Sudan Transition and Recovery Support (STARs)</b>
	52	AFE <b>Zimbabwe Reconstruction Fund (ZIMREF)</b>
	53	AFW AFW Regional Umbrella
	54	<b>AFW Liberia Reconstruction Trust Fund</b>
	55	AFW Nigeria Country Umbrella Program
	56	<b>AFW Horn of Africa Regional Umbrella</b>
	57	EAP Indonesia Strategic Partnership (ISP)
	58	EAP Timor-Leste Strategic Partnership (TLSP)
	59	<b>EAP Myanmar Strategic Partnership (MSP)</b>
	60	<b>EAP Papua New Guinea and the Pacific Islands Umbrella Facility (PPIUF)</b>
	61	EAP Philippines Peacebuilding & Development Initiatives in Mindanao (PPDI)
	62	ECA Strategic European Partnerships Umbrella Program (STEP UP)
	63	<b>MNA MNA Region Umbrella 2.0</b>
64	<b>MNA Lebanon Financing Facility (LFF)</b>	
65	MNA Yemen Resilience, Recovery, and Reconstruction Umbrella Program	
66	<b>MNA Palestine Umbrella for Resilience Support to the Economy (PURSE)</b>	
67	<b>MNA Tunisia Economic Resilience and Inclusion (TERI)</b>	
68	SAR South Asia Regional Integration, Cooperation and Engagement Umbrella	
69	<b>SAR Afghanistan Reconstruction Trust Fund (ARTF)</b>	
70	<b>SAR Pakistan @100 Partnership</b>	
71	<b>SAR India Country Umbrella</b>	





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