



# **KCP IV**

Summaries of Newly Approved Projects

## The Demand for Debt from Emerging Markets and Developing Economies



-  DECENT WORK AND ECONOMIC GROWTH
-  PEACE, JUSTICE AND STRONG INSTITUTIONS
-  CLIMATE ACTION

**LED BY:** Matias Moretti, Sergio Schmukler, DEC Research Group

**PARTNERED WITH:** Finance, Competitiveness and Innovation Global Practice; International Finance Corporation; International Monetary Fund; George Washington University

**AWARDED AMOUNT:** \$200,000

**GEOGRAPHIES:** Global

**DURATION:** October 2022–June 2024

Sovereign and corporate debt has been increasing steadily over the past decade. The large increase in debt-to-gross domestic product ratios had led to a large increase in debt service, bond yields, borrowing costs, and sovereign risk in emerging markets and developing economies (EMDEs). This study aims to shed light on questions like how much debt EMDEs can issue and how exposed those economies are to global shocks that can affect the demand for their debt. The project will study two separate but related issues: (i) how the inclusion in global benchmark indexes and, more generally, how shocks to the global demand for debt can affect the cost of raising new bonds, including refinancing existing debt, and (ii) to provide novel evidence on green bonds and analyze how the establishment of an international benchmark that determines what constitutes a green investment can allow both governments and corporates to increase their issuances of these bonds.

## Improving Skills Development and Employability through Traditional Apprenticeships: Evidence from Senegal



-  DECENT WORK AND ECONOMIC GROWTH
-  NO POVERTY
-  QUALITY EDUCATION
-  PEACE, JUSTICE AND STRONG INSTITUTIONS

**LED BY:** John Giles, DEC Research Group

**PARTNERED WITH:** Social Protection & Jobs Global Practice

**AWARDED AMOUNT:** \$200,000

**GEOGRAPHIES:** West Africa, Senegal

**DURATION:** October 2022–June 2024

In Senegal, and West Africa, apprenticeships remain one of the most important pathways through which young people transition to work, but skills development through workshop training can vary tremendously. This project will study the impacts of a large-scale skills development pilot targeting traditional apprentices in Senegal, titled "Improving Youth Employability through Informal Apprenticeships (PEJA)." To inform future efforts to improve skills delivery through informal apprenticeships, the project will evaluate the relative benefits of improving the socioemotional skills of apprentices. The project also aims to understand how digital media can be used to reinforce the training of adolescents and young adults with relatively low literacy.

## Protecting Human Capital during Episodes of Forced Displacement: Learning from Ukrainian Refugees in Italy



 PEACE, JUSTICE AND STRONG INSTITUTIONS

 GOOD HEALTH AND WELL-BEING

 NO POVERTY  QUALITY EDUCATION

 DECENT WORK AND ECONOMIC GROWTH

 PARTNERSHIPS FOR THE GOALS

**LED BY:** Gero Carletto, DEC Data Group; Quy-Toan Do, DEC Research Group

**PARTNERED WITH:** Social Protection & Jobs Global Practice, Italian Ministry of Internal Affairs, Italian Ministry of Education, Italian National Institute of Health–Italian Istituto Superiore di Sanita, National Association of Italian Municipalities–Associazione Nazionale Comuni Italiani

**AWARDED AMOUNT:** \$200,000

**GEOGRAPHIES:** Europe and Central Asia, Ukraine, Italy

**DURATION:** October 2022–June 2024

This project aims to generate knowledge on the factors preventing or ameliorating human capital losses during episodes of massive, forced displacement among extremely vulnerable populations. It will collect data on forcibly displaced children and youth and their primary caregivers to: (i) gain better understanding of the conditions in the field across several human capital and labor market dimensions, toward informing the design of interventions by the host country, and (ii) establish a high-quality baseline to track populations of interest over time, whether in host countries or back home, toward measuring the long-term impacts of displacement and interventions. The research will inform the World Bank's technical and financial assistance in countries experiencing large inflows of refugees, to support them as they shift from a humanitarian to a development approach to refugee integration.

