



Financial Management Umbrella Trust Fund

**FY22 Annual Report
and FY23 Annual Work Plan**

Governance Global Practice

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Acronyms and Abbreviations

BETF	Bank Executed Trust Fund
BOT	Beneficial ownership transparency
CAIM	Common Audit Inspections Methodology
CAPA	Confederation of Asian and Pacific Accountants
CFR	Corporate Financial Reporting
CFRR	Centre for Financial Reporting Reform
CIPC	Companies and Intellectual Property Commission
CPF	Country Partnership Framework
CVP	Communication and Visibility Plan
DFAT	The Department of Foreign Affairs and Trade of Australia
DPSA	The Department of Public Service and Administration of South Africa
DTIC	The Department of Trade, Industry and Competition of South Africa
EBRD	European Bank for Reconstruction and Development
ECA	Europe and Central Asia
EFI	Equitable Growth, Finance, and Institutions
EU	European Union
FAFI	The Financial and Asset Forfeiture Investigation of South Africa
FASE	Foundational Accounting Technicians Enhancement
FCDO	Foreign, Commonwealth & Development Office
FIC	Financial Intelligence Centre
FM	Financial Management
FM UTF	Financial Management Umbrella Trust Fund
FRTAP	Financial Reporting Technical Assistance Program
FY	Fiscal Year
GGP	Governance Global Practice
IA	Internal Audit
ICA	Institute of Chartered Accountant
IFAC	The International Federation of Accountants
IFC	International Finance Corporation
IFRS	International Financial Reporting Standard
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISPPIA	International Standards for the Professional Practice of Internal Auditing
KAREP	The Kyrgyz Audit and Reporting Enhancement Project



LAS	Laos Accounting Standard
LCPAA	Lao Chamber of Professional Accountants and Auditors
LSCO	Lao Securities Commission Office
MDTF	Multi-Donor Trust Fund
MENA	Middle East and North Africa
MOES	Ministry of Education and Sports of Laos
MoF	Ministry of Finance
OCU	Oversight Coordination Unit
OECD	Organization for Economic Co-operation and Development
PAFA	Pan African Federation of Accountants
PAO	Professional Accountancy Organizations
PEFA	Public Expenditure and Financial Accountability
PEIR	Public Expenditure and Institutional Review
PFM	Public Financial Management
PIM	Public Investment Management
PMT	Program Management Team
PULSAR	Public Sector Accounting and Reporting Program
RD	Regional Director
REPARIS	Road to Europe: Program of Accounting Reform and Institutional Strengthening
RETF	Recipient Executed Trust Fund
ROSC	Report on the Observance of Standards and Codes–Accounting & Auditing
RS	Republika Srpska
SAI	Supreme Audit Institution
SCD	Systematic Country Diagnostics
SDGs	Sustainable Development Goals
SECO	The Swiss State Secretariat for Economic Affairs
SIDA	The Swedish International Development Cooperation Agency
SIGA	State Interest and Governance Authority of Ghana
SME	Small and Medium Enterprises
STAREP	Strengthening Auditing and Reporting Partnership
TA	Technical Assistance
TCC	Technical Coordination Committee
TF	Trust Fund
UN	The United Nation
US	The United States
UTF	Umbrella Trust Fund
VAT	Value Added Tax
WBG	World Bank Group



Foreword

First of all, many thanks to all the **Partners of the Financial Management Umbrella Trust Fund (FM UTF)** your kind support and collaboration at the start of the FM UTF. A great partnership is emerging as we collectively support countries to strengthen their financial management systems and capacity for sustainable growth and development. We are excited about the new opportunities and activities that will be possible with your support.



This is the first edition of the FM UTF progress report and work plan. This program became active in June 2021 as the first global umbrella trust fund in the Governance Global Practice. We are honored to have started the FM UTF with a great partnership with the Department of Foreign Affairs and Trade (DFAT) of Australia, the Swedish International Development Cooperation Agency (SIDA) of Sweden, and the Government of Austria with an initial total in signed contributions of US\$16 million. The initial contributions from the DFAT and SIDA were dedicated to PFM in Lao PDR and to SOE reforms in Bosnia and Herzegovina respectively. Austria is supporting the ongoing Foundational Accounting and Financial Management Skills Enhancement (FASE) regional program in Africa, which is producing much needed accounting technicians.

Our aim now is to grow the FM UTF into a truly global program that supports innovation and pushes the frontiers of knowledge at global, regional, and country levels. The FM UTF will gradually incorporate most of the existing World Bank trust funds for financial management activities. We have, therefore, set a goal to raise a total in contributions of over US\$65 million in the coming years.

In addition to the current contributing development partners, we are having fruitful dialogue with other partners on the FM UTF. In particular, the Swiss State Secretariat for Economic Affairs (SECO) indicated their intentions for contributions that cover all strategic areas of the FM UTF. Furthermore, we have ongoing conversations with the Foreign, Commonwealth & Development Office (FCDO), the Global Fund, and other partners.

This Annual Report explains the initial progress made in Lao PDR and Bosnia and Herzegovina, and with the FASE program in several countries in Africa. It also includes the annual work plan for FY23, which provides indicative proposals for activities to be undertaken with the additional funding that is expected to be available in the coming months. We are excited to produce this progress report, the first of what we believe will be many progress reports and work plans as we continue to collaborate to achieve the shared goals and objectives of the FM UTF funded programs.

Again, many thanks.

Ed Olowo-Okere

Global Director, Governance Global Practice



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Introduction and Overview

The development objective of the Financial Management Umbrella Trust Fund (FM UTF) is to support World Bank client countries to undertake sustainable, transparent, and accountable allocations of public financial resources and use these resources to achieve positive development outcomes by the public and private sector. It is based on the recognition that financial management is more than a core function of government. It is an enabler and driver of development results for both the public and the private sector. The FM UTF plays a vital role in supporting work at the global, regional, and country level that catalyzes and disseminates innovative knowledge and learning, provides resources for technical assistance at the country level across a number of thematic areas, and builds global and regional peer to peer activities in support of financial management practitioners. It also aims to respond adequately to the need to strategically streamline the management and maximize the impact of donor resources.

Financial management is central to the achievement of overall development objectives, such as the SDGs and the Twin Goals of the WBG. Allocating and using financial resources effectively to perform government functions and deliver on public services that citizens expect from the state are critical to every country's development. However, the achievement of better scores of public financial management indicators in itself does not lead to fundamental improvements in outcomes such as better service delivery for citizens. It is important to move beyond the normative aspects of financial management and focus on bottlenecks to economic management and service delivery.

The FM UTF enables a comprehensive approach to the various initiatives in the area of PFM and the intersection of public and private sectors. It aims to achieve the development objective by:

(1) complementing World Bank programs and resources by bringing in policy advice and know-how



to help catalyze, design and implement financial management reforms; (2) supporting and testing innovative approaches and strategic initiatives in financial management and provide resources to explore and scale-up new approaches as demanded by evolving needs; (3) pushing frontiers of global knowledge and ensuring a symbiotic relationship between global and country level knowledge in financial management; and (4) improving coordination and collaboration between financial management at country and global level and between development partners. The FM UTF will take a broader perspective of financial management and identify how reform processes can be built focusing on bottlenecks and crises, such as COVID-19, and the increasing attention to gender and climate change.

The FM UTF covers three strategic and thematic modules:

Module 1: Managing Public Finances

Public financial management (PFM) is at the heart of the public sector, a core function in parallel to the human resources dimension. This module will contribute to the ongoing changes in PFM, in which there is strong recognition for the complete value chain of managing public resources for the benefit of service delivery for citizens and the supportive role PFM needs to play in helping to achieve government policies. The module focuses on public financial management, public investment management, and governance of infrastructure.

Module 2: Financial Reporting and Auditing

Financial reporting and auditing are essential not only for oversight of public resources but also for better management and decision making for the use of funds. This module supports activities at country level to strengthen reporting and accounting. It will also support continued collaboration with relevant global bodies for reporting and auditing. The spill-over effects of these improvements are significant including information for better decision making and public sector management practices, as well as improved debt transparency and management as a result of comprehensive debt accounting and reporting by adopting accruals-based accounting. It also supports strengthening oversight functions including Supreme Audit Institutions (SAI).

Module 3: Public-Private Sector Interface

The interface between the public and the private sectors is increasingly recognized as a crucial element in stimulating economic development and for bridging the financing gap to the achievement of the SDGs. Several interactions across this interface have an impact on the opportunities for countries to attract investors and to help economic activities blossom. This module focuses on (i) the corporate governance and performance of state-owned enterprises (SOEs), (ii) the role of the government in providing oversight on financial reporting by business enterprises, and (iii) the regulatory role of government with regards to the private sector.



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Development Partner Contributions

The FM UTF became active in June 2021 with contributions from the Department of Foreign Affairs and Trade (DFAT) of Australia, the Swedish International Development Cooperation Agency (SIDA), and the Government of Austria. There are advanced discussions with other development partners who have expressed interest in the FM UTF including the Swiss State Secretariat for Economic Affairs (SECO), Foreign, Commonwealth & Development Office (FCDO) of the United Kingdom, and Global Fund.

The current level of pledges to the FM UTF is at US\$16 million, of which around US\$ 8 million has been paid in, and approximately US\$ 8 million will be paid within the next two years. The FM UTF consists of both an Anchor Multi-donor Trust Fund (MDTF) and an Associated Trust Fund for the Foundational Accounting and Financial Management Skills Enhancement Program (FASE). The total amount reflects the additional contribution of US \$4.5 million of DFAT where the amendment to the administration agreement has been signed recently. The Associated Trust Fund of the FASE program has a total of US \$3.4 million from the Government of Austria. Table 1 presents the details of the funding arrangements.



Table1. Total Donor Commitments to the Financial Management Umbrella (as of April 2022)

Donor Name	Currency	Amount in Contribution	Amount in USD	Paid in US\$	Unpaid in US\$
FM UTF Anchor MDTF					
Australia- DFAT	AUD	10,000,000	7,524,000	3,009,600	4,514,400
Sweden- SIDA	SEK	45,000,000	5,168,771	1,736,513	3,432,258
Subtotal			12,692,771	4,746,113	7,946,658
Associated Trust Fund – FASE program					
Austria	EUR	3,000,000	3,422,400	3,422,400	0
Subtotal			3,422,400	3,422,400	0
Grand Total			16,115,171	8,168,513	7,946,658

In addition to the current contributions, several other donors have indicated their contribution plan to the FM UTF. The Swiss State Secretariat for Economic Affairs (SECO) has indicated a tentative contribution plan to the FM UTF in various thematic areas and in their priority countries. In addition, the European Union (EU) also indicated a contribution plan for support to PFM reform activities in Laos under the FM UTF.



