



Global Governance Program

World Bank Governance Global Practice



Executive Summary

This Program Document describes a governance program to be implemented by the World Bank at global, regional, and country levels. The program will be supported by two Umbrella Trust Funds (Umbrella TFs), for Governance & Institutions (G&I) and for Financial Management (FM).

The challenges of our times are daunting. COVID-19 remains rampant. Economies are getting smaller; people are becoming poorer. The SDGs will not be delivered. Fragility and conflict persist. Government is now larger and more indebted, at a time when confidence in government is falling. The pandemic and the associated recession have fed a catastrophe. This is not a time for band-aids and patch-ups. This is a time to reshape and reimagine the way society works, how collective decisions are made and how they are implemented. In short, the developing world will not recover from this catastrophe without breakthroughs in governance.

The Governance Global program (GGP) is core to the World Bank Group's approach. A successful program will see:

- ▶ Technical assistance and analytical activities to complement and leverage IDA and IBRD resources. The GGP will provide policy advice and the “know-how” to help catalyze, design and implement governance reforms.
- ▶ Innovative approaches and strategic initiatives in governance gaining supports. COVID-19 requires a reimagining of the institutions of governance.
- ▶ Fast learning from experiences, with quickfire dissemination of knowledge and harvesting of data on governance to shorten feedback loops and ensure that approaches remain leading edge and informed by on-the-ground realities.
- ▶ Coherence between countries and development partners in pursuing governance reforms through larger-scaled umbrella funding.

The GGP is organized around the following clusters of activities, of which the first three modules will be supported by the G&I Umbrella TF and the last three modules by the FM Umbrella TF.



Governance & Institutions Umbrella TF

The Organization and People module focuses on the engine room of delivery organization at all levels of government and public employment management. Unlocking improvements in productivity through reforms of government structures and systems for designing and implementing policies and improving the ability, motivation and accountability of public sector workers. The module also includes intergovernmental coordination, devolution and the allocation of government tasks across different levels of government.

The Open Government, Anti-Corruption and Technology module supports improving openness and transparency and reducing corruption, including with the use of technology. The pandemic and changed working habits have accelerated demands for digital transformation to boost efficiency, quality and access of service delivery, bolster government-citizen interactions, and to modernize core government operations. The new approach for Anti-Corruption activities builds on the lessons learned from engagement in Anti-Corruption activities at country level over the past decades, supplementing and reinforcing the GovTech program and the Open Government Partnership initiative.

The Institutions of Accountability module supports institutions of accountability in the judiciary and legislative branches of government and provides support to non-state actors to enforce accountability, with ensuing improved outcomes. Included is an ability to provide direct support to CSOs that are engaged in promoting/ensuring good governance.

Financial Management Umbrella TF

The Managing Public Finances module is the sibling of the organizations and people module. Public financial management (PFM) channels the fuel to the engine room of delivery. The time is nigh to show how PFM makes a difference for the trajectory of development. Emphasis is on economic outcomes and service delivery for citizens; highlighting the enabling role of PFM in achieving policies. The 'building on basics' approach has proven to be very disappointing; hundreds of millions of dollars of investment in PFM have not yielded a reasonable return in



results. This requires innovation: (i) at the country level by funding the development and scaling up of new approaches (e.g. improved efficiency of spending, climate responsiveness, pandemic-readiness or agility and (ii) at the global and regional level by capturing lessons from novel approaches and disseminating this as shared knowledge; The Bank leverages off its strength in getting outside of the treasury and dealing with the agencies at all levels of government that suffer at the hands of clumsy, outmoded and corrupt PFM systems.

The Financial Reporting and Auditing module supports oversight of the use of public resources. Country level activities strengthen reporting and accounting, and support Emerging Markets and Developing Economies (EMDE) voices at global bodies for reporting and auditing so the activities and products of these bodies will be suitable for them.

Supreme Audit Institutions continue to need help and be effective in improving performance and affirming accountability.

The Public-Private Sector Interface module recognizes the increasingly important role for effective interface between these two sectors, recently reinforced by the response to COVID-19, the emphasis on resilience and the reality that bridging the financing gap to the achievement of the SDGs requires the private sector to step-up. The focus is on SOE Governance and Performance and Corporate Financial Reporting.

To deliver on the lofty objectives, the two Umbrella TFs require strong partnerships between the World Bank and other development agencies. The GGP will include technical working groups for each of the modules that will include bilateral development agencies, IFIs, foundations and private sector partners. The Program will have a duration of at least seven years and will be managed by the Governance Global Practice, working closely with other Global Practices in the Equitable Finance, Growth and Institutions Practice Group in the World Bank.



Background

The World Bank is developing a Governance Global Program (GGP). The program will support innovative activities at the global, regional, and country levels that are aimed at achieving better governance outcomes in client countries while also curating and disseminating knowledge about governance among development partners. The program will complement IDA and IBRD financing by bringing in pragmatic policy advice and the “know-how” to help catalyze, design and implement governance reforms. This is critical, as evidence shows that World Bank’s technical assistance and analytical work constantly influences the development policy direction and priorities of client countries.¹

The issues of governance and institutions are at the core of how countries formulate and implement development policies. Countries with weak institutional capacity and few fiscal buffers are stretched to meet usual expectations let alone the extraordinary new challenges from COVID-19, climate change and the new geopolitics. Issues of exclusion, corruption and capture lead to poor policy design, even worse policy implementation, and ultimately a failure for citizens. This is even more so for the low-income countries, and countries affected by fragility, conflict and violence (FCV) where the bulk of the poor reside.

Many governments adopt what appear to be good policies but then struggle with implementation that hampers performance and derails intended outcomes². Limited coordination and cooperation across and within branches of government, and with the private sector and citizens pose significant challenges to policy implementation.

Building capable, accountable and inclusive institutions are at the heart of development success and the World Bank’s strategy for achieving the twin goals of ending extreme poverty and boosting shared prosperity.

The COVID-19 catastrophe, like other crises such as World War II or the East Asia Financial Crisis is stimulating the change. One way to think of this is as follows:

¹ How Does the World Bank Influence the Development Policy Priorities of Low-Income and Lower-Middle Income Countries? Knack, Steve et al., 2020, World Bank.

² World Development Report, Governance and the Law , 2017, World Bank



Figure 1



Although the temptation is to focus on the post-COVID world, the reality is that COVID-19 is still traumatizing the world as we write. The ramifications of the shock are still being felt, the contours of the reshaping are being worked through and the ultimate shifting is yet to be seen. But our clients need help now to build back amid more severe fiscal constraints, the lack of trust and social discontent from inequalities and corruption, and the need for more modern and technology enabled services to make government's more efficient, data driven and accountable.

Mistrust in government has become standard; exacerbated by new opportunities for corruption. Many governments dealing with the COVID-19 pandemic are rapidly trying to improve governmental coordination, address capability gaps, move services online and tackle transparency and accountability challenges that can have profound implications for development, and which require immediate support and long-term hand-holding. Some, sadly, seem to have thrown-up their arms in despair.