## The Persistent Effects of Stunting: A Ten-Year Follow-up of Beneficiaries and Non-Beneficiaries of the Philippine CCT



 GOOD HEALTH AND WELL-BEING

 QUALITY EDUCATION

**LED BY:** Eeshani Kandpal, Jed Friedman, DEC Research Group

**PARTNERED WITH:** Northwestern University, Yale University, George Washington University

**AWARDED AMOUNT:** \$200,000

**GEOGRAPHIES:** Philippines

**DURATION:** October 2022–June 2024

This study investigates the medium-run effects on key development outcomes of the Philippine conditional cash transfer program, Pantawid, to answer two main questions: what are the medium-run effects of cash transfers that might principally operate through the health and nutrition channel? And what are the medium-run effects of early life stunting? The project will assess impacts along a wide range of cutting-edge outcomes, for a rigorous assessment of the impacts of early life stunting across a wide range of important dimensions. The results should inform the policy dialogue on the use of stunting to track long-run outcomes tied to health, education, and overall mental and physical wellbeing. The findings will be highly relevant for the World Bank's large and growing portfolio of operations involving cash transfers or targeting stunting reduction.

## Measuring the Cost of Digital Transactions



-  GENDER EQUITY
-  PEACE, JUSTICE AND STRONG INSTITUTIONS
-  INDUSTRY, INNOVATION AND INFRASTRUCTURE

**LED BY:** Xavier Gine, DEC Research Group

**PARTNERED WITH:** Innovations for Poverty Action, Bill and Melinda Gates Foundation

**AWARDED AMOUNT:** \$123,740

**GEOGRAPHIES:** Global

**DURATION:** October 2022–June 2024

Digital financial services (DFS) such as mobile money can be used to transfer funds quickly and relatively inexpensively across long distances. Despite the many determinants of DFS usage, the cost of using these services is a critical factor, but little has been done toward systematically measuring and monitoring the true cost of conducting common DFS transactions such as person-to-person transfers or cashing out funds from an e-wallet at an agent location. This project aims to capture and report the cost of DFS transactions by constructing a transaction pricing index, which could be a valuable resource to support the development of thriving and competitive digital financial services markets, in addition to reducing bottlenecks to financial inclusion. Building on the existing body of evidence on mystery shopping of financial service providers, this project will develop a mystery shopping methodology that can be deployed across a diverse set of markets, to capture mobile money and banking transaction costs.

## The Transformational Impact of Novel Weather Forecasts for Smallholder Farmers



 CLIMATE ACTION

 REDUCED INEQUALITY

 NO POVERTY

**LED BY:** Erin Kelley, DEC Impact Evaluation Group

**PARTNERED WITH:** University of Chicago; International Crops Research Institute for the Semi-Arid Tropics Awarded amount: \$90,000

**GEOGRAPHIES:** India

**DURATION:** October 2022–June 2024

Agricultural production is highly sensitive to weather shocks. This project will test a new method of adaptation for farmers: long-range, or seasonal, weather forecasts. It will leverage recent advances in atmospheric science to bring high-quality monsoon forecasts to farmers and estimate the welfare impacts of these forecasts using a randomized controlled trial. The research will broaden understanding of the risk farmers face and highlight the most effective way of dealing with it. It will also inform governments and international institutions on the cost-effectiveness of different interventions for farmers. This is especially relevant in light of the large-scale investments that governments have made to support small-scale farmers in low-income countries.

## The Potential for E-Justice Innovations to Build More Resilient Justice Systems in the Wake of COVID-19



 PEACE, JUSTICE AND STRONG INSTITUTIONS

 REDUCED INEQUALITY

**LED BY:** Daniel Chen, Antoine Deeb, DEC Impact Evaluation Group

**PARTNERED WITH:** DEC Research Group, Governance Global Practice, Judiciary of Pakistan, Ministry of Justice and Free Mediation Centers in Peru, National Judiciary Council of Brazil, Administrative Corporation of the Judiciary in Chile

**AWARDED AMOUNT:** \$200,000

**GEOGRAPHIES:** Pakistan, Peru, Brazil, Chile

**DURATION:** October 2022–March 2024

The project will evaluate e-justice technology-enabled innovations in various parts of the world with the goal of strengthening judiciaries to deal with the growing backlog of cases and low citizen access to courts. The results of these research projects will help us to understand which technology-enabled innovations work to strengthen and build resilience in justice systems around the world in the wake of the COVID-19 crisis. The innovations to be studied include the Legal Case Management App to Reduce Court Backlog in Pakistan, Technological Innovations to Improve Dispute Resolution in Peru's Free Mediation Centers, Reducing Legal Uncertainty through Precedents in Brazil, and Digital Instant Messaging Platform to Facilitate Citizens' Access to Court Services in Chile.