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Implementation Progress

PERIOD: JULY 2021 – APRIL 2022

This section presents progress achieved from July 2021 to April 2022. The progress is reported by each module.

Module 1: Managing Public Finances

The FM UTF is supporting the PFM reform program in Laos under the Managing Public Finances module. Several activities have been started which will contribute to designing PFM reform strategies that improve the capacities of government agencies for better management of education spending, enhanced capacity for revenue mobilization and mainstreaming gender in PFM, and improved capacities of debt management.

► **Public Expenditure and Institutional Review (PEIR) of the Laos education sector and an analysis of PFM bottlenecks in the education sector using the Bank’s FinEd framework.**

This activity focuses on analysing challenges and priorities in the education sector (at central and decentralized levels), with a view to assessing the adequacy, efficiency, effectiveness, and equity of education spending and the spending’s impact on learning targets. This involves examining the various sub-systems within the education sector (e.g., textbooks, teachers, school construction, etc.) and identifying how PFM problems manifest along the service delivery chain. Following the approval of the Concept Note by the Bank management in October 2021, the team held a kick-off meeting and several discussions with the Ministry



of Education and Sports (MOES), which is the main client of this work. A team of experts comprising international and local staff was mobilized and is currently focusing on data collection. The draft PEIR report is planned for August 2022, while the FinEd report is expected in November 2022 since it will require significant field work outside the capital. It is worth reminding that all the work thus far has been done remotely, as no in-country missions are allowed yet, due to COVID-19.

- ▶ **The team initiated activities on raising awareness of the links between gender and PFM.** A workshop on mainstreaming gender in PFM was held on March 10, 2022, to advance the understanding of MoF and other ministries' staff about the importance of gender and its intersections with PFM. It was chaired by the MoF Vice Minister and the WBG Country Manager and the DFAT Ambassador in Laos provided the opening remarks (see picture below), with around 40 government officials attending the workshop. Further workshops for MoF and staff of other ministries on the links between gender and PFM on topics, such as budget, taxation, debt will be organized in the coming months. In addition, a Gender Policy Note with a roadmap for the gradual implementation of gender-responsive budgeting.
- ▶ **The work on strengthening the legal framework for transfer pricing and taxation of the digital economy has also been launched.** The MoF appointed two committees to guide this work who attended the kick-off meeting in early 2022. This activity focuses on reviewing current tax legislation to establish a legal framework for transfer pricing that aligns with good international practices; and deliver training on transfer pricing concepts and methods. It also reviews current tax legislation to provide recommendations for the introduction of policy and legislation to allow Laos to collect VAT on sales of services, digital products and intangibles provided by foreign online vendors, as well as on imports of low-value goods from online sales. Recommendations on administrative measures to manage online marketplaces and other digital platforms for tax collection purposes, and to apply VAT to the sharing economy will be provided as well.
- ▶ **Furthermore, the MoF has recently requested the Bank's assistance on additional topics aimed at strengthening revenue mobilization.** In particular, the MoF asked the Bank to assist in revising the Land tax law and the Environmental tax law. This is very timely, as potentially, these tax instruments could help to raise the much-needed revenue for the Government in the post-COVID-19 recovery. At the same time, they could help improve land-use efficiency and contribute to the green development in Laos. The support on the review of the Land tax law commenced in March 2022 with a kick-off meeting which confirmed that this is a high priority for the Government. The support to the Environment tax law is planned for 2023 since this is when the MoF plans to start reviewing the law. In addition, upon request by the MoF, the Bank will support the Tax Department in preparing a manual to assist individuals in complying with the recently introduced Personal Income Tax, i.e., registering, filing, and paying timely.



Module 2: Financial Reporting and Auditing

There are no current contributions that fund activities under the Financial Reporting and Auditing module, but it is expected that activities will start in FY23. There have been advanced discussions with SECO on funding activities around public sector accounting work building on the successful results of the Public Sector Accounting and Reporting Program (PULSAR) which focused on the development of public sector accounting and financial reporting frameworks in line with international standards and good practice in the Western Balkans and the EU Eastern Partnership countries. There are other development partners who have expressed interest in partnering through the FM UTF to strengthen the capacity of SAIs to enhance the quality of audits and improve their oversight role.

Module 3: Public-Private sector interface

Corporate Governance of State-Owned Enterprises

The FM UTF supports the strengthening of corporate governance and performance of SOEs in Laos and Bosnia and Herzegovina.

In Laos, an assessment of the legal and institutional framework for SOE governance is being started. The assessment will examine the state ownership function, SOE performance management arrangements, structure and functioning of the board of directors, among others. The assessment will be guided by the Corporate Governance and Accountability Mechanisms Module of the Bank's Integrated SOE Framework (iSOEF). The iSOEF assessment in Laos will be the first utilization of this methodology in the East Asia and Pacific Region of the World Bank. A Concept Note was prepared following extensive internal discussions and consultations with the SOE Reform Department of the MoF, who is the main client and responsible for monitoring, supervising and reforming SOEs in Laos. A virtual review of the Concept Note was held at the end of February 2021. The team is in the process of identifying experts to undertake the assessment.

In addition, the corporate governance assessment of Lao Airlines is on track and will be completed within FY22. The report will cover the following components: i) assessment of the corporate governance arrangements of the company, ii) a cost-benefit analysis of its operations, iii) assessment of the adequacy of the proposed five-year recovery plan and iv) and recommendations for improvements in the future. A team of experts delivered and presented an inception report to the management of Lao Airlines and is currently conducting further interviews and analysing data for the final report. The report is expected by July 2022.



In Bosnia and Herzegovina, the Supporting Better, Effective, Sustainable and Transparent SOEs (BEST-SOEs) project officially kicked off in August 2021. The World Bank team has worked with the entity-level governments of the Federation of Bosnia and Herzegovina and Republika Srpska to provide targeted technical assistance in several areas.

- ▶ **With the Republika Srpska, the World Bank supported the development of a comprehensive SOE Reform Action Plan and is now providing detailed support for the implementation of items from the Action Plan.**
 - ▶ Implementation so far has focused on setting up a central SOE Oversight Coordination system and the World Bank provided advice and support for key operational aspects of the system. At the center of the system is the Oversight Coordination Unit (OCU) housed in the General Secretariat of the Government. One area of concrete support includes finalizing changes to the General Secretariat Systematization Rulebook, including OCU planned positions and job descriptions, drafting OCU internal regulations to guide its operations, deploying special experts to build the capacity of OCU staff, and developing an electronic platform for collecting and analyzing data to support the Unit's oversight activities. In preparation for the OCU's establishment, the Bank is planning a series of technical sessions for high-level officials and technical counterparts on topics relevant to the SOE reform agenda. Topics identified during the mission to be of immediate interest include: the role and function of the SOE Oversight Unit in accordance with OECD Guidelines, Operationalization of the Oversight Unit, Ownership policy and definition of SOEs.
 - ▶ Other areas of immediate priority in RS include developing an SOEs ownership policy and definition of SOEs in line with international best practice, setting up and strengthening the SOE fiscal risk management function, and reviewing and proposing changes to the SOE-related legal and regulatory framework. The Government has also expressed an interest in implementing company-level reforms based on detailed assessments, starting with pilots in a few sectors.
- ▶ **With the Federation of Bosnia and Herzegovina, progress is being made despite challenges related to political context and governance fragmentation.** SOE reform stands high on the Federation of Bosnia and Herzegovina authorities' agenda and the Prime Minister's Office confirmed interest in the Bank's support to developing and implementing a roadmap for the reform. The Bank will support the SAI and Ministry of Energy, Mining and Industry with developing legislative changes that will bring the Federation of Bosnia and Herzegovina's laws on SAI, SOEs and companies in line with relevant international standards and good practice.



The project has begun preparations for a baseline citizen survey to gauge public perceptions and attitudes towards the SOE sector functions and reforms in Bosnia and Herzegovina, and a stocktaking of the strategic communication function of entity governments.

These activities will inform (i) communications plans for entity governments, (ii) capacity building for the Governments' strategic communication functions, and (iii) training for a broad range of media outlets / journalists on reporting on SOE sector and SOE reform related issues.

Corporate Financial Reporting

The FM UTF supports the **Foundational Accounting and Financial Management Skills Enhancement (FASE) program, which was designed to address the shortage of foundational accounting skills in African countries.** It aims to enhance the accounting technician's qualifications and delivery capacity in five selected French-speaking countries (Morocco, Tunisia, Burkina Faso, Senegal, and Cote d' Ivoire) to design or revise their accounting technician programs and fund the initial rollout phase. In addition, the project involves designing an Accounting Technician Qualification for Africa (ATQA), which will be offered as a public good to all African countries for adoption. Project achievements to date include:

- ▶ **Study: State of the profession in the five African countries.** The study, which was completed in 2021, highlights the demand for accounting technicians, accounting programs being offered in the 5 countries, and recommendations to address the gaps. The results informed the approach followed in designing the accounting technician qualifications in the 5 countries. It was not feasible to develop and adopt a common qualification in the five countries as originally planned.
- ▶ **Designing the qualification, syllabi, and relevant training materials.** Consulting firms were contracted and completed:
 - ▶ the review/design of new competency-based accounting technician certificate program accessible to holders of at least a Bac +3 (Baccalauréat + a 3-year university degree) and conferring to market demand for Burkina Faso, Morocco, and Tunisia except for Senegal. The recruitment of consultant to develop accounting technician certificate in Senegal is expected to be finalized by April 2022.
 - ▶ the development of a roadmap to guide the Ministry of Higher Education in Cote d' Ivoire for the review of BTS (Brevet de Technicien Supérieur)/DUT (Diplôme Universitaire de Technologie) in accountancy and finance.
 - ▶ the business model and governance/institutional framework for establishing the PAO's Training Institute to train accountants in Burkina Faso and Cote d' Ivoire.

The development of a competency based ATQA (curriculum, syllabus, study, and lecturers' material) started in January 2022 and expect to be finalized by October 2022. The process involve consultation with various stakeholders including IFAC, PAFA, ATSWA and accounting profession-



al bodies in Africa. The rollout of ATQA is planned to commence from June 2022 in 3 selected countries – Angola, Mozambique, and South Sudan – with support of Pan Africa Federation of Accountants (through a Recipient Executed Trust Fund) for a period of 2.5 years from June 2022.