Governance challenges

The Governance Global Program is initiated specifically with the aim to support low-income or Emerging Markets and Developing Economies (EMDEs) countries as they face four major governance challenges of our times.

The pandemic and the associated recession have fed a catastrophe. COVID-19 remains rampant. Economies are getting smaller; people are becoming poorer. The SDGs will not be delivered. Fragility and conflict persist. Government is now larger and more indebted, at a time when confidence in government is falling. This is not a time for band-aids and patch-ups. This is a time to reshape and reimagine the way society works, how collective decisions are made and how they are implemented.

The most immediate challenges responding to the disruptions of the pandemic and can prepare for future disruptions due to health crises and climate change.

The immediate and long-term impact of the COVID-19 pandemic

It is essential for the World Bank to support EMDEs as they grapple with the long-term impact of COVID-19 on their economies and undertake public sector reforms in response to the immediate crisis and for long term resilience, e.g. to potential future crisis. Going forward, there is also the need to build public institution resilience. The pandemic has again highlighted the crucial factor of trust in government. Countries where citizens have a high level of trust in government³ have evidently dealt better with the pandemic. Equally, the pandemic will have long term impact on the trust that citizens have in government^{4 5}.

Essential is to recognize that the response to the COVID-19 pandemic is based on uncertainties and evolving needs. The demands placed on systems of governance by the

3 <https://bit.ly/3h6Atlo>

4 Scarring Body And Mind: The Long-Term Belief-Scarring Eff Of Covid-19; NATIONAL BUREAU OF ECONOMIC RESEARCH (NBER): Julian Kozlowski, Laura Veldkamp and Venky Venkateswaran Working, Paper 27439 <http://www.nber.org/papers/w27439>

5 The Political Scar of Epidemics: Cevat Giray Aksoy Barry Eichengreen Orkun Saka, NBER Working Paper 27401 <http://www.nber.org/papers/w27401>



COVID-19 pandemic are unprecedented. It is clear that governments and citizens are learning as they go; what may have looked like complete responses may now appear not to be. Across the world, countries are looking to each other for learning; within countries, success can also vary dramatically across regions and cities.

As demands on the state increase many are faced with a depleted workforce and much diminished fiscal capacity. Economies are appreciably smaller; maybe not regaining the lost ground for two or more years. The better organized states are already beginning to pave a way to the future, adapting in the face of the new geopolitical alliances and taking measures to address smoldering social unrest. In these circumstances, the levels of uncertainty about the needs of our partners and their ability to respond suggests that the WBG requires a heightened degree of flexibility going forward, including access to just-in-time resources to support immediate needs. It is unclear at this stage exactly the form of support that will be required, but it is highly likely to involve increased use of digital technologies, connected information systems, lower cost, smaller physical footprints and increased use of community delivery methods. It is also likely that, given the depleted state of resources and the atmosphere of crisis, that solutions will be needed very quickly.

Achieving the 2030 SDGs

At this time EMDEs will have to ramp up efforts to improve governance outcomes in order to achieve the 2030 SDGs. Approaches and methods used so far have laid the foundations for governance and institutions but in the coming decade governments will need to make a larger effort to deliver better public services to citizens and to foster economic development. As mentioned in the 2019 report to the Secretary General of the UN: “*Considerable knowledge exists about the interlinkages between the Goals and targets of the Sustainable Development Goals, yet institutions, governance and skill sets have not yet adapted to translate this nexus of information into effective whole-of-government and whole-of-society approaches and cross sectoral action aligned with the 2030 Agenda*”⁶. This alignment of governance outcomes is essential to achieve the 2030 SDGs, and it is widely recognized that SDG 16 and 17



are goals that are essential for achieving all other SDGs⁷. Innovation and a comprehensive government wide approach will be needed to achieve this broad set of goals and targets and ensure that the public sector will perform at a level that all SDGs will be achieved, builds trust with citizens and with the private sector, and generates the resources to sustain these achievements.

Building for peace

The nature of conflict and fragility has changed; the number and impact of fragile countries and regions have increased. For example, the conflict in Syria has a measurable impact on the countries in the region, including those that are not involved in the conflict itself. Similar spill-over effects are visible, for example as a result of the instability in the Sahel to other West and Central African countries, or the impact of violence in Central America. Refugees and expanded migration patterns expand the spill-over effects even further.

There is also a growing number of countries that are emerging from extended periods of political and economic stress that need to rebuild institutions and government systems. In response, the World Bank has expanded its engagement in fragile and conflict affected countries (FCV), with a strong emphasis on governance and restoring institutions: *“Strengthening institutions that set the stage for transparency, accountability, and participation is a difficult and long-term process, but it should guide WBG interventions in FCV settings. As demonstrated in the 2017 WDR, governance institutions that balance, divide, and share power play a crucial role in addressing grievances and reducing incentives to engage in violence”*⁸. The need to rebuild institutions and core systems of government in these countries is ever more urgent to address the underlying drivers of conflict and escape the fragility trap. There is a need to further explore and expand on emerging bodies of knowledge and research in order to enable the World Bank and others to achieve success with the rebuilding of institutions and core governments systems in FCV.

7 https://www.un.org/esa/desa/papers/2019/wp162_2019.pdf

8 <https://bit.ly/33WdlS5> – page 50



Increased demand for better governance outcomes by citizens and the private sector

Across the globe, a growing middle class, improvements in education, and access to technology and social media have put pressure on society to achieve better governance outcomes. Citizens expect greater transparency and accountability from society, demand to be engaged and have reduced tolerance for systemic failures such as corruption from government. The private sector is exerting similar demands as essential for investment decisions and economic growth.

As with the three other governance challenges, the demand for improved governance outcomes is exacerbated by the COVID-19 pandemic: *“As citizens all over the world have been mobilized around curbing COVID-19 contagion, there is an unprecedented opportunity to now channel that attention and mobilize citizens and citizen groups to shape and oversee packages that will directly impact their lives. Indeed, with so many lives and livelihoods and such massive resources at stake, we need collective, collaborative leadership – a coalition of stakeholder groups to join forces and ensure that stimulus and safety nets flow through open governments, open budgets and open contracts through to the “last mile” of service delivery. If we do this, we won’t just ensure an effective COVID-19 response – we will build back a better governance system that will institutionalize openness and citizen oversight, sustain citizen trust by putting citizens at the heart of governance, and produce a more fair and just society for better times to come.”*⁹

This may well constitute a break from the past. While the major shocks in our lifetime have led to recalibrating the path of society; this shock may induce a resetting of the institutions of governance in ways that we are just beginning to imagine. Unthinkable a few months ago, Manila has created hundreds of kilometers of bike paths as citizens want to avoid congested public transport. Weddings and funerals are performed as ZOOM events. Government services are moving online.

Box 1

Public transport post COVID-19

For some countries, public transportation may be at a tipping point. For ever having been thought of as a socially desirable aspect of living in cities; that is being questioned thanks to COVID-19.

Suddenly the nature of the commute may be changing and the relative desirability of public transport from a health perspective is questioned. The managing director of Ile de France Mobilities, Laurent Probst, said the investments in public transport should stop now. As a British transport economist remarked at a recent event, after having spent his whole career with the singular objective of increasing ridership, that objective is suddenly being questioned.