## Understanding the Determinants of Public Procurement Efficiency: Evidence from Administrative and Survey Data from Brazil



-  PEACE, JUSTICE AND STRONG INSTITUTIONS
-  DECENT WORK AND ECONOMIC GROWTH
-  REDUCED INEQUALITY

**LED BY:** Thiago de Gouvea Scot de Arruda, DEC Impact Evaluation Group

**PARTNERED WITH:** Tribunal de Contas da Uniao, Brazil; LabPub, University of São Paulo

**AWARDED AMOUNT:** \$141,000

**GEOGRAPHIES:** Brazil

**DURATION:** October 2022–June 2024

Efficient public procurement can generate sizable fiscal savings. Despite a growing academic literature and impact evaluations on public procurement, the existing body of evidence is still scarce and limited to a few countries, making it difficult to draw generalizable lessons on the most effective policies to improve the efficiency of public procurement. This project aims to advance the existing knowledge and evidence on effective strategies to increase efficiency in public procurement. First, it will leverage rich administrative data combined with original surveys of public officials to understand the determinants of procurement efficiency. Second, it will use text analysis and other machine learning methods to build early-warning alarms identifying systematic mistakes in procurement documents and propose an experiment to evaluate whether sharing this information with procurement officials improves outcomes.

## Livelihoods Support for Displaced Persons and Host Populations in a Fragile Context



- 👤 NO POVERTY 📖 QUALITY EDUCATION
- 📶 GOOD HEALTH AND WELL-BEING
- 📈 DECENT WORK AND ECONOMIC GROWTH
- 🕊️ PEACE, JUSTICE AND STRONG INSTITUTIONS
- ⚖️ REDUCED INEQUALITY

**LED BY:** Marcus Holmlund, Chloë Fernandez, DEC Impact Evaluation Group

**PARTNERED WITH:** Urban, Disaster Risk Management, Resilience, and Land Global Practice; Trinity College Dublin; University of Milan-Bicocca

**AWARDED AMOUNT:** \$196,750

**GEOGRAPHIES:** Niger

**DURATION:** October 2022–March 2024

This grant will support a research activity that aims to generate rigorous evidence on the welfare impacts of a livelihoods support program (consisting of a one-time cash transfer, six-day training, and follow-up coaching) for forcibly displaced persons and host populations in a fragile context in Niger. Using a large-scale field experiment, the project will assess the socioeconomic and psychological impacts of the livelihoods support package for both forcibly displaced individuals and the communities hosting them. Through partnering with the Nigerien government, the project will investigate pressing policy questions on whether and how already vulnerable societies can absorb large numbers of displaced persons and the types of interventions that can work to increase the resilience and welfare of both displaced and host populations.

## Women, Business and the Law in Practice: Completing a Framework to Measure de Facto Gender Equality



-  GENDER EQUITY
-  REDUCED INEQUALITY
-  PEACE, JUSTICE AND STRONG INSTITUTIONS

**LED BY:** Nisha Arekapudi, DEC Indicators Group

**PARTNERED WITH:** Governance Global Practice, Poverty Global Practice, Social Protection & Jobs Global Practice, Gender Group, Human Rights Measurement Initiative

**AWARDED AMOUNT:** \$200,000

**GEOGRAPHIES:** Global

**DURATION:** October 2022–June 2024

Women, Business and the Law—the World Bank Group’s flagship publication in the field of gender—provides policy makers a starting point for reform by identifying the laws and regulations that limit women’s economic inclusion. However, for women to thrive in the world of work, equal laws must be meaningfully implemented. Cross-country evidence of this implementation gap remains scarce. Women, Business and the Law (2022) introduced a new conceptual framework for measuring the gap between laws on the books and their implementation, and presented pilot data from 25 economies. This project intends to build on this concept and complete the framework by scaling up the pilot database, reviewing relevant literature and developing an expert opinion questionnaire to address bias and small sample size, and incorporating the completed process and outcome methodologies into Women, Business and the Law analysis for 190 economies. The data and analysis will promote informed policy making and encourage governments to implement laws more efficiently and comprehensively. They will also contribute to World Bank Group operations and research by identifying key priorities for legal and institutional reform, as well as elements and practices of implementation and enforcement that should be strengthened.