Program Management & Administration

Program Management and Administration (PM&A) is an essential part of the FM UTF. This task is undertaken by a small Program Management Team (PMT) that is focused on outreach to development partners and creating the FM UTF, covering all elements from concept development to finalizing agreements with contributing donors. Specifically, the PMT has undertaken a growing range of activities in FY22, including:

- ▶ Outreach to development partners and agreements with contributing donors
- ▶ Prepare and conduct Partnership Council meeting
- ▶ Establishing the trust funds of the FM UTF and managing funds in trust fund accounts
- ▶ Develop and monitor Results Framework
- ▶ Prepare annual reporting and annual work plan
- ▶ Preparing and implementing Communications and Visibility Plan and Knowledge & Learning activities
- ▶ Work with World Bank corporate structures to establish and manage the trust funds

The PMT is located in the Governance Global Practice of the World Bank and undertakes these activities in close collaboration with World Bank teams located in regions and countries where the FM UTF is funding activities. Stimulating exchanges of experience and approaches between country-based teams is added value of the PM&A role. The PM&A role also includes close collaboration with the staff leading on developing innovative approaches to Financial Management and introducing new concepts to the FM UTF.



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Annual Work Plan of the Financial Management Umbrella Trust Fund

PERIOD: APRIL 2022 – MAY 2023

The Annual Work Plan reflects high-level goals and strategic areas of engagement of the Financial Management Umbrella Trust Fund. The Annual Work Plan between April 2022 to May 2023 will be endorsed at the Partnership Council meeting which will be held on April 26, 2022. As the funding for the unpreferred and global activities of the FM Anchor MDTF have not yet been funded, some challenges remain in setting up the fully functional Umbrella Trust Fund. Taking that into consideration, the first Annual Work Plan is based on the trajectory of future funding at the global and regional level.

Strategic Priorities

The FY23 work program focuses its support to the three strategic areas of the FM UTF.

Managing Public Finances

While PFM is a mature area with generally accepted good practices, experienced practitioners and vast reform experience, there are concerns about sustainability and effectiveness of existing reform approaches. There is also a growing importance of funding and scaling up the development of new/innovative approaches to continuing and new challenges, such as improved efficiency of spending, climate responsiveness, gender responsive budgeting,



pandemic-readiness, or agility and at the global and regional level. Furthermore, there is strong recognition for the complete value chain of managing public resources for the benefit of service delivery for citizens. For this, the scope of PFM reforms needs to be expanded to include a wider range of government agencies, including all line ministries, local governments and units that commit and deploy public financial resources for the delivery of services. In addition, it would be important to support countries in developing PFM reform plans that are aligned with a country's policy objectives (incl. post pandemic resilience) and develop institutional capacity to implement them. Lessons and experience derived from these activities will be disseminated via global and regional/country level platforms.

Public Expenditure and Financial Accountability (PEFA), an evidence-based framework for assessing public finances, will continue to be the analytical underpinnings for support to PFM reforms. Timely and high quality PEFA assessment reports in client countries are key for which UTF will focus on supporting assessments and moving from a PEFA assessment to PFM reform strategy implementation.

In the area of governance of infrastructure, the World Bank has helped countries identify major governance bottlenecks in infrastructure investments through better diagnostics that help inform policies and regulations to address them. Weak governance arrangements around infrastructure decision-making and implementation impede vital asset management and operation. Especially as countries focus on the recovery phase of COVID-19, public investment decisions will need to be focused on reviving production and logistic chains, investing in ICT capacity, and improving resilience infrastructure services against crisis and climate related events.

Financial Reporting and Auditing

Financial reporting and auditing are essential for oversight of public resources but also for better management and decision making over the use of funds. The FM UTF aims to support continued collaboration with relevant global bodies for financial reporting and auditing. At the country level, it aims to support activities to improve the reliability of financial statements by government and quality of audit products by SAIs. In particular, the demand from SAIs and internal audit across the client countries continues to be high based on the current portfolio of governance projects. There is a need to further support public sector accounting activities that target the adaptation of IPSAS IFRS in countries, updating and disseminating the IPSASB Study 14, providing technical assistance in selected countries in the use of accrual accounting, and providing needs assessment and guidance notes on key topics including accounting for debt and climate change. In particular, the framework for assessing Public Sector Accounting and Reporting Reform (PULSAR) has potential to scale up improvements in financial reporting and to promote peer learning in more countries/regions.



Public- Private Sector Interface

The World Bank has supported countries to improve the performance and governance of SOEs through global activities and in country technical assistance. At the global level, the World Bank developed the Integrated SOE Framework (iSOEF) that aims to provide a holistic approach to assessing the SOE sector of a country. It also focuses on generating good practices/guidance notes and disseminating knowledge. At the country level, it supports the delivery of iSOEFs and other country diagnostic reports and provide technical assistance in supporting the country's SOE reform plans. There is a need to further support the roll-out of iSOEF assessments and other analytical work (especially around climate change, ESG, gender and other issues), and ensure that the knowledge flows into country level technical assistance.

The World Bank has provided long-term support in the area of corporate financial reporting, and the FM UTF provides an opportunity to strengthen what is working well, scale up and expand activities, and test innovative approaches. At the global level, the World Bank launched the 'Report on the Observance of Standards and Codes–Accounting & Auditing' (ROSC A&A) and has been collaborating and supporting the work of global institutions involved in supporting accountancy profession and setting standards, including with the International Federation of Accountants and International Financial Reporting Foundation. At the regional level, the World Bank has been developing a strong record of supporting CFR in ECA, mainly through the Centre for Financial Reporting Reform (CFRR). It also established the FASE program to support the development of accounting technicians in Africa. Building on these achievements and also to address growing demands for sustainability reporting, there is a need to further develop global public goods, expand regional cooperation and undertake CFR related reforms and capacity development at country level.

Planned Activities for FY23

The workplan for FY23 includes activities with different levels of definition. First, the FM UTF includes three *ongoing* projects in Laos, Bosnia and Herzegovina, and Africa region that have existing workplans and budgets. Secondly, there will be additional funding in FY23 which in part will be applied to several activities for which SECO as the contributing donor has expressed a *preference* within the scope of the FM UTF. For these activities, the workplan for FY23 includes initial proposals that will be further elaborated as part of the establishment of the funding for these projects. Finally, there will be *unearmarked* funding that can be applied through an allocation mechanism explained in the section below. Activities that will be funded through the unearmarked budget stream will pay in particular attention to global activities and cross cutting issues, such as climate change, gender, and digitalization.



Module 1: Managing Public Finances

Building on the progress made in FY22, the **PFM reform program in Laos** will focus on finalizing the data collection for the PEIR and FinEd of the education sector, deliver the reports and prepare the Financial Management Roadmap. The successful data collection and subsequent analysis will depend on the ability to travel to the country, which is expected to become possible in June-July 2022. Furthermore, the project team plans to deliver capacity building activities on transfer pricing, continue providing technical assistance on land taxation, and prepare a report on taxation of the digital economy. The project team plans to organize another workshop on gender in PFM, possibly on gender in public procurement, and will finalize the Gender Policy Note.

In the Middle East and Northern Africa (MENA) region, the project team is developing a PFM program to support MENA countries in strengthening their PFM performance. It is planned to do this through (a) establishing a peer network that facilitates the exchange of professional experience and knowledge transfer among relevant practitioners across MNA countries; and (b) providing targeted, just-in-time support to Egypt, Morocco, and Tunisia in strengthening the PFM capacity of their public sector institutions. It aims to improve PFM performance in these countries through sustained information sharing and collaboration between PFM practitioners in the MENA region. In addition, the project focuses on improving PFM performance in the selected countries through reforming key PFM system bottlenecks for improved service delivery through diagnostic notes, climate expenditures analysis, PFM bottleneck for health/social protection, among others.

There is also an ongoing discussion with SECO on supporting the Disruptive Technologies for Public Assets Governance (DT4PAG) in Vietnam through the FM UTF. The program focuses on promoting resilient and inclusive infrastructure services delivery through digital government transformation. This is in response to Vietnam striving to leverage digital government transformation to improve public asset governance for infrastructure, property and land, and broader service delivery.

To ensure PFM reforms are built based on sound analytical underpinnings, PEFA assessments (including PEFA Gender, PEFA Climate and PEFA Service Delivery) could be financed where there is a specific need in the absence of financial support by other partners.

Module 2: Financial Reporting and Auditing

The Global Report on Government Balance Sheets by the World Bank is envisaged as a periodic flagship report. It provides insights into opportunities for improved financial reporting as well as use of information from financial reports for policy and transparency purposes. This could be enhanced and mainstreamed into the UTF activities and country level support can be provided. A global conference on Government Balance Sheets can be organized and a user-friendly interactive webpage on Government Balance Sheets can be launched.



Ballooning debt distress and enhanced risks of debt default are major challenges many countries are facing. This requires a well-coordinated approach to align broader PFM system, financial reporting (including use of IPSAS) and audit of public debt by SAIs. This has already been identified as a gap globally in a recent report of the World Bank. Specific protocols would be developed as public goods to better address the debt issue.

The FM UTF can focus on leveraging existing and new activities focused on independence, particularly the use of information technology and conducting performance audit by SAIs and internal audit agencies. The World Bank SAI Independence Index identified several weaknesses in independence. Furthermore, the opportunities to improve the operational effectiveness of SAIs is significant in client countries. INTOSAI Donor Initiative identified some SAIs as those which require enhanced support. While many of them are in Africa, the list is being expanded to cover other regions. FM UTF could support these SAIs in particular to bring them on par with others in respective regions.

Module 3: Public-Private sector interface

On support to corporate governance and performance of SOEs, in Laos, the work on iSOEF is expected to commence in May 2022. Data collection will be a key part of this assessment and it is expected that several months will be needed for all necessary data to be collected. The final report is expected by March 2023, which is to be followed by dissemination. Following the completion of the corporate governance assessment of Lao Airlines, the team will focus on discussing with the company potential future support that the Bank can provide for implementation of the report's recommendations.

In Bosnia and Herzegovina, there will be support at the SOE policy, ownership, and company level. The iSOEF assessment will be conducted detailing the existing SOE related policy, regulatory and institutional frameworks to identify gaps on paper and in practice. Based on the diagnostics:

- ▶ At the policy level, it aims to (i) develop blueprints of new key policies/laws developed based on the gap analysis; (ii) design and operationalize SOE ownership policy; and (iii) provide recommendations for modern IT and data platforms for central SOE monitoring unit.
- ▶ At the ownership level, activities are aimed to provide technical assistance and capacity building to help strengthen the ownership functions to better review SOE portfolios, set performance target and monitoring performance, and consolidate SOE reports. It is also planned to pilot performance contracts with selected SOEs.
- ▶ At the company level, the work will focus on supporting entity governments in addressing SOE governance constraints in select SOEs. This includes providing recommendations for strengthening performance management at company level, improving data collection and standardizing board training.
- ▶ In addition, the program seeks to support enablers for SOE reform including strategic communication on SOE reforms, assistance to build technical knowledge and capacity



of media and civil society organizations to understand SOE challenges and reform and undertake political economy/stakeholder analysis to identify key actors with a direct/indirect stake in SOE governance.