He notes that public transport had for 100 years been resilient but technology changes that seem attractive is making it hard for public transport to stay relevant. The Dutch have noted that their working week has been transformed by the COVID-19 lifestyle.

The complexity and the deep implications of this shift for many cities and states should not be underestimated. Fixed costs are high; a deterioration in ridership or even changed time-of-day pricing may compromise much of the current funding model and expose parent governments to considerable fiscal risk.¹ Sunk costs may be sunk, but operating cost decisions keep recurring. It is extraordinary to think that some public transportation assets may become stranded assets.

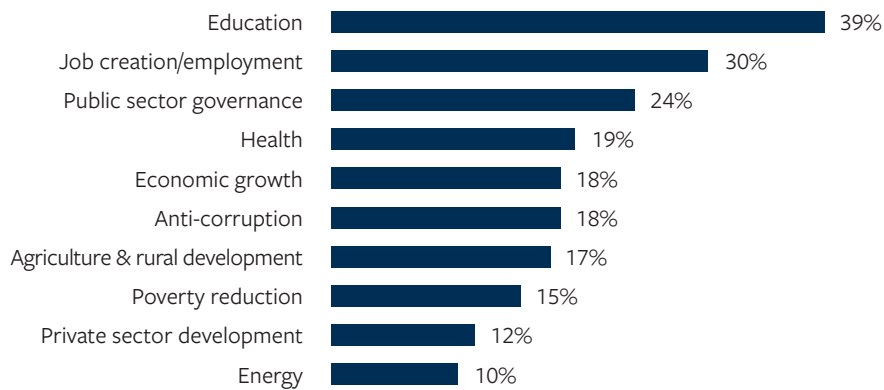
Agility may be one way through this, especially for those who have not invested so heavily in high capital cost systems, as is the case in many EMDEs. This means that there may in fact be a return to having waited (stalled) decision making on public transport.

¹ See <https://bit.ly/3nNFSBh> The Florence School of Regulation said last month: Because of the virus, national priorities have come to overshadow common European interests. These fragmented approaches have thrown us back to pre-single European Transport Area times... judging by the allocation of State aid...the main beneficiaries have been the aviation and the automotive sectors.



There is a great deal of interest and demand from EMDE countries to tackle these problems; they rank governance and corruption as two of the top ten development priorities, above private sector development, agriculture and energy concerns (see Figure 1 below). In fact, the two issues combined make governance and institutions the top most development priority of EMDE countries.

Figure 2. Governance Ranks High on Development Priorities



FY19 COS: “Please identify which of the following you consider the most important development priorities in ____ (Choose no more than 3) (Respondents chose from a list. Responses combined. Top 10 of 30+ shown)

Source: FY19 WBG Country Opinion Survey Review

All the aforementioned four challenges require a robust response by the World Bank. A new urgency to meeting these challenges has been created by the COVID-19 pandemic. While the three other challenges have been building up over a longer period, the challenges caused by the pandemic have created a situation where governments need to respond to all four challenges in concert in order to provide a long term response to the pandemic. The aim of the Governance Global Program is to help countries to address the challenges outlined above in a cohesive way and to develop a global body of knowledge and learning based on the effort to achieve better governance outcomes.



IDA 19 Commitments on Governance and Institutions

The commitments supported under the IDA19 governance and institutions special theme aim to address weaknesses in institutional quality that have a negative impact on economic and social development, including slower growth, weak delivery of government services, and limited mechanisms for citizens to hold governments to account.

It is important to mention that for the IDA18, governance was a special theme by which the World Bank delivered on a range of commitments. After three years of implementation, all IDA 18 governance commitments have been implemented and targets have been exceeded. This includes the preparation of pandemic preparedness plans and governance and institutions plans have been prepared for 47 countries. The engagement with this significant number of countries provides a strong basis to continue working on healthcare and governance in response to the COVID-19 pandemic.

For IDA19, the focus on governance has been expanded with the following commitments which are directly aligned with the Governance Global Program .

IDA 19 Commitments on Governance and Institutions

IDA19 commits to support policy actions under the Governance and Institutions Special Theme:

- ▶ Promote debt transparency and debt management;
- ▶ Strengthen domestic resource mobilization;
- ▶ Strengthen infrastructure governance;
- ▶ Support investments in people that promote efficiency, growth, and equity;
- ▶ Enable universal access to public services through GovTech;
- ▶ Strengthen pandemic preparedness;
- ▶ Tackle corruption and tax evasion to reduce illicit financial flows;
- ▶ Support multi-stakeholder platforms for policy making and implementation;
- ▶ Enhance the core functions of government in IDA Fragile and Conflict-affected Situations;
- ▶ Improve data for more evidenced based policy making



The Governance Global Program will support these commitments. Support for some of them, such as debt management and domestic resource mobilization, is being provided through other related development partner support vehicles. The activities for pandemic response preparedness plans and implementation started under IDA18 will be continued as a collaborative effort of the health and governance practices in the World Bank.