## Subnational Fiscal Multipliers in Developing Countries



- 📈 DECENT WORK AND ECONOMIC GROWTH
- 👤 REDUCED INEQUALITY 👤👤👤 NO POVERTY
- 🏠 SUSTAINABLE CITIES AND COMMUNITIES
- 🕊️ PEACE, JUSTICE AND STRONG INSTITUTIONS

**LED BY:** Steven Pennings, DEC Research Group

**PARTNERED WITH:** Macroeconomics, Trade and Investment Global Practice

**AWARDED AMOUNT:** \$80,000

**GEOGRAPHIES:** Global

**DURATION:** October 2022–June 2024

The size of the fiscal multiplier determines the benefits of Keynesian fiscal stimulus in terms of extra short-term economic growth, and also the extent to which fiscal austerity can weigh on growth. This project aims to estimate the size of fiscal multipliers at the subnational level in developing and emerging countries, which will help governments design new stabilization policies and understand the short-term growth effects of existing development-related expenditure. It will first focus on the effects of cash transfers, which have become increasingly popular antipoverty programs in developing countries, reaching around 500 million beneficiaries before the pandemic, and expanding to 1.36 billion beneficiaries in response to COVID-19. It will also estimate the effect of EU investment and structural fund spending, which is a major source of funding for development projects in Central and Eastern Europe.

## Window 2: Advancing the KCP's Goals through a Spatial Lens Focused on the Economic Geography of Growth and Development at the Subnational Level

### Programmatic Grant: Economic Development through a Spatial Lens: Urbanization in Times of Climate Change and Social Justice



-  SUSTAINABLE CITIES AND COMMUNITIES
-  CLIMATE ACTION  QUALITY EDUCATION
-  DECENT WORK AND ECONOMIC GROWTH
-  REDUCED INEQUALITY  NO POVERTY
-  PEACE, JUSTICE AND STRONG INSTITUTIONS
-  INDUSTRY, INNOVATION AND INFRASTRUCTURE

**LED BY:** Forhad Shilpi, Harris Selod, DEC Research Group

**PARTNERED WITH:** DEC Data Group; Impact Evaluation Group; Urban, Disaster Risk Management, Resilience and Land Global Practice; various local institutions

**AWARDED AMOUNT:** \$900,000

**GEOGRAPHIES:** Global

**DURATION:** October 2022–June 2025

The objective of this research program is to improve our understanding of how to design policies for productive, inclusive, and sustainable urbanization in a developing world that is facing rising regional inequality and frequent and potent shocks from climate change. This research program will focus on the system of cities, from smaller towns to metropolitan areas. The research program is organized into three parts respectively focusing on growth and transformation, fairness and inclusion, and climate change and urbanization.

In much of urban analysis, cities form data points similar to isolated islands. By introducing the urban hierarchy as a centerpiece of nearly all of the studies, this project will shed light on (i) inequality in terms of broader measures of welfare not just within large cities but across cities of different sizes, (ii) the effect of climate change on interconnectivity across cities and climate-induced migration on urban hierarchy, and (iii) impacts of connectivity on the growth of cities of different sizes. The program will also generate new evidence on connectivity, urban mobility, and place-based interventions: (i) how connectivity may have affected intergenerational mobility across different areas; (ii) how place-based policies such as government procurement, enterprise zones, or investment in school quality interact with connectivity and affect growth and intergenerational mobility; and (iii) whether reforms in the structure of informal transit markets would be useful in relieving congestion and reducing pollution in a developing country city.

## Programmatic Grant: Understanding Trends in Sub-National Differences in Economic Well-Being in Low- and Middle-Income Countries



 NO POVERTY

 SUSTAINABLE CITIES AND COMMUNITIES

 REDUCED INEQUALITY  GENDER EQUITY

**LED BY:** Talip Kilic, David Newhouse, DEC Data Group; Jed Friedman, DEC Research Group

**PARTNERED WITH:** Poverty and Equity Global Practice, Stanford University (Department of Earth System Science and the Center on Food Security and the Environment), Economic Commission for Latin America and the Caribbean (ECLAC) (Statistics Division)

**AWARDED AMOUNT:** \$900,000

**GEOGRAPHIES:** Global

**DURATION:** October 2022–August 2025

This grant will support a three-year programmatic research program to document the extent of variation in subnational levels and changes in a range of development outcomes, namely, monetary poverty and household consumption/income, multidimensional poverty, and household wealth, across a diverse set of at least 10 countries at different income levels and stages of structural transformation. The analysis will leverage the latest advances in small area estimation, machine learning, and computer vision, together with multiple rounds of georeferenced census and longitudinal household survey data that will be integrated with time series satellite imagery and processed geospatial data.