There is also a plan to develop a program related to SOEs in South Africa which would be supported by SECO. South Africa is in the process of amending the Companies Act to build on the concept of beneficial ownership and is developing the corresponding institutional, technological, and normative mechanisms for effective implementation. The introduction of beneficial ownership is expected to assist companies in conducting due diligence particularly in government and SOE procurement. It can also assist in managing conflicts of interest and preventing the misuse of SOE's assets.

On support to corporate financial reporting, the FASE program plans to build on the achievements of FY22 and focus on designing qualification, supporting rollout of the certificates and ATQA, and building capacity of PAOs. In particular, it will initiate the development of accounting technician certificate for Senegal and finalize the development of ATQA. It will also support the rollout of the qualifications in the 5 countries and support 3 countries (Angola, Mozambique, and South Sudan) to pilot ATQA. Finally, it will support the designing of an E-learning platform for the accounting technician certificates and capacity building workshops for PAOs in the 5 countries.

In Laos, the World Bank is planning to conduct following activities to support transitioning to IFRS:

- ▶ Capacity building for regulators to enhance the regulators' understanding of IFRS concepts, principles, and standards. The main regulators to be supported will be MoF, Bank of Laos (BoL) and Lao Securities Commission Office (LSCO).
- ▶ Capacity building for preparers, to enable them to prepare financial statements compliant with IFRS without reliance on auditors and advisors. The preparers include publicly listed companies on the LSCO, banks and agencies that have been earmarked to comply with IFRS for Small and Medium Size Enterprises (IFRS for SMEs). The training would be on IFRS concepts and principles, differences between Laos Accounting Standard (LAS) and IFRS standards, practical IFRS implementation using case studies, etc.
- ▶ IFRS guidelines: support will be provided to the Lao Chamber of Professional Accountants and Auditors (LCPAA), the BoL and the MoF to develop guidelines or step by step instructions for implementation of applicable IFRS standards, as well as their dissemination, and
- ▶ IFRS implementation monitoring: this activity will support the monitoring of IFRS compliance and implementation of the IFRS Roadmap 2025 by developing criteria to assess progress and building the capacity of the IFRS steering committee which will be responsible for monitoring.



The team launched a procurement process to hire a consultancy company to provide the technical assistance on IFRS. It is expected that a company will be selected at the end of April 2022 and the work will commence in May 2022.

SECO has expressed interest in supporting the corporate financial reporting agenda through the FM UTF. While the details are being discussed, the World Bank and SECO had advanced discussion on which areas of the agenda are in demand both globally and by SECO's priority countries (see Annex 1 for more details).

Program Management

In FY23, the outreach to development partners will continue, including dialogue with donors contributing to existing country level TFs that may be incorporated in the FM UTF. Furthermore, additional tasks will be undertaken to expand M&E activities and reporting on results, and to commence the harvesting of experience of country level financial management activities to develop lessons learned and knowledge and learning products that can be shared as public goods. In essence, these activities and their outputs are intended to achieve the expected benefits of the trust fund reforms in the World Bank by aggregating results and outputs of the previously large number of distributed smaller trust funds for Financial Management at country level.

Allocation of the unallocated/non-preferenced funds

Currently all funding in the Anchor MDTF is allocated based on the preferences expressed by the contributing partners, but it is anticipated that with additional funding becoming available, funds can be allocated to non-earmarked activities. Therefore, a mechanism needs to be established and agreed for how to allocate these funds. World Bank teams will be able to apply for funding from the uncommitted funding envelop of the FM UTF. The funds can be used for activities at global, regional, or country levels to respond to emerging needs in World Bank client countries and provide innovative solutions to financial management issues. The selection procedure will be developed and submitted separately to the Partnership Council. The scope and criteria of the selection procedure will depend on available funding in the FM UTF.

The application for funding will follow established World Bank procedures, with regular quality control mechanisms and responsibilities for management and preparation of proposals.

Applications for funding will be submitted to a FM UTF Review Committee. The committee will review and decide on funding allocations for proposals received. It will be chaired by the Governance Global Director, and include Advisors, the FM UTF Program Manager, one EFI Regional Director, one regional Governance Practice Manager, and one global Governance Practice Manager. The list of approved projects will be shared with Development Partners on a timely basis.



Grant Allocation Methods

There are two main types of allocation methods:

- ▶ **Direct Allocations:** Individual allocations are allocations made by the Bank to specific (pre-identified) programs, projects, or activities. Block grants are a predetermined amount of money allocated to a specific region or unit and can be either annual or multi-year.
- ▶ **Proposal- based allocations:** Call for Proposals are aimed to invite task teams to submit proposals by a certain deadline in response to published criteria. There is also the rolling allocations method which will be on a needs or demand basis throughout the year that meets the TF/Program objectives and criteria.

Project Selection Criteria

Call for Proposals. Task teams will be asked to **submit summary proposals for initial screening**, according to a pre-established common format, that would address the selection criteria below. The same selection process will be used for both Bank-Executed and Recipient-Executed activities. All proposals will be consolidated in the respective global and regional programs. This agile approach will be also used for rapid response project selection.

Proposed Selection Criteria (for discussion):

- ▶ Strong ownership of or commitment by government counterparts and uptake capacity (notably when supported by a record of absorption/implementation of previous TA).
- ▶ Relevance to Country Partnership Framework (CPF) /Systematic Country Diagnostics (SCD), Public finance related diagnostics (PEFA, etc.), FM UTF thematic areas, and WBG corporate targets.
- ▶ Innovative proposals with providing creative solutions to the current challenges which reflect cross cutting thematic areas such as climate change, gender equality, and digitalization.
- ▶ Technical quality of the proposal, team composition (ideally global and regional staff, and appropriate leveraging by expert consultants), and degree of realism.
- ▶ Estimated impact of the proposed work and impact of the proposal on cross cutting elements, in particular the effect on climate change and on gender equity aspects.
- ▶ Comparative advantage of the Governance Global Practice to steer and deliver the project while teams are expected to consult other potential implementation agents and look for synergies.
- ▶ Risks of the project and proposed risk mitigants to include steps to address past record of lack of implementation of previous efforts.
- ▶ Principle of additionality vis a vis other funding sources, including World Bank budget, other WBG trust funds, IMF, development partner programs, client's own resources¹.
- ▶ Potential to leverage on a future project financing by WBG or other development partners.



Larger multi-year programmatic requests will be supported through both country and global windows. In these cases, teams are requested to prepare proposals for the full program but identify clear and distinct phases. Funding for approved projects would be provided in tranches, conditional on strong performance, robust and high-quality internal reporting, and any necessary adjustments based on the prior year of delivery and results.

In cases where selective allocation of funds is less suitable, **the funds may be allocated as block grants**, i.e., a defined funding envelope that can be allocated to a particular region or thematic area.



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FM Umbrella TF Financial Information

Table 2: FM Umbrella TF Allocations and Disbursement (in USD '000, as of April 2022)

Programs and activities	Available allocation ²	Allocated/ transferred funds	Disbursements	Commitments	Available budget
Anchor MDTF (TF073691)					
PFM in Laos	3,010	1,050	195	280	575
BiH SOE reform	1,736	1,000	211	50	739
Subtotal	4,746	2,050	406	330	1,314
Associated TF (TF073247)					
FASE program	3,422	1,500	944	340	216
Subtotal	3,422	1,500	944	340	216
FM UTF Program Management					
PM&A		80	53	12	15
Grand total	8,168	3,630	1,403	682	1,545



Indicative Budget for FY23

The planned budget of FM UTF between May 2022- May 2023 is based on the currently available budget and expected paid-in donor contributions for FY23.

Table 3: Indicative Budget for FY23 (in USD ‘000)

Programs and activities	TTL name	Planned budget for FY23
ANCHOR MDTF (TF073691)		
PFM in Laos	Elena Georgieva-Andonovska	1,000
SOE in Bosnia and Herzegovina	Alberto Leyton	2,128
Subtotal		3,128
ASSOCIATED TF (TF073247)		
FASE program	Patrick Kabuya	1,350
Subtotal		1,350
FM UTF PROGRAM MANAGEMENT		
PM&A	Saw Young Min	200
Grand Total FM Umbrella TF		4,678

In addition to the current donor commitments, several other donors have indicated their plans to join and contribute to the FM UTF. SECO has indicated a tentative contribution plan to the FM UTF in various thematic areas and in their priority countries. In addition, the EU also indicated a contribution plan for support PFM reform activities in Lao PDR under the FM UTF.

Risks and Challenges

The COVID-19 pandemic exposed many systemic weaknesses in financial management systems. Two years onward, many countries are still grappling with how to find efficient, effective, and equitable approaches and solutions as part of the recovery process. For instance, in Laos, while economic growth is starting to recover gradually, high fiscal deficits and strong SOE borrowing have pushed public debt to critical levels. The country is facing both solvency and liquidity challenges owing to significant financing needs, limited financing options, low foreign exchange reserves, and additional depreciation pressures. Total public and publicly guaranteed debt increased from 67 percent in 2019 to 72 percent of GDP in 2020. Similarly in Bosnia and Herzegovina, the economic downturn and uncertainty due to COVID-19 are complicating SOE reform efforts by further relying on SOEs as a source of production and employment which raises resistance to change.



In addition, many countries continue to face governance challenges in the operating environment which form binding constraints for financial management systems reforms. This includes ineffective management of public resources and weak government coordination for decision making. In Laos, the internal decision making of the Government and in particular the Ministry of Finance (MoF), which is the main beneficiary of the FM UTF, has been slow. This has led to delays in key decisions on PFM reforms and procurement processes, which in turn delayed implementation. Many staff missed work due to illness or isolation, and the difficulties of working remotely without the necessary facilities, systems, and tools was a huge challenge. The lack of effective coordination between different departments and across ministries and staff turnover/restructurings have been significant factors affecting the pace of implementation. In Bosnia and Herzegovina, recent political changes and election impacted the progress of the SOE reform.

While the challenging environment is impacting FM UTF activities that are in their early phase of implementation, the World Bank teams are making good progress. These challenges also provide opportunities for reform. Governments are experiencing pressure from citizens, investors and development partners to improve and adapt their financial management systems. The teams are taking advantage of this opportunity to pursue active discussions and dialogue with counterparts on technical support and paving the groundwork for further implementation in FY23. For the FASE program, the team has minimized the COVID-19 risks by (a) heavily benefiting from World Bank staff based in the 5 countries, (b) engaging consulting firms based in the countries, and (c) using virtual platforms to engage with stakeholders.