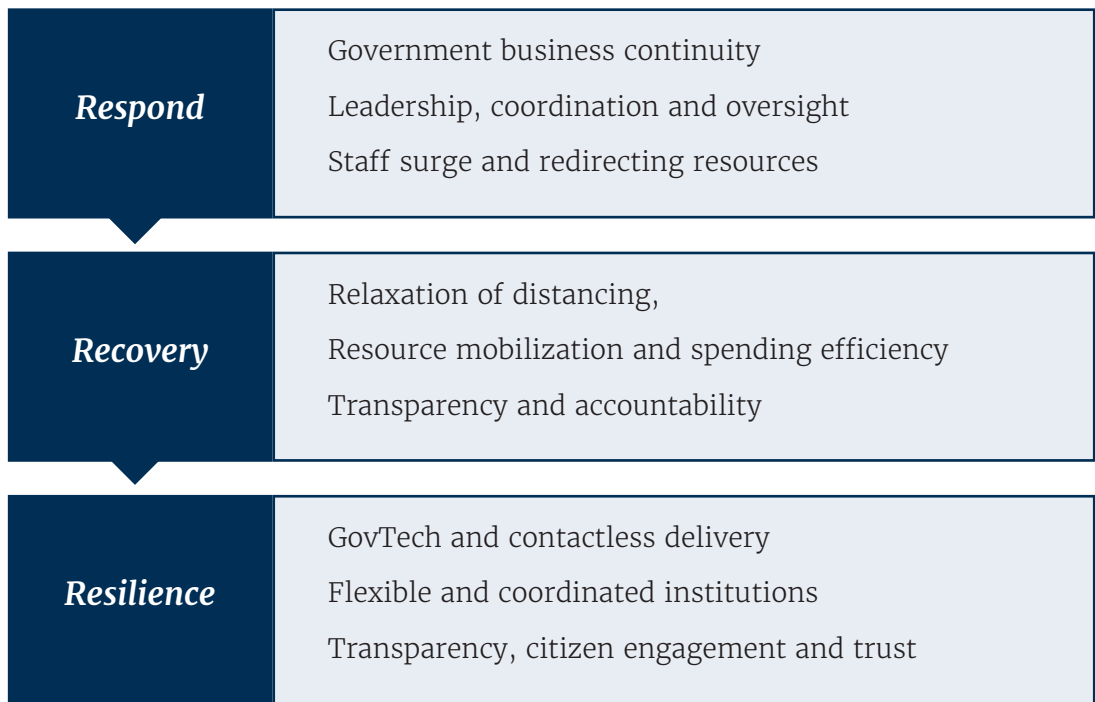
The Governance Global Program

It is against the backdrop of these four main challenges that the World Bank is developing its Governance Global Program . This program will stimulate innovation, harness new technologies, harvest and disseminate new knowledge and learning focused on better governance outcomes for citizens and economic actors. The Governance Global Program aims to provide specific support to EMDEs as they overcome the impact of the COVID-19 pandemic, the economic and societal impact, and the building of trust in government. Significant portions of this program will be implemented by the World Bank, through lending operations, including the Governance commitments included in IDA19. In addition, the World Bank seeks to establish a partnership with a broad range of other development agencies.

The Governance Global Program will support the governance issues as countries move through shock, recovery and resilience phases of the COVID-19 response, recognizing that depending on the trajectory of the pandemic this may not be a smooth or linear process. The initial focus of the work during the crisis has focused on government business continuity, leadership and coordination concerns especially for countries with a decentralized and sub-national government layer, transparency and measures to counter opportunities for corruption. Moving into the recovery phase the fiscal constraints, and the need to remove barriers to economic recovery take prominence, as well as strengthening oversight and accountability mechanisms for the rise in spending during the crisis phase. Preparing for the new context post COVID-19, will bring new opportunities to develop more strategic and consistent approaches to public sector modernization and the Gov-Tech agenda; developing flexible and accountable institutions that are engaging with the public and responding to feedback (See Figure 2).



Figure 3: Governance Global Program – Responding to COVID-19



Some of the most effective actions include: reducing overlapping institutional mandates in the public sector; empowering specialist agencies; simplifying unnecessarily complex regulations, and using digital technology to put citizens at the heart of government services; providing protection of press freedom and enshrine citizen’s right to information and to redress grievances; deepening cooperation internally and externally to fight against corruption. The pandemic has also highlighted that all levels of government have a role to play, and that intergovernmental coordination is fundamental across agencies and vertically across levels of government¹⁰.

The Governance Global Program is comprehensive as it encompasses all dimensions of governance, supports governance activities at all levels and embraces a wide range of tools and approaches to support governance activities. It leverages off the World Bank group’s unique modus operandi – being the agency at the country level across the entire globe, bringing together developing countries, developing partners and global forums.

¹⁰ See for example the Covid-19 response under implementation in Kenya



The current crisis highlights the role of governments while it has also emphasized serious weaknesses in many countries that need to be addressed. The crisis has been a rude awakening and demanding fundamental changes. Governments must respond to the current multiple shocks and build back better to be resilient to future shocks/crisis while meeting new expectations and higher demands from citizens. The World Bank and other development partners will play a role to help chart the course and accompany governments in that journey.

At the start of this journey, governments in EMDE need to address a number of questions to build back better (resilient) institutions and systems:

- ▶ **How should the role of government change?** Governments will be larger, but also more in debt. The unevenness of the effects of COVID suggest that there will be a heightened concern to address equity, and help those most impacted.
- ▶ **How will governments deliver?** Contactless delivery is likely to be an important delivery mechanism going forward. To be successful, this will also need to address basic issues of access, and ensuring that digital is for all and not just for the better-off.
- ▶ **How will governments be more productive?** There will be pressure on the government to improve its efficiency and effectiveness. The effectiveness of the response by many governments to COVID was poor – characterized by inadequate coordination and lack of empowerment to expert agencies. With higher debts and pressure on revenues due to recession, governments may have to do more with less.
- ▶ **How can citizens' trust in government be improved? Citizens clearly looked to the government for help at the start of the pandemic; in few cases was this trust repaid. In some cases, trust has fallen sharply as the government has floundered in its response. Centralized decision making, without empowering specialist agencies, resulted in poor outcomes. Rebuilding trust for some will be a long term challenge¹¹?** Renewed efforts to bear down on corruption and to provide greater opportunities for citizen participation and redress may move more central going forward.

¹¹ Scarring Body and Mind: The Long-Term Belief-Scarring Effects of Covid-19: Julian Kozlowski, Laura Veldkamp and Venky Venkateswaran Working, NBER Working Paper 27439; <http://www.nber.org/papers/w27439> The Political Scar of Epidemics: Cevat Giray Aksoy Barry Eichengreen; Orkun Saka, NBER Working Paper 27401 <http://www.nber.org/papers/w27401>



- ▶ **How will governments prepare for future crises?** One lesson is certain – that this pandemic showed how very high cost, very low probability events can truly devastate economies and families. This was not a complete shock; it was in the realm of possibilities identified, and modelled in many countries. The inadequate response has been a shock. Contingency planning will move to the center.

There are still many aspects that we don't know. We don't know when the world will, if ever, beat the pandemic. We don't know if coronaviruses will continue to mutate, reappearing every few years. We don't know how geopolitics will reconfigure so that the international cooperation to stave off future pandemics may be better than for COVID-19. We don't know how much governments, businesses and households will adapt and change the way they operate.

The Program will support in country work to catalyze reforms, including cases where local reformers do not yet have the opportunity or political capital to initiate a World Bank lending operation. Learning from what has worked elsewhere, the availability of grant financed and heavy-technical support up-front can leverage considerable institutional impact. As the world grapples with the financial implications of the COVID-19 pandemic, it is more challenging for both clients and country teams to allocate time and financial resources to complex problems.

A reshaped state with reimagined governance will be at the heart of the new normal.¹² The COVID-19 pandemic did not just reveal vulnerabilities but also showed opportunities to improve the performance of countries.

The Trust Fund provides the opportunity to catalyze the reimagination of government functions and to support the institutional reforms that would enable EMDEs to come back even stronger and let institutional reforms flourish. There is even the possibility that by using technology and innovations some countries can effectively leapfrog into a next stage of development.

It should be noticed that the pandemic and the subsequent travel and other restrictions will have broader implications for development and for the delivery model used by many development agencies. The pandemic has forced most development agencies to staff working from home and severe restrictions on travel. This sit-

¹² Coming Together While Staying Apart, The Role of Trust and Fostering Collective Action in the Age of Covid-19, World Bank Governance GP, June 30, 2020



uation is likely to continue for the immediate future, and will require a re-think of the usual delivery model for international development. It also puts a premium on agencies such as the World Bank, which have invested in developing a global footprint with significant staff presence in countries. This has allowed the World Bank, despite pandemic related restrictions, to move ahead quickly with providing a large amount of funding to countries as an immediate relief budget, using the in-country presence to negotiate with governments and take all necessary steps to deliver the programs. The GGP will benefit from the same in-country presence in providing support to countries that implement governance reforms as they respond to the pandemic.