The subsequent cross-country research will document the subnational levels and changes in these outcomes and explore interrelationships and policy-relevant potential drivers at subnational levels. In parallel, the program will generate new insights on best practices in the integration of survey and satellite data and the use of machine learning techniques for generating reliable and operationally relevant cross-sectional and longitudinal development outcomes of interest. These insights will be highly relevant for operations seeking to target poor areas within client countries, evaluations of spatial policy interventions, as well as downstream empirical research efforts and the implementation of census and household surveys.

## Programmatic Grant: Data and Evidence on Subnational Production, Trade, and Infrastructure



-  DECENT WORK AND ECONOMIC GROWTH
-  SUSTAINABLE CITIES AND COMMUNITIES
-  INDUSTRY, INNOVATION AND INFRASTRUCTURE
-  PEACE, JUSTICE AND STRONG INSTITUTIONS
-  REDUCED INEQUALITY

**LED BY:** Florence Kondylis, John Loeser, Thiago de Gouvea Scot de Arruda, DEC Impact Evaluation Group

**PARTNERED WITH:** Transport Global Practice, Honduras and Rwanda Country Management Units, Rwanda Transport Development Agency, Rwanda Revenue Authority, Rwanda Ministry of Agriculture, Institute of Fiscal Studies

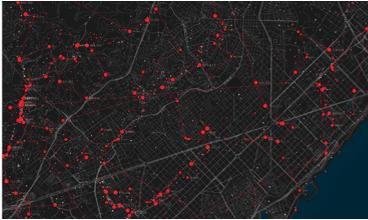
**AWARDED AMOUNT:** \$450,000

**GEOGRAPHIES:** Honduras, Rwanda

**DURATION:** October 2022–June 2025

This project seeks to advance the measurement of spatial inequalities in low- and middle-income countries and provide new evidence on the impact of subnational trade on fostering local development. The project will first use novel administrative data to characterize production networks, employment, and growth across space. Using rich administrative data in several countries, it will provide new evidence on the geography of firms and production. Economic disparities across space are partly driven by government policies, directly or indirectly. The second component of the project will explore the effects of trade and local transport infrastructure rehabilitation on subnational development. The goal is to understand both the impacts of regional policy (place-based policies) and the impacts of central policies that might indirectly affect agents across space, although not designed as such (the heterogeneous effect of policies). To this end, the project will study interventions on both the tax/revenue side (for example, place-based tax exemptions in Honduras and Rwanda) and on the expenditure side (for example, road construction in Rwanda). The findings will be highly policy relevant in dialogues with client countries on fiscal policy, trade policy, and infrastructure development.

## Indexing the World: Enabling the Effective and Efficient Discovery of Geospatial Data for Holistic and Localized Research



 NO POVERTY

 SUSTAINABLE CITIES AND COMMUNITIES

 REDUCED INEQUALITY

**LED BY:** Aivin V. Solatorio, DEC Data Group

**AWARDED AMOUNT:** \$146,000

**GEOGRAPHIES:** Global

**DURATION:** October 2022–December 2023

This project aims to improve the discoverability of subnational and granular geospatial data. The project will implement a system to make geospatial data discoverable by developing algorithms and leveraging open-source solutions, including Nominatim (from OpenStreetMap) as an interface for an H3-based indexing system (an innovative and open-source system created by Uber). This system will enable users to search and discover geospatial data using natural language. The development of this system will benefit individual researchers and data repositories—individual researchers can find geospatial data at the subnational or local level, and geospatial data in data repositories will be made more discoverable. Finally, the output of this project will open opportunities for research and operations to leverage geospatial data that are available in subnational and local regimes as inputs to research and policy discussions, focusing on subnational and local geographic issues.