The contributions to the FM UTF are currently focused on country/regional level work and are not yet supporting global level activities. An important aspect of the FM UTF is to support the Bank to push the frontiers of global knowledge and ensure that global knowledge flows into country/regional level operations, and that it retains country specific experiences to better support client countries. This will be done by investing in global public goods, catalyzing good practices, and developing new approaches to existing and new challenges. Additional work is needed to discuss with development partners on the importance of using the FM UTF to promote a more holistic approach to reaching the development objective of the FM UTF.



WORLD BANK GROUP

Annexes



ANNEX 1

Corporate Financial Reporting Component of the Financial Management UTF

Background

The World Bank has been supporting countries to implement Corporate Financial Reporting (CFR) and accountancy reforms focused on adopting internationally recognized standards to address potential vulnerabilities, strengthen institutions, and improve transparency. The reforms were introduced as part of the joint World Bank-IMF standards and codes initiative measures developed in the wake of the financial crises of the late 1990s to strengthen the international financial architecture. The implementation of robust standards not only helps financial stability but also contributes to the economic functioning and efficiency of a country's institutions that underpin the market economic system. This is mainly because there is a direct link between availability of credible corporate financial information, and efficiency and effectiveness of economic decisions taken by the market participants in a modern economy. Transparent financial reporting is essential to protect the interests of investors, creditors, employees, public authorities, and other stakeholders and enable them to make informed decisions. Quality and transparent financial information contributes to effective tax collection and helps to curb corruption. The information is also essential to the integrity of financial markets, help develop access to finance for local enterprises particularly small and medium enterprises (SMEs), and contribute to a better business climate, furthering the integration of local companies in the world economy.



CFR reforms include supporting client countries to build institutional foundations. This includes, inter alia, reform of laws and regulations relating to reporting and accountancy profession; building of institutions to develop, support and monitor accountants and auditors; adopting international reporting standards (ethics, accounting, and auditing); developing institutions that monitor and regulate financial reporting; and building the capacity of officials and accountants involved in financial reporting.

CFR strengthens capital and credit markets, enhances financial discipline in business and expose insolvency risks of financial institutions through the introduction of international accounting standards. It also promotes efficient, transparent, and reliable use of public funds for the public good by assisting in effective tax collection and by helping to curb corruption. High quality financial reporting encourages private sector growth and job creation by allowing investors to evaluate corporate prospects and make informed investment decisions that result in a lower cost of capital and better allocation of resources.

More recently, there are growing demands for corporate reporting to go beyond financial information to incorporate information on environment, society, and governance (sustainability reporting). Therefore, the shift will increasingly be mainstreamed in CFR reforms. This includes considering and reporting on the impact of climate change and on social aspects such as equity and gender imbalances. This movement has been exacerbated by the impact of the COVID-19 pandemic, which has provided evidence that companies should shift their business models to use all company capital (human, social, natural, and intellectual capital) to create long-term value for the benefit of all their stakeholders while considering impact on society, environment, and economy.

How the World Bank supports the CFR agenda

The World Bank has provided long-term support in CFR at the global, regional, and country level. At the global level, the World Bank launched the ‘Report on the Observance of Standards and Codes–Accounting & Auditing’ (ROSC A&A)³ which sets the agenda globally and underpins the World Bank’s numerous activities to support the development and implementation of international financial reporting and auditing standards. The ROSC A&A program was established in 1999, and over 160 reports were produced in 121 countries across the six regions, promoting high standards and codes in financial reporting infrastructure⁴ successfully. By 2014, there were 90 capacity-building projects (TA) that were directly seeking to implement ROSC A&A recommendations. ROSC is a global tool, but many of the assessments were done in ECA and Africa regions because of high demand in these regions. Now, many of these need a systematic follow-up, including new/updated ROSC assessments. Equally important is to up-



date the ROSC tool in order to include ongoing developments in CFR, such as the broadening of scope beyond pure financial reporting to incorporate sustainability and integrated reporting, and to establish a home for the ROSC program.

The World Bank has been collaborating and supporting the work of global institutions involved in supporting accountancy profession and setting standards. The Bank is actively involved in the work of International Federation of Accountants and related standard setting Boards. Similarly, the World Bank supports the work of International Financial Reporting Foundation – financial reporting and sustainability reporting standards.

At the regional level, the World Bank has been developing a strong record of supporting CFR in ECA, mainly through the Centre for Financial Reporting Reform (CFRR). For instance, ROSC A&As were completed in 21 ECA countries⁵ followed by technical assistance. The Financial Reporting Technical Assistance Program (FRTAP) supported new EU Member States in applying the *Acquis Communautaire*. The “Strengthening Auditing and Reporting Partnership” (STAREP) supported countries in adopting and implementing international standards and aligning their financial reporting frameworks with international best practices and EU standards. Additionally, the CFRR- EU-REPARIS Program supported the Western Balkan countries⁶ in integrating more closely with the EU and the EU’s internal market. The CFRR played a major role in disseminating knowledge, expertise, and good practices, including through Communities of Practice. CFRR also supported Internal Audit Training of Trainers (IA ToT) based on the International Standards for the Professional Practice of Internal Auditing (ISPPA). It is important to continue the good collaboration and results being achieved in the ECA region on CFR. In other regions, the World Bank has been partnering and supporting regional professional accountancy organizations to strengthen accountancy profession. Example of such institutions include Pan African Federation of Accountants (PAFA), Confederation of Asian and Pacific Accountants (CAPA), and South Asia Federation of Accountants.

In addition, the World Bank established the Foundational Accounting and Financial Management Skills Enhancement (FASE) program in 2018 to support the development of accounting technicians in Africa. The program is funded by the Government of Austria. Its objective is to increase the number of suitably qualified accounting technicians to serve in the private and public sectors in Africa. The program is funding (a) design and roll-out of accounting technician qualifications in Morocco, Tunisia, Burkina Faso, Senegal, and Cote d’Ivoire, (b) developing an Accounting Technician Qualification for Africa (ATQA) that will be made available for adoption by all African countries, (c) supporting 3 countries to implement ATQA, and (d) developing an e-learning platform for ATQA at PAFA, the institution that will also be responsible of supporting the 3 countries to roll out ATQA .



The Financial Management Umbrella Trust Fund (FM UTF) provides an opportunity to strengthen what is working well, scale up and expand activities, and test innovative approaches to the CFR agenda. This agenda is a core component of Module 3: Public-Private Sector Interface which focuses on corporate governance and oversight, and corporate financial reporting.

CFR Focus Areas under the Financial Management Umbrella Trust Fund

The Bank has been engaged for many years in the focus areas of CFR and has achieved significant success with analytical tools and technical assistance. The FM UTF will build on the achievements in the five focus areas below and support activities at the global, regional, and country level to further develop global public goods, expand regional cooperation and undertake CFR related reforms and capacity development.

- ▶ **Sustaining ROSC A&A and a One-stop shop “Global CFRR”:** Building on the longstanding track record, the FM UTF supports the use and adaptation of ROSC as the globally recognized tool to assess the quality of financial reporting in countries. The aim is to adapt the tool as needed, to increase the application of the assessments in countries and to support countries to use the ROSC results to develop action plans and reforms to strengthen corporate accounting and auditing. This includes support to the creation of a central/global one-stop support service which will monitor and supervise ROSC A&A activities, conduct quality assurance, prepare, and disseminate periodic updates, and support a global repository of CFR data and information.
- ▶ **Accounting and Advisories for SMEs:** One avenue to achieve economic impact of improvements in CFR is the uptake by SMEs. The CFR component will focus its support to improving the accounting, financial management and reporting of SMEs in client countries. It will work with Professional Accounting Organizations (PAOs) to build their member capacity and other professional accountants to deliver professional accounting and advisory services that promote transparency and enhance the credibility of SMEs. In some countries this would mean rethinking the overall SME reporting model from merely reporting financial performance measures to a more holistic integrated approach to accountability and sustainability. It will also support opportunities for SMEs to integrate technology into their accounting and reporting framework.
- ▶ **Developing the Accounting Professional Bodies and Professionals:** A long standing approach by the World Bank for CFR has been the support and collaboration with PAOs. The FM UTF will continue the support to PAOs at country and regional levels. The support will involve providing technical assistance to PAOs to strengthen their capacity, processes, and systems; to support implementation of different reporting standards (financial, sustainability and auditing), and development of more accounting technicians and



professionals to serve in both public and private sectors. The ongoing FASE program (noted above) is an example of a partnership with PAOs, which enables them to develop more accounting technician in Africa. The FM UTF aims to expand the FASE program to mainly support more countries across the world to roll out ATQA and develop e-learning platforms for the qualification in many countries.

- ▶ **Audit Oversight and Quality Assurance:** External audit is key to assure that financial reporting by the private sector is reliable. However, in many cases, the auditing profession cannot regulate itself and require independent monitoring and oversight. The CFR Component of the FM UTF will build on the support provided to many countries to strengthen audit oversight and quality assurance.
- ▶ **Corporate Risk Governance and Accountability for banks in countries:** As banks and financial sector companies are engines of growth and with risks impacting their financial stability, they must be effectively supervised. The CFR component of the FM UTF is aimed at supporting supervisors to better understand the importance of financial and sustainability reporting and how to leverage the auditors' work. The Supervisors will be trained in new accounting standards based on published International Financial Reporting Standards and International Sustainability Disclosure standards.

Activities and implementation modalities for the CFR activities under the FM UTF

The proposed CFR activities to be undertaken by the FM UTF include the following:

1) Expanding ROSC A&A assessments and establishment of global CFRR:

- ▶ Establishing a global CFRR unit building on the ECA model
- ▶ Conducting new ROSC A&A assessments and updated-assessments in various regions including ECA, MENA and Africa regions
- ▶ Updating relevant toolkits, guidelines, and questionnaires; and ensure a wider dissemination of the tools through trainings and e-learning
- ▶ Support implementation of Sustainable Reporting standards in select ECA countries including developing appropriate guidelines and training programs

2) Strengthening CFR in SMEs:

- ▶ Develop a SME diagnostic assessment tool that will assist in identifying areas of financial and non-financial reporting that require improvement
- ▶ Leverage technology (e-platforms) to maximize virtual engagement and increase interaction between the SME and PAOs/professional accountants for financial and sustainability reporting



- ▶ Develop simplified accounting and financial and non-financial framework for SMEs
- ▶ Develop professional accountants' quality assurance tools to ensure PAOs and professional accountants are delivering professional accounting and advisory services to SMEs
- ▶ Develop and implement training programs for SMEs Corporate Finance and sustainable reporting

3) Supporting activities under the FASE Program:

- ▶ Extend the roll-out of the Accounting Technician Qualification for Africa (ATQA) to more countries in Africa and other regions.
- ▶ Establish e-learning platforms for ATQA in more PAOs

4) Support to the corporate audit functions and bank supervision:

- ▶ Technical advice and capacity building to client countries in the areas of legislation
- ▶ Regulations and standards governing external audit
- ▶ Guidelines on board composition and structure
- ▶ Funding and functions of audit oversight
- ▶ Training, tools, templates, and manuals to implement effective inspections and quality assurance for external auditors
- ▶ Training supervisors in new accounting standards and audits of banks based on published International Financial Reporting Standards.