World Bank ongoing support to governance

The trajectory of governance in the World Bank has evolved over several decades. As indicated in Figure 2, the trajectory of governance there has been significant acceleration with the adoption of the Governance and Anti-Corruption Strategy followed by the establishment of the Governance Global Practice. This unit has brought different parts of the WBG together, including those dealing with fiduciary aspects, units working on the public sector and staff working on anti-corruption, openness, transparency and citizen engagement. This approach to governance enabled the World Bank to respond to the wide array of demands expressed by client countries, and to bring influential advice and inputs to governments, especially at a time of challenges, such as the current pandemic

For the World Bank there is a strategic need to ramp up governance activities in the context of IDA. Over the past three replenishment cycles, IDA allocations have increased significantly (IDA17: \$78.2 billion, IDA18: \$75 billion, IDA19 \$82 billion). At the same time the number of IDA eligible countries have decreased slightly from 79 in IDA17 to 76 in IDA19 while the share of FCV countries among these IDA recipients is now at 40%. Initial analysis shows that the absorption capacity of the current IDA countries for increasing amounts of financing is increasingly becoming a binding constraint. This absorption capacity relates both to the capacity to prepare IDA funded projects and to implement these. This absorption capacity is, in many respects, not only a function of the quality of the financial management



in a country but equally of the accountability system in each country. Support to the countries that face constraints in absorbing IDA funding and to be accountable for development funding will focus on strengthening core functions of the state and improving governance outcomes.

The World Bank has a significant portfolio of governance lending operations. In the GGP, there are 514 activities with the total value of \$13,8 Billion covering 121 countries, including 213 lending, 264 ASA and 37 RAS as of July 2020. Additionally, there are 69 activities at global level. In total, there are 112 WB lending operations in 60 countries with significant FM component¹³ and a total value of \$1.5 Billion. There are 148 WB lending operations in 61 countries that have substantial Governance and Institutional reform components and a total value of \$2.6 Billion. Additionally, there are in total 37 RAS activities in 18 countries with a value of \$71.8 Million.

In 24 IDA countries there are 33 projects with significant financial management components with a combined value of \$1 billion. The FM&A Umbrella TF will have a strong relationship with the large portfolio of PFM projects funded by IBRD and IDA. Part of the role of the FM&A Umbrella TF will be to support the preparation and implementation of these projects by providing innovative inputs to diagnostics and knowledge and learning. Conversely, the FM&A Umbrella TF will support harvesting and curating experience and lessons from this pool of projects.

One of the main instruments the World Bank uses to fund development in the poorest countries and FCV is IDA. Governance has been a special theme in IDA18, by which the World Bank delivered on a range of commitments.

¹³ Included in these counts are IBRD and IDA lending operations in which at least 20% of funding is allocated to financial management activities and objectives. <https://bit.ly/3kCCiZ1>



Figure 3: Evolution of governance in the World Bank

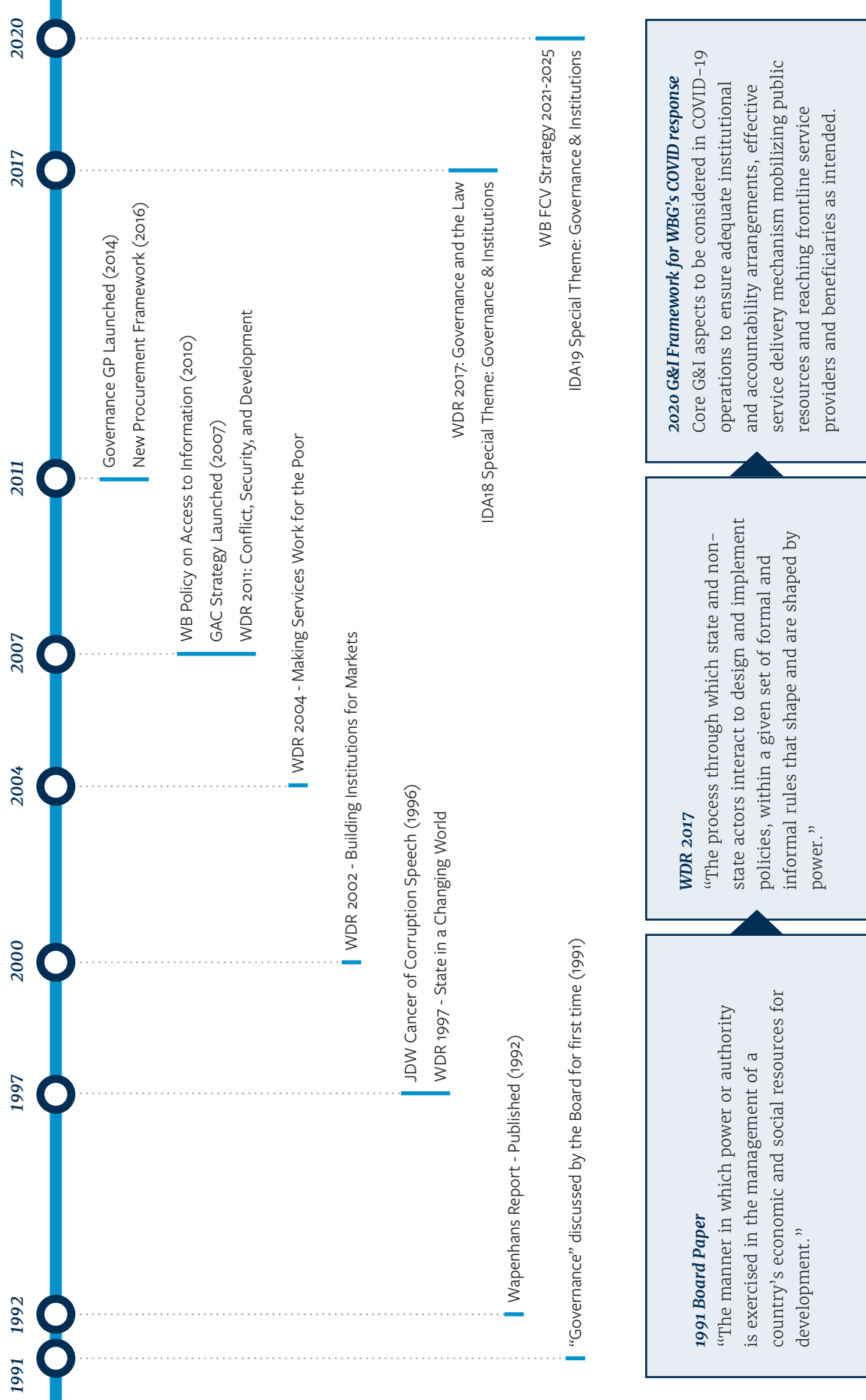




Figure 4: Governance Global Practice: Active Projects (July 2020)

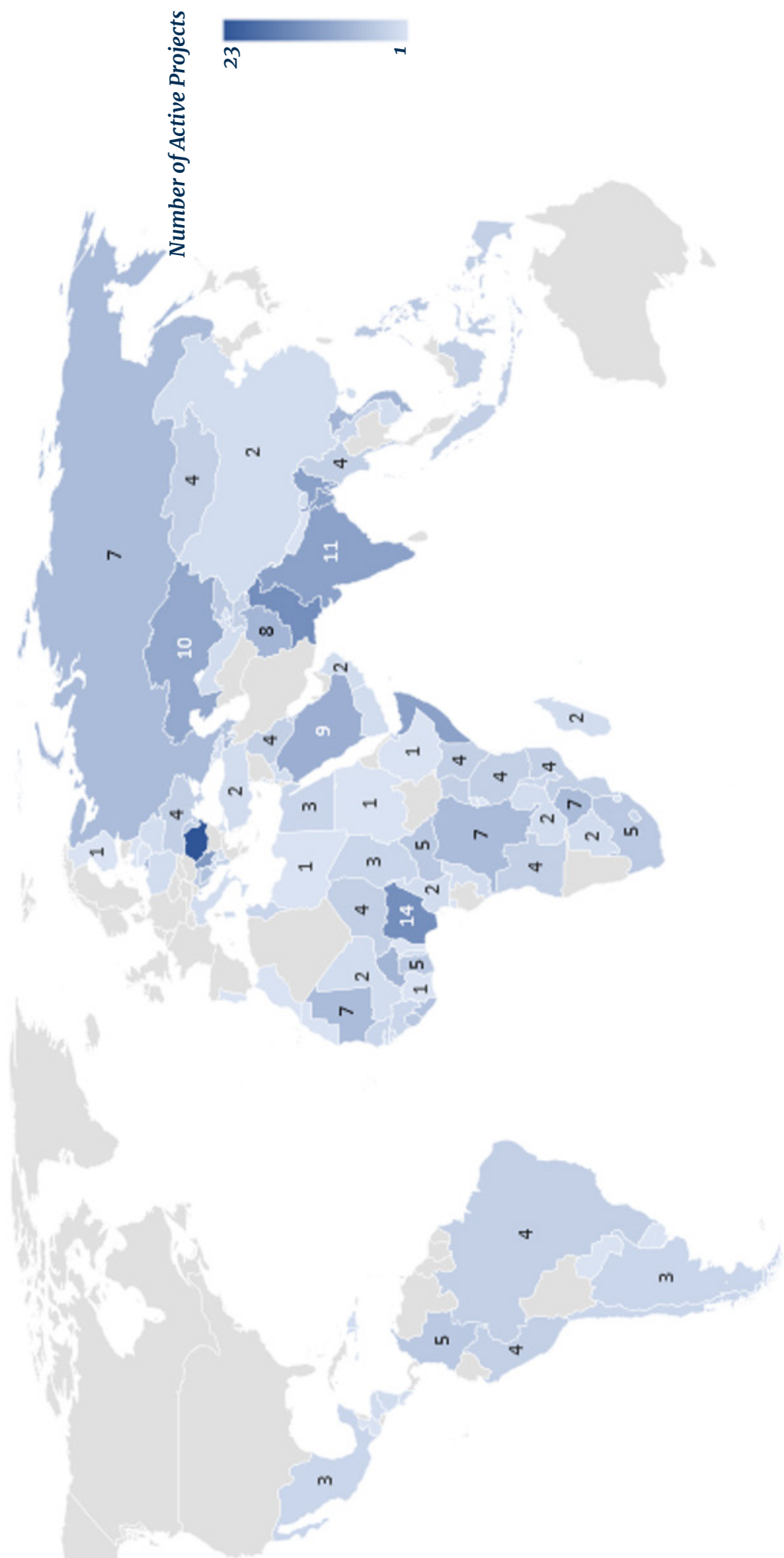




Table 1: Governance Commitments in IDA 18¹

Policy Commitments		Result
Strengthen DRM	Support at least a third of IDA countries targeted at increasing their Tax/Gross Domestic Product ratio through lending operations, ASA and technical assistance including tax diagnostic assessments.	144 WB operations in 54 countries:
Improve public expenditure, financial management and procurement	Support at least 10 IDA countries in performing 2nd or subsequent PEFA assessments to inform preparation of their SCDs. Deliver MAPS2 in five IDA countries to accelerate the development of modern, efficient, sustainable and more inclusive public procurement systems that take into account national development objectives.	28 countries have been supported MAPS delivered in 6 countries
Strengthen active ownership of SOEs	Support at least 10 IDA countries on enhancing SOE performance through: (i) Performance Agreements and/or (ii) increased transparency through published reports on their SOE portfolio.	Implemented in 21 countries
Support public administration performance for service delivery	Perform joint operations, TA, and/or ASA on sector-focused governance in 10 IDA countries to identify and address institutional bottlenecks to service delivery with the health, water, and/or education sectors.	Twenty-two IDA countries supported
Support institutional capacity to respond to pandemics	Support at least 25 IDA countries in developing pandemic preparedness plans.	Pandemic preparedness plans have been developed in 47 countries
Integrate citizen engagement and beneficiary feedback into service delivery operations	Support 25 countries in developing frameworks for governance and institutional arrangements for multi-sectoral health emergency preparedness, response and recovery.	Governance and institutional frameworks have been developed in 47 countries
Strengthen open, transparent and inclusive governance through Open Government commitments	Support projects in at least 10 IDA countries in the development and implementation of user feedback and/or enhanced GRMs ² for service delivery that ensure participation by women in these processes	55 countries have been supported with enhanced GRM and/or multiple additional beneficiary feedback interventions.
Mitigate IFFs	Support at least one-third of IDA countries (at least 25 countries) to operationalize reform commitments towards the OGP agenda to strengthen transparent, accountable, participatory, and inclusive governments	Twenty-six IDA countries have been able to operationalize reform commitments towards OGP agenda
Enhance understanding of governance and institutions in FCV	Perform IFFs assessments in at least 10 IDA countries to support the identification and monitoring of IFFs;	IFF assessments have been undertaken in IDA countries
Operationalize 2017 WDR	Strengthen and systematize Governance & Institutional analysis in half of Risk and Resilience Assessments and at least three-quarters of Recovery & Peace Building Assessments in IDA countries Plan for operationalization of 2017 WDR focused on reducing implementation gaps and enabling adaptive approaches.	G&I analysis has been included in over 80% of RRAs and in four RPBAs in FCV IDA countries Operationalization plan delivered and approved

1 World Bank (2019). IDA19 Deputies' Report: Additions to IDA Resources–Nineteenth Replenishment: Ten Years to 2030: Growth, People, Resilience.

2 Enhanced GRMs include minimum standards on uptake, responsiveness, disclosure, and/or gender inclusion.



In addition to lending, governance activities are funded through the World Bank budget and through additional external sources of funding, including Trust Funds (TFs) and Reimbursable Advisory Services (RAS).

The total portfolio of TFs supporting governance includes **50 Trustee TFs with a combined value of commitments \$656 million, disbursing annually about \$42 million for Bank Executed activities and \$50 million for Recipient Executed activities**. A specific characteristic of the TF portfolio of the Governance GP is that approximately 77% of the funds are provided by development partner offices at country level (Embassies and Delegations) and that a large portion of these are used to fund ASA type activities, such as diagnostics and Technical Assistance, and 16% are multi-country/ regional TFs PEMNA, PEMPAL, REPARIS, while just 7% of the TFs for governance are Global.