Funding arrangements

The continuation of activities in ECA will initially be supported by the remaining standalone TFs for CFR in the ECA region, and subsequently by additional funding through the CFR module of FM UTF.

The preferred option for funding of other activities will be through the Anchor Multi-Donor TF of FM UTF. This will allow better integration of the CFR activities with other country level reforms (PFM, SOEs, etc.) and it will give development partners opportunities to closely engage with and have an impact on a broader range of CFR focus areas and activities mentioned above.

Alternatively, a donor could join Austria (current donor) in funding the FASE program, which is funded through an Associated TF to the FM UTF. However, the focus of this program is particularly on training accounting technicians and enhancing their skills for foundational accounting and financial management. Expanding the scope of the FASE TF beyond this development objective would require a restructuring of the program and the TF.



Outputs to be developed by the CFR component of the FM UTF

- ▶ Policy advice and Technical Assistance (TA) based on international experience to help Governments develop robust frameworks for accounting, reporting, and auditing
- ▶ Materials and handbooks to support Training of Trainers in developing legislation, regulations, and standards
- ▶ E-Learning Platforms and Curricula on good practices for accounting and auditing
- ▶ ROSC A&A diagnostic reports, both new and update/upgrade. This would include deploying performance indicators on CFR, which recently become part of A&A ROSC methodology.

Outputs to be funded through Bank Executed (BETF) and Recipient Executed (RETF) activities

- ▶ BETF will fund a substantial portion of Advisory Services and Diagnostics and development of Global Public Goods related to CFR (e.g., diagnostics, knowledge and learning products, and research activities). TA will be provided to countries by making available access to global and regional experience and lessons learned and developing regional / global peer to peer learning networks for CFR.
- ▶ RETF will fund implementation of CFR related activities through government entities and PAOs at country and regional levels. These activities will aim at building support for CFR reforms, broadening TA and capacity development (e.g., through eLearning platforms) and widen the implementation of standards and norms for CFR.



ANNEX 2

Results Framework for the Financial Management Umbrella Trust Fund

Program Development Objective: To support World Bank client countries to undertake sustainable, transparent, and accountable allocations of public financial resources and use these resources to achieve positive development outcomes by the public and private sector.

Module 1. Managing Public Finances				
Module level Impact	Impact Indicators	Means of Verifications	Assumptions/Risks	
Reforms of management of public finances result in improved strategic allocation and value for money of resources that have been deployed towards the achievement of policy objectives	Number of cases where countries have implemented reforms which have contributed toward improved PFM outcomes	Case study reports which document change Review internal and external independent evaluations	Subject to demand from countries Subject to available resources Situational condition on the ground Agreement on strategic directions on PFM	
Component 1: Fiscal and Expenditure Management				
Impact	Impact Indicators	Means of Verifications	Assumptions/Risks	
Reforms implemented to fiscal and expenditure management, which have impacted on strategic allocation and value for money in resource use	Number of cases where countries have implemented reforms which have contributed toward improved fiscal and expenditure management outcomes	Case study reports which document change Review internal and external independent evaluations		
Outcomes	Outcome Indicators*	Means of Verifications	Assumptions/Risks	
Strengthened allocation of resources to policy priorities in client countries which is linked to policy priorities and value for money in service delivery	Number of policies, frameworks, processes and systems adopted by client countries Number of cases of successful reform implementation	Review of progress and reports Case study reports which document change		



Component 1: Fiscal and Expenditure Management				
Impact	Impact Indicators	Means of Verifications	Assumptions/Risks	
Strengthened reliability and control in budget execution which enables better resource use	Number of policies, frameworks, processes and systems adopted by client countries Number of cases of successful reform implementation	Review of progress and reports Case study reports which document change Review of PEFA reports		
Strengthened sectoral management of resources for service delivery	Number of policies, frameworks, processes and systems for financial management in sectors adopted by client countries	Review of PEFA reports Review of progress and reports Case study reports which document change		
Reform strategies are designed and implemented which focus on PFM reform results applying strengthened approaches to reform	Number of cases of reform strategies designed	Review of PEFA reports Review of progress and reports		
Bank operations which are informed by strengthened approaches to support PFM reform results	Number of bank projects are informed by PFM reform results Number of operations supporting reforms to budget formulation and execution Number of operations focused on PFM reform results applying innovative approaches (e.g., GovEnable)	Conduct stock take and survey analysis On-site monitoring report		
Outcomes	Outcome Indicators*	Means of Verifications	Assumptions/Risks	
Development of guidance notes, tools and approaches for PFM reform and budget formulation and execution	Number of guidance notes produced and adopted / used, including global public goods	Review of progress and reports Review training feedback surveys and evaluations		
Knowledge and research products on PFM reforms and budget formulation and execution	Number of good practices and knowledge that curate experience and lessons learned from innovative approaches to budgeting Number of global PFM public goods developed	Review of progress and reports Review training feedback surveys and evaluations		



Module 1. Managing Public Finances				
Outcomes	Outcome Indicators*	Means of Verifications	Assumptions/Risks	
PFM reform diagnostics and design used to prepare and implement PFM reform programs in countries	Number of Public Expenditure and Institutional Reviews Number of diagnostics identifying PFM bottlenecks to delivery (GovBottlenecks, FinHealth, FinEd) Number of PEFA assessments (national, subnational, gender, climate) Number of PFM reform strategies developed applying new approaches and diagnostics	Review of progress and diagnostics reports Review training feedback surveys and evaluations		
Support to reform implementation on budget formulation and execution	Number of technical assistance and capacity building programs supporting budget formulation and execution Number of cases of use of technology in support of budget formulation and execution reforms. Number of cases of problem based collaborative reform implementation	Review of PEFA reports Conduct stock take and survey analysis		
Support to reform implementation to PFM in support to sector service delivery	Number of technical assistance and capacity building programs supporting budget formulation and execution Number of cases of use of technology in support of budget formulation and execution reforms. Number of cases of problem based collaborative reform implementation.	Review of PEFA reports Conduct stock take and survey analysis		



Component 2: Public Investment Management and Governance of Infrastructure				
Impact	Impact Indicators	Means of Verifications	Assumptions/Risks	
Enhanced impact of infrastructure services through stronger infrastructure governance including public investment management, cross-cutting governance dimensions and asset management	Number of cases where countries have implemented regulatory and capacity reforms that impact the governance of infrastructure	Case study reports which document change Review of progress and reports	Subject to demand from countries Subject to available resources Situational condition on the ground	
Improved knowledge and capacity of countries to enhance infrastructure service provision	A global knowledge platform Regional practitioner networks Number of countries enhanced public sector skills on infrastructure governance, including PIM arrangements Number of people trained	Consult stakeholders Review of diagnostic reports (InfraGov, PIM, PEFA, and others) Review of progress and reports Case study reports which document change		
Improved policies, frameworks and capacities for enhancing delivery of infrastructure services using public, private, and SOE modalities	Number of changes of laws, regulations, and policies Number of countries supported Number of knowledge products	Review of progress and reports Case study reports which document change		
Enhanced PFM systems with regard to infrastructure development, selection and implementation of infrastructure assets, including through digital government transformation, asset management systems, climate change adaptation and mitigation measures, and gender inclusiveness	Number of countries/cities that have integrated digital government transformation applications Number of laws, regulations, and policies Number of supports in data-driven platforms Number of countries mainstreamed climate change	Review of progress and reports Case study reports which document change		
Bank operations which are informed by strengthened approaches to support PIM and governance of infrastructure	Number / volume of WBG operations that apply diagnostics Number of country level innovative approaches launched	On-site monitoring report Conduct stock take and survey analysis		



Module 1. Managing Public Finances				
Outcomes	Outcome Indicators*	Means of Verifications	Assumptions/Risks	
Knowledge development networks as a repository of lessons and experience in implementing PIM and asset management reforms	Number of learning networks and platforms Number of knowledge events organized and learning platform developed Number of people attended events	Review video recordings Review of progress and reports Review training feedback surveys and evaluations		
Diagnostic assessments, guidance notes, case studies and new tools undertaken and applied	Number of analyses on the infrastructure cycle, financing modalities for infrastructure, key governance issues (e.g., integrity, transparency, social, gender), climate change, governance of regulators and sectoral issues, includes PIM and Infragov.	Review analyses Review diagnostic reports and scores Review training feedback surveys and evaluations		
Support to the development of better PFM systems for enhancing the value of use infrastructure assets	Number of countries that have developed a strategy for managing infrastructure assets Number of countries have implemented digital approach to asset management	Review of progress and reports Case study reports which document change		
Support to strengthened sectoral public investment management for service and infrastructure delivery	Number of cases where countries have implemented sectoral infrastructure governance reforms	Review of progress and reports Case study reports which document change		
Technical assistance to enhance infrastructure governance including PIM and asset management reform, events, and capacity development	Number of technical assistance and capacity building programs Number of events and trainings	Review of progress and reports Conduct stock take and survey analysis		



Module 2. Financial Reporting and Auditing				
Module level Impact	Impact Indicators	Means of Verifications	Assumptions/Risks	
Improved reliability of financial statements and improved quality of audit products by Supreme Audit Institutions and Internal Audit Augmented follow up of SAI reports by Parliaments and Ministries of Finance	Increase in compliance with international accounting standards Increase in compliance with international auditing standards Number of laws, regulations, and policies adopted by countries that strengthen SAI independence and performance Number of cases in country where reform programs contribute to improved reliability of audit reports or improved financial reporting	Review of progress and reports Consult stakeholders Collect data from TTLs Review SAI reports	Subject to demand from countries Subject to available resources Situational condition on the ground Agreement on strategic directions	
Component 1: Financial Reporting and Transparency				
Impact	Impact Indicators	Means of Verifications	Assumptions/Risks	
Improved quality of public sector financial reporting based on credible standards	Increase in number of countries complying with credible accounting standards	Review progress reports Consult stakeholders		
Outcomes	Outcome Indicators*	Means of Verifications	Assumptions/Risks	
Improved global understanding of use of credible financial reporting	Number of global reports including the Global Report on Government Balance Sheets	Review of Global Report and global conference		
Increased number of countries that produce public sector financial reporting in line with IPSAS or such other similar standards	Number of countries providing financial reporting in line with credible standards (like IPSAS) and other requirements such as climate change, gender, and SDGs	Review financial reports and audit reports		
Increased use of accrual accounting in countries	Number of countries migrating to accrual-based accounting	Collect data from TTLs Review of progress and reports		