Objectives of the Governance Global Program and the Umbrella Trust Funds

The Governance Global Program, supported by two Umbrella TFs will have the following objectives:

- ▶ To enable the World Bank to provide technical assistance and analytical work prior to deploying large IDA and IBRD resources. The GGP will complement these resources by bringing in policy advice and the “know-how” to help catalyze, design and implement reforms. Learning from what has worked elsewhere, the availability of grant financed and heavy-technical support up-front can leverage considerable institutional impact.
- ▶ To support and test innovative approaches and strategic initiatives in the area of governance. While it is critical to continue supporting traditional methods to tackle fundamental issues, with the changes in the development environment and for post COVID-19, this could be an opportunity to innovate and try to provide a stronger response to some of the learnings from the COVID-19 crisis. The GGP will provide countries and the World Bank with the resources to explore and scale-up new approaches as demanded by the evolving needs of the pandemic response.



- ▶ To push the frontiers of global knowledge and ensure a symbiotic relationship between global and country knowledge. As countries, with support of the World Bank and others, develop and try out new approaches to the challenges it is essential to learn from these experiences and to create harvest and disseminate knowledge and lessons learned, generate data on governance and support learning across the broad range of governance activities supported by the World Bank.
- ▶ To improve coordination and collaboration between countries and development partners. The current portfolio of TFs that supports governance programs is “distributed” across a large number of smaller funds, often aimed at funding short-term activities, such as diagnostics of PFM systems, without strong reference to larger or long-term, shared objectives between development partners. In the current environment, and the imperative of assisting countries to respond to the long-term impact of the pandemic, there is a need to address this by creating a larger program of activities and the underlying funding mechanisms, that will allow development partners to engage with countries in a more cohesive and comprehensive manner.

The GGP will therefore bring together different strands and components of governance which collectively support governments and other stakeholders in a broad range of situations, ranging from fragile and post conflict to emerging middle income countries dealing with significant inequities.

It offers a holistic approach to connect all aspects of the public sector, citizen engagement and the private sector for the benefit of better development outcomes, including service delivery and other targets included in the SDGs.

The following sections mirror the organizing principles of the GGP and provide details about what governance activities will be supported, how these will be implemented at each level, and the approaches and methods that will be used to support innovation in governance.



Implementing the Governance Global Program

The GGP will use a modular approach to incorporate all components of the wide range of governance related activities. The modules will support the broader GGP while providing flexibility in the implementation and funding of the activities.

While each module will have a specific set of closely related activities, the total of all modules will provide a collective contribution to the global understanding of how governance and institutions activities can achieve results in development and contribute to global efforts such as the 2030 SDGs, specifically Goals 16 and 17.

The GGP will be implemented through two Umbrella TFs which each will include three modules. The two Umbrella TFs are (1) Governance and Institutions Umbrella Trust Fund and (2) Financial Management Umbrella Trust Fund. The following is a brief description of each module.

Priority for each of these modules will be to support government in reinventing and recalibrating government functions, governance outcomes and delivery of services in response to the demands and challenges outlined above, in particular the demands post COVID-19. In all modules the GGP will seek to balance activities to be undertaken by the World Bank, by governments or by other development partners, including CSOs. The approach, outputs and other details about these six modules is provided in Annex 1 and 2.

A full description of the three modules in the Governance and Institutions Umbrella TF are included in Annex 1. The three modules supported by the Financial Management Umbrella TF are included in Annex 2.



Figure 5: Modules of the Governance Global Program



Module 1: Organization and People

This module covers a central element that is needed for achieving results in governance: Institutions at all levels of government and public employment management. The module will support increasing the productivity of the government’s internal machinery of organizations and personnel through reforms of government structures and systems for designing and implementing policies and improving the ability, motivation and accountability of public sector workers. This module includes the Bureaucracy Lab which is a data-driven approach to innovate reforms in staffing compensation and management of government employees. The module will also include intergovernmental coordination, devolution and the organization of government tasks through decentralization at different levels of government.



Component 1: Public Institutions Reform

Improved public institutions are essential for better policy making and success in implementation, against the backdrop of augmented demands imposed by the COVID-19 pandemic. The component will learn from country teams, disseminate lessons globally, and provide global expertise to support country teams and government counterparts to design, implement, and evaluate reforms of public sector institutions.

Public institutions reform includes (a) reform of coordination institutions and the development of a whole-of-government approach, and (b) reform of the bureaucracy or public administration reform, with a special focus on institutions in FCV countries.

The reforms will be based on analysis and tools to address policy commitment and coordination failures, in particular lessons learned in each country by the response to COVID-19 and the requirements to improve policy formulation, coordinate implementation, and develop monitoring and feedback loops so that governments are able to deal with disruptions related to health care and climate change.

The module will support the data collection on public sector labor and productivity. Special attention will be placed on strengthening institutions and core systems in FCV. Core functions include policy planning and decision making; human resource management. Support for institutional reforms seeks to address the underlying political economy factors that shape incentives, how institutions interact and how they function, including issues of accountability, oversight and citizen engagement and their influence on performance.

Specific activities include:

Expanding the global World-Wide Bureaucracy Indicators (WWBI) dataset.

Improving analytical methods, such as a wage bill diagnostic and modelling tool and developing an institutional assessment framework to assess the performance of the machinery of government to deliver services and to implement reforms.

Respond to country demand to support public organization reforms, improve government structures and policy coordination, implementation, regulation quality and evaluation; public sector compensation and employment reform for fiscal sustainability and reducing labor market distortions; and personnel management reforms to improve staff productivity.

Further details of Module 1 are included in Annex 2



Module 2: Open Government, Anti-Corruption and Technology

This module will support countries to achieve broader aims of improving openness and transparency and reducing corruption with the use of technology. It will respond to requests from client countries for support on digital transformation to increase government efficiency and quality of service delivery, improve government-citizen interactions, and to modernize core government operations. The World Bank has formulated a new approach for Anti-Corruption activities which strongly integrates initiatives that need to be taken in individual countries and at the global level and builds on the lessons learned from engagement in Anti-Corruption activities at country level over the past decades.

This module is aligned closely with the World Bank's GovTech program and the Open Government Partnership initiative. The module covers three components: Open Government, Anti-Corruption and GovTech.

Component 1: Open Government

Open Government is an essential element in increasing Trust in Government, with significant evidence that transparency contributes directly to the confidence that citizens have in government policies and guidelines, whether related to public health-care, economics or other public policy matters. The World Bank has been supporting the global Open Government Initiative. The support includes access to information, asset disclosure, citizen engagement, financial transparency, open contracting, open data, participatory budgeting, service delivery, and social accountability.

Support is provided to governments and civil society to create open government approaches, strengthening participatory mechanisms, and enhancing government responsiveness to civil society and citizen feedback.