Module 2. Financial Reporting and Auditing				
Outcomes	Outcome Indicators*	Means of Verifications	Assumptions/Risks	
Countries informed by public sector financial reporting based on international standards	Number of knowledge and analytical works	Review of progress and reports		
Improved knowledge and capacity of countries on public sector financial reporting	Number of peer-to-peer learning events Number of regional CoPs on public sector financial reporting	Review video recordings Review of progress and reports		
Improved policy/implementation decisions informed for selected regions	Number of technical assistance engagements provided to countries Number of roadmaps developed by selected countries	Review of progress and reports Review roadmap reports		
Bank operations which are informed by strengthened approaches to support financial reporting and auditing results	Number of bank projects are informed by financial reporting and auditing activities Number of operations supporting reforms to adopt financial reporting based on IPSAS Number of operations focused on accrual-based accounting	Conduct stock take and survey analysis On-site monitoring report		
Knowledge and learning events and products developed	Number of events Number of knowledge products, guidance notes and revision of toolkits Number of annual updates to cash basis and accrual basis toolkits for newly issued IPSAS or changes to standards	Review video recordings Review IPSAS reports Review guidance notes Review training feedback surveys and evaluations		
Accrual based accounting implemented in select countries for Identification, diagnostics, implementation of IPSAS based reform	Number of cases that countries in the region implement reform	Collect data from TTLS Review of progress and reports		



Component 2: Accountability and Oversight				
Impact	Impact Indicators	Means of Verifications	Assumptions/Risks	
Enhanced performance of SAIs by undertaking compliance audits, financial audits, performance audits and other specialized audits to assess achievement of SDGs	Number of capacity building support activities for SAIs	Review of progress and reports Consult stakeholders		
Outcomes	Outcome Indicators*	Means of Verifications	Assumptions/Risks	
Increased SAI independence and enhanced ability to conduct audits	Improved ISSAI assessment results	Review of progress and reports Case study reports which document change		
Improved compliance of SAIs with international standards (ISSAIs)	Number of countries that undertake audits through their SAI and that respond to audits in compliance with ISSAIs Percentage increase in use of ISSAIs Development of quality assurance mechanism for ISSAI compliance	Review audit reports Assessment of credibility of claims relating to compliance with ISSAIs Review progress and reports		
Increased number of SAIs that undertake all types of main categories of audit, including compliance, financial and performance	Number of countries that undertake all types of audits through their SAI	Collect data Review progress and reports		
Increase number of countries that respond to audits in compliance with ISSAIs	Number of countries that respond to audits in compliance with ISSAIs	Collect data Review progress and reports		
Bank operations which are informed by strengthened approaches to support SAI performance	Number of operations and capacity supporting SAI Number of operations focused on compliance with the ISSAIs	On-site monitoring report Conduct stock take and survey analysis		



Module 2. Financial Reporting and Auditing				
Outcomes	Outcome Indicators*	Means of Verifications	Assumptions/Risks	
Knowledge and learning events and products for SAIs developed	<ul style="list-style-type: none"> Number of knowledge products Number of knowledge events Number of manuals (i.e., Audit Committees) Number of SAI audit/internal audit reports on donor financed projects 	<ul style="list-style-type: none"> Review video recordings of events Review manuals and reports Review training feedback surveys and evaluations 		
Enhanced support for SAI independence	<ul style="list-style-type: none"> Number of annual global SAI Independence Tracker Number of analytical and technical assistance provided 	Annual exercise by Governance teams of updating SAI Independence Tracker		
Training programs for SAIs	Number of training programs including on ISSAIs, capacity of SAIs to audit public resources in line with policies including climate change	<ul style="list-style-type: none"> Collect data from TTLs Training materials 		
Increased ability of SAIs to use Information Technology	Global / Regional stock take as readiness / ability of SAIs to use IT systems	Global stock take report		



Module 3: Public- Private Sector Interface				
Module level Impact	Impact Indicators	Means of Verifications	Assumptions/Risks	
Improved transparency, effectiveness, and sustainability of SOEs and private sector	Number of countries advancing on their SOE reforms	Review of external and internal evaluation Review of progress and reports Consult stakeholders Case study reports which document change	Subject to demand from countries Subject to available resources Situational condition on the ground Agreement on strategic directions on PFM	
Component 1: State-owned enterprises (SOE) and corporate governance				
Impact	Impact Indicators	Means of Verifications	Assumptions/Risks	
Improved SOE transparency and accountability	Number of countries advancing on their SOE reforms Number of policy documents that support SOE governance reform	Review of progress and reports Governments' official gazettes, news, reports, announcements Consult stakeholders Case study reports which document change		
Outcomes	Outcome Indicators*	Means of Verifications	Assumptions/Risks	
Strengthened regulatory framework for managing SOEs in relevant sectors	Number of governments that adopted drafts of new regulations, policies, institutional changes to support SOE governance reforms	Governments' official gazettes, news, reports, announcements Country level diagnostics including iSOEFs Individual project progress reports		
Improved monitoring of SOE performance and fiscal risk	Number of governments that designated a centralized authority to carry out SOE financial performance and fiscal risk monitoring	Country level iSOEFs, PERs, policy notes Case study reports which document change		
Improved financial transparency and discipline of SOEs	Number of SOEs disclosing their IFRS-based audited financial statements, all accompanying notes that include information on borrowings, in a public domain Number of countries that require mandatory external audits for large and economically significant SOEs	Country level iSOEFs, PERs, policy notes SOE websites, MoF websites Governments' official gazettes, news, reports, announcements Case study reports which document change		



Module 3: Public- Private Sector Interface				
Outcomes	Outcome Indicators*	Means of Verifications	Assumptions/Risks	
Strengthened SOE corporate governance practices	<p>Number of countries passing the legislation to require independent board members in economically significant SOEs</p> <p>Number of countries with corporate governance codes applicable to SOEs</p>	<p>Governments' official gazettes, news, reports, announcements</p> <p>Corporate governance code</p> <p>Case study reports which document change</p>		
Increased capacity, awareness and knowledge exchange on SOE reform for SOE ownership entities, SOE Boards, and wider stakeholders	<p>Number of global and regional workshops</p> <p>Number of peer-to-peer learning events, including south-south exchanges</p> <p>Number of dissemination events of country SOE assessment reports</p> <p>Number of training sessions and materials delivered</p> <p>Increase in share of respondents to surveys on comprehension of SOE sector challenges and reform agenda</p>	<p>Review of event recordings</p> <p>Event feedbacks and survey</p> <p>Collect data</p> <p>Baseline and end-line public opinion surveys</p> <p>Review of progress and reports</p>		
Bank operations which are informed by strengthened approaches to support SOE reform	<p>Number of bank projects are informed by support to SOE reform</p>	<p>On-site monitoring report</p> <p>Project progress reports</p> <p>Conduct stock take and survey analysis</p>		
Analytical tools, guidelines and framework for SOE policy dialogue	<p>Number of countries assessed with the iSOEF and other country diagnostics</p> <p>Number of guidelines for SOEs on ESG, climate change, gender and other key issues</p>	<p>iSOEF, annual reports and progress reports, country diagnostic reports</p>		
Diagnostics and recommendations for key SOE reforms	<p>Number of iSOEF and other country SOE assessment reports</p> <p>Number of recommendations and action plan for key SOE reforms</p>	<p>Review of iSOEF reports</p> <p>Review of regional SOE reports</p>		
Regional SOE platforms promoting peer exchange and learning	<p>Number of regional SOE platforms established</p>	<p>Regional stakeholder consultations and workshops</p>		



Component 2: Corporate Financial Reporting (CFR)				
Impact	Impact Indicators	Means of Verifications	Assumptions/Risks	
Enhanced institutional frameworks and capacity in CFR to support private and financial sector growth	Increased score of ROSC A&A Number of countries that have the legal framework for CFR Number of countries adopted the international standards for CFR	Review of progress and reports Review ROSC A&A reports Consult stakeholders and TTLs		
Outcomes	Outcome Indicators*	Means of Verifications	Assumptions/Risks	
Enhanced legal framework governing corporate financial reporting, accounting and auditing in line with international standards and practices	Number of countries that developed and adopted CFR related legal framework Number of countries that implemented the law	Review ROSC A&A reports Review of progress and reports Review external evaluations Governments' official gazettes, news, reports, announcements		
Improved capacity of small medium accounting practices for conducting external audits, oversight and quality assurance for audit bodies, including providing support to SMEs, banks, insurance, capital markets with core accounting, audit oversight and business advisory services	Number of accounting, auditing and business advisory support provided to SMEs Number of IFRS in banking and insurance sector, and capital markets Number of diagnostics of SME access to financial management skills and services	Review ROSC A&A reports Review guidance notes Review of progress and reports		
Improved capacity of experts including audit bodies and regulators in audit oversight and quality assurance to ensure reliable financial reporting and transparency	Number of countries training supervisors on new accounting standards Number of countries that provided assistance to audit bodies in establishing quality control procedures, and enforcement of financial reporting and auditing requirements	Collect data from TTLs Review of progress and reports		



Module 3. Public- Private Sector Interface			
Outcomes	Outcome Indicators*	Means of Verifications	Assumptions/Risks
Improved accounting technician qualification and delivery capacity to meet job market needs	<p>Number of Accounting Technician Qualifications</p> <p>Number of trainers trained on the accounting technician certificate</p> <p>Number of Professional Accounting Organizations endowed with an in-house training institute equipped with a viable business model</p> <p>Number of universities supported to develop accounting qualification framework and associated curriculum</p>	<p>Conduct and review survey</p> <p>Review of progress and reports</p> <p>Collect data from TTIs</p>	
Bank operations which are informed by strengthened approaches to strengthen CFR	<p>Number of WBG projects and technical assistance support implemented</p>	<p>On-site monitoring report</p> <p>Conduct stock take and survey analysis</p>	
ROSC A&A diagnostic reports/updates undertaken and action plans developed	<p>Number of new and updated ROSC A&A reports</p> <p>Number of countries that developed action plans based on ROSC assessment</p>	<p>Review ROSC A&A reports</p> <p>Stock take and collect data</p>	
PAO and accounting and auditing professionals/supervisors trained and university education supported	<p>Number of regions/countries covered</p> <p>Number of accounting professional trained</p> <p>Number of accounting technician certificate developed</p>	<p>Training survey and feedback</p> <p>Consultations with PAOs</p> <p>Review of progress and reports</p>	
Training materials, e-learning platform, curricula, peer-to-peer learning module developed	<p>Number of knowledge products and events</p> <p>Number of training and workshops</p>	<p>Review of training handbook and other materials</p>	



ANNEX 3

Communication and Visibility Plan

The Communication and Visibility Plan (CVP) is intended to be discussed and endorsed by the development partners who fund the FM UTF during the Partnership Council meeting.

Overall Communication Objective

The overall communication objective of FM UTF is to acknowledge the partnership between contributing development partners and the World Bank, and to promote the UTF's results, outcomes, and impact.

Target Groups and Key Objectives

Target audiences of the FM UTF communication activities and objectives for each of the target groups include:

Partners: The development partners (headquarters and local offices) and the World Bank CMUs need to be informed on a constant basis about the progress of the UTF, its results, outcomes, and impact. The key objective is to ensure that they have easy access and updated information.

Direct beneficiaries: Beneficiary countries' national, sub-national and local authorities; regional organizations included in or related to the PFM and PIM and relevant local civil society organisations (CSOs). The key objective is to ensure that beneficiary population is aware of the UTF, its results, the partners involved and the role of the development partners and the World Bank.

Donors and financiers: This includes the relevant United Nations organisations, International Financial Institutions, and bilateral donors involved in the FM UTF. Providing information on the UTF's objectives, activities and results for accountability and coordination purposes will be the key objective.

Technical counterparts: Ministries and Agencies in the client countries, regional and national coordination mechanisms, consulting firms, academia. The key objective is to make information on the UTF available for transparency, accountability, coordination, and collaboration purposes.

Other stakeholders: Embassies, CSOs, NGOs, community-based organisations, and private sector. Raising awareness of how the development partners and the World Bank work to support client countries to undertake sustainable, transparent, and accountable allocation of public financial resources will be the key objective.



Public: To ensure transparency and communicate the added value of contributing development partners assistance. The key objective is to raise awareness and ensure transparency in the client governments.

Media: Although media is a channel, it is also a target and will be a major partner for promoting the UTF as necessary. The key objective is to get support to promote the UTF and communicate its outcomes and impacts.

Role of Funded Beneficiaries

Funded beneficiaries have a key role to play in i) communicating about the UTF through their respective information and visibility guidelines; ii) disseminating project activities and results; and iii) informing about the financial assistance provided by the UTF.

The FM UTF will systematically provide funded beneficiaries with the appropriate guidelines to ensure that the information and visibility requirements are met. A specific provision on information and visibility requirements will be included in the grant agreements between the World Bank and funded Recipients.

VISUAL IDENTITY AND BRANDING

Visual Identity

All the FM UTF related materials will include acknowledgment of funding from the contributing development partners, using the visual identity, such as logo and funding statements. All materials will be primarily produced in English.

Disclaimer

In addition to the above-mentioned visual identity, the diverse range of reports and presentations that would be produced by the Program will include the following disclaimer:

“This publication has been produced with the assistance of [names of contributing development partners]. The contents of this publication are the sole responsibility of [name of the author/contractor/implementing partner/international organization] and can in no way be taken to reflect the views of the [names of other contributing development partners].”

COMMUNICATION ACTIVITIES

Communication tools and channels identified

The specific activities will involve a mix of communication actions and tools incorporating traditional media, social media, physical, and virtual events. The specific channels used (e.g., social media) will be based on the specific audience targeted in terms of style and register.



Website

A specific website will be established for the FM UTF. It will be a dynamic up-to-date platform providing both permanent and relevant actual information about the activities under the FM UTF (in English). Moreover, for sustainability purposes, the website will be embedded in the main Governance Global Practice website and will provide easy access to FM knowledge products and resources. Appropriate links to funding and implementing agencies will also be included.

The website will include information on the following:

- ▶ Objectives of the FM UTF
- ▶ The FM UTF activities
- ▶ Partners
- ▶ Information on the implementation arrangements of the FM UTF
- ▶ Resources: links to relevant FM documents from the development partners and the World Bank
- ▶ At a later stage of implementation, the website will also include:
- ▶ Communication about the UTF's progress, ongoing projects, and achievements throughout the duration of the FM UTF
- ▶ List of projects/activities receiving funding from the FM UTF (including a short description of the project, the amount of grant, etc)
- ▶ FM UTF's products such as learning materials and analytical products
- ▶ Program communication material (activity reports, brochures, etc)
- ▶ Audio visual material (short videos of projects/activities funded through the FM UTF).

Social Media

The FM UTF PMT will seize the opportunities that social media offers and reach out to the worldwide audience by ensuring the visibility of the FM UTF on social media such as a Twitter account with a dedicated hashtag and through blogs on the FM UTF website. Information on program activities will be provided which will also allow a space to interact with various stakeholders throughout the program implementation. The FM UTF team will liaise with relevant offices of the contributing development partners to upscale the communications through their networks and other relevant websites and social media networks.

Promotional and Information Materials

All materials will be produced following consistent visual design and language style. In general, most of the printed materials will also be available for download in electronic format and will be shared with the development partners. Priority will be given to online materials whenever possible, as they can be more easily updated and are easily accessible via the website. A "print



on demand” strategy will contribute to reducing environmental impact, maximizing the results, and reducing expenses.

The FM UTF will integrate and acknowledge the funding from the contributing development partners via the following products (but not limited to): leaflets and brochures; letterheads, banners, promotional items (such as pens, USB keys, bags, etc⁷) as needed; and audio-visual material (including photos, infographics, and short videos) – may be used whenever possible on the website or publicity material, for documenting the work and results of the FM UTF.

Public Events, Trainings and Visits

The FM UTF will be formally launched at the first available opportunity to represent the FM UTF at international meeting/conferences, such as the Annual Meeting of the IMF and World Bank. The launch will include dedicated promotional material.

All the events (training courses, conferences, seminars, exhibitions, and workshops) financed by the FM UTF will be demand driven. Emphasis will be placed on achieving direct impact on the work of the participants attending. Participants to the events funded by the FM UTF will be made aware that the contributing development partners are financing the event. Whenever possible participants may also be allowed to attend these events virtually either in real-time or downloadable content. All related materials (agendas, invitation letters, presentations, etc.) will feature the FM UTF’s visual. Whenever possible, information available for distribution at these events will be in digital format as a first option and accessible via the FM UTF’s website.

High level visits and meetings by contributing development partners and World Bank officials are a potential communication opportunity – through press releases, events, etc. Whenever relevant, the contributing development partners will be closely involved in the preparation and implementation of such events, including contacts with the media.

Press and Media

The FM UTF PMT will closely work with the contributing development partners, the World Bank Communications Units, and the Press and Information Offices in the respective contributing development partners on all media-related activities, such as press releases, media events, online coverage, and conferences.

Day-to-day Communication

The FM UTF PMT will provide day to day support and communication by responding to all FM UTF related questions and concerns.



MONITORING AND EVALUATION

Communication activities will be subject to a regular follow-up to indicate how effective the information and publicity measures are in terms of visibility and awareness of the FM UTF. Consequently, monitoring and evaluation will be carried on a continuous basis, in order to allow possible corrections of the plan in due time. With this intention, achievement and results indicators are defined for each type of communication tools and actions developed, as summarized in the table below. These two types of indicators are quantitative in their nature and evolve around numeric data which is recorded easily with counting different units. The analysis of the indicators will be done together with the annual and final reporting of the FM UTF.

Tool/Activity	Achievement indicator	Result indicator
Website	Number of visits Regularity of updates	Number of visitors and visits; number of hits per page and per country; duration of the visits; number of pages visited; nature of the pages visited; reference of the web site; satisfaction survey. Number of documents downloaded
Social media (Blogs, Facebook, Twitter, Instagram)	Number of blogs created Number of posts created Number of re-tweets Regularity of updates	Number of visits, links, click-throughs, comments/tweets, and outbound conversations
Brochures, leaflets, audio-visual material	Number of materials created	Number of materials disseminated; number of materials downloaded; additional material requested; satisfaction survey
Press relations	Number of press releases issued	Number of press articles published; number of participants to press conferences or organized seminars
Events and seminars	Number of events organized Number of invitations sent	Number of participants to events, satisfaction surveys, pre- and post- evaluation surveys

RESOURCES

The implementation team of Communications and Visibility Plan of the FM UTF will be assigned to the Communications Expert supporting the FM UTF. The Communications Expert will work in coordination with the World Bank teams and with the contributing development partners. The FM UTF PMT will use the services of a web-designer, and consultants for publications drafting, design, printing, and translation if applicable.



Endnotes

- 1 Trust Funds should be additional to World Bank funding, and should not crowd-out or replace World Bank funding
- 2 Available allocation refers to the funding amount available for an activity based on the funds currently available from paid-in donor contributions
- 3 The 'Report on the Observance of Standards and Codes—Accounting & Auditing' (ROSC A&A) program is part of a 12-module joint World Bank-IMF initiative to assist member countries to strengthen their financial systems by assessing their capacity to comply with internationally recognized standards and codes.
- 4 <https://www.worldbank.org/en/programs/rosc#2>
- 5 ROSC A&A completed <https://cfr.worldbank.org/programs/aa-rosc> (Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Czech Republic, Georgia, Kazakhstan, Kosovo, Latvia, Moldova, Montenegro, North Macedonia, Philippines, Poland, Serbia, Slovenia, Ukraine and Uzbekistan).
- 6 EU-REPARIS Program, Western Balkan countries <https://cfr.worldbank.org/programs/eu-re-paris> (Albania, Bosnia & Herzegovina, Kosovo, FYR Macedonia, Montenegro and Serbia)
- 7 Emphasis will be placed on multiuse/multipurpose promotional items (e.g., re-usable pullup banners) – to model best practice. Items that have utility beyond a specific event (such as bags, bottles, etc.) will also be incorporated into the mix. The specific items used will be based on the demographics of the target audience. Wherever possible the program will opt for promotional items which through their manufacture or disposal have minimal impact on the environment to model good socially responsible practice.



Financial Management Umbrella Trust Fund

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and FY23 Annual Work Plan**

Governance Global Practice