Component 2: Anti-Corruption, openness and transparency

This component will include:

- ▶ Global Standards and Monitoring. The adoption of common standards and best practices for issues of conflict of interest prevention and management, illicit enrichment and unexplained wealth. This activity will support more



systematic and broader measurement and assessments of the extent and depth of various forms of corruption.

- ▶ Deepening Understanding and Addressing State Capture. Scale up new actionable diagnostics to identify the policies and processes that support corrupt networks and permit these networks to capture public resources and policymaking processes, as well as the potential reforms to address these deficiencies.
- ▶ Sector Based Approaches. Strengthen indicators that cover public sector accountability institutions at the sector level, regulatory governance and citizen engagement at the subnational level. In-depth evidence-based studies of the most prevalent fraud and corruption schemes in different sectors.
- ▶ High Definition Transparency. Full disclosure and use of beneficial ownership information as a critical tool in confronting corruption and addressing illicit financial flows. Support for data analysis to identify patterns of corruption, including capacity building to client countries' institutions on the use of artificial intelligence and machine learning in building case management systems and advanced data analytics for the detection of fraud and corruption red flags and patterns.
- ▶ Addressing the Facilitators. Examine the intermediary role played by banks as well as trust and company service providers in handling proceeds of corruption and illicit financial flows. Activities will examine behavioral norms that influence those who offer large sums of money to obtain public favors.

Component 3: GovTech

GovTech promotes accessible and efficient government through technological solutions and use of technology in public administration. For EMDEs GovTech can be transformational in improving governance as e-government capacity is positively associated with lower perceptions of corruption and higher government effectiveness. There are rising expectations from citizens for governments to better perform and deliver high quality services and technology has the potential to help governments meet those demands by boosting government efficiency, transparency, responsiveness and building citizen trust. Yet, the capacity to leverage technology for public sector transformation is uneven and typically weak in de-



veloping countries. This module will support countries to ensure the public sector keeps up with the pace of technology development.

The module will support the following activities in support of GovTech in countries:

- ▶ Analytics and Global Public Goods to support research, case studies and best practices on policies, implementation and impacts of GovTech across different country contexts and to provide global access to tools, knowledge and solutions in core government operations, citizen engagement and service delivery. Make available global public goods focused on principles and standards. Proof of concepts and prototypes will be problem-focused and promote open source and other cost-effective technologies and software.
- ▶ Country and Regional Engagement such as diagnostics, disruptive technology pilots, capacity building, and other activities in service delivery, citizen engagement, and core government operations. This includes upstream advisory and technical assistance. Activities include technical assistance and capacity building on development and implementation of digital transformation, GovTech strategies and policies, change management and piloting GovTech solutions.
- ▶ Partnerships and Sharing Knowledge to convene key stakeholders such as aspiring GovTech countries, leading GovTech countries, development partners, private sector partners, academic institutions, think tanks, civil society organizations and others to promote the use of foundational and frontier digital technologies with the goal of transforming the way governments operate, deliver services and interact with citizens.

As in other modules, the Program will seek to establish close cooperation with civil society and private sector entities that support governments to adapt to the current challenges. This is particularly important in the area of digitalization and adoptions of technology. To stimulate this type of partnerships, the GGP will support and provide grants to governments and organizations sponsored by governments, such as the global Centre for the Fourth Industrial Revolution Network (C4IR) . This network, established by the World Economic Forum, seeks to provide an impartial platform for public-private collaboration to foster responsible innovation, ethical adoption and dissemination of technology, and agile governance of



emerging technologies. The C4IR Network has established 4IR Centres in emerging economies like Rwanda, South Africa, Vietnam and Colombia. The aim of this support is to develop ‘GovTech Plus’ – public data platforms and local GovTech ecosystem (of local IT professionals).

Further details of Module 2 are included in Annex 2

Module 3: Institutions of Accountability

Whereas the other modules in the Governance Global Program focus predominantly on the Executive Branch of Government, this module will support institutions of accountability in the legal and legislative branches and non-state actors that focus on accountability and better governance outcomes.

In this module there is also a facility to provide direct support to CSOs that are engaged in promoting/ensuring good governance.

Component 1: Justice and Rule of Law

This Justice and the Rule of Law component builds on the World Development Report 2017 and integrates support to the justice sector with reforms in the broader public sector. The component also incorporates lessons from activities in recent years that were focused on access to justice, especially for the poor. The component supports evidence based, citizen-centric reforms of client justice institutions to facilitate private sector development, strengthen the rule of law and improve access to justice services under the FCV and governance and institutions themes of IDA19. The Bank has over 25 years of experience investing in client country justice institutions in all regions and countries at all income levels, including FCV. The component will support the implementation of the World Bank Strategy 2020–2025 “Engaging on justice and rule of law” and will help countries achieve their commitments under SDG16, Peace Justice and the Rule of Law.

Component 2: Legislative bodies

Improved governance outcomes often require support from legislative bodies, at national and sub-national levels. These bodies need to have the capacity to un-



dertake oversight and hold the executive branch to account with regard to the functions included in the other modules. Building on the World Bank experience, capacity development and support to the application of new technology will be a key part of the approach.

Component 3: Multi-stakeholder engagement

The World Bank has developed a strong approach to multi-stakeholder engagement and developed mechanisms to support civil society with regard to social accountability and in sectors such as healthcare, water supply and in education. This component will build on this to engage with and support CSOs that are active to achieve better governance outcomes.

Further details are included in Annex 1.

Module 4: Managing Public Finances

PFM is at the heart of the public sector, a core function alongside the management of human resources. While there is a strong and long term track record of improvements in management of public finances, there is a growing demand for greater relevance of and impact from financial management reforms on development results. This module will contribute to strengthening PFM reforms, in ways which recognize and emphasize the impact of managing public resources on both economic outcomes and service delivery for citizens and the enabling role PFM needs to play in helping to achieve government policies. The module will support innovative activities in PFM (i) at the country level by funding the development and scaling up of new approaches (e.g. improved efficiency of spending, climate responsiveness, pandemic-readiness or agility) and (ii) at the global and regional level by capturing lessons from novel approaches and disseminating this as shared knowledge.

When PFM reforms do not result in the desired changes and are not oriented to bottlenecks in economic management and service delivery there is a need to address underlying problems and generic reforms may not be targeted to specific challenges. The PFM Module will apply innovative approaches, supporting reform



processes which identify and address the underlying causes of these challenges and achieve greater impact and sustainable development results in a wider range of government institutions. Key to this will be addressing the PFM bottlenecks to service delivery. This will include working with sector ministries, departments and agencies, subnational governments and service delivery facilities.

Component 1: Fiscal and expenditure management

The budget is one of the most potent policy tools available to the government. The budget process provides an opportunity to fund and de-fund policies and services and provide incentives for delivery while reflecting macroeconomic and fiscal priorities. For example, in response to crises, most notably the COVID-19 pandemic, countries are having to make decisions that balance the need to provide their economies with a fiscal stimulus with the need for consolidation to ensure sustainable medium and long-term fiscal outcomes.

The power of the budget is often not fully utilized which undermines the capacity to reconcile aggregate macroeconomic, fiscal and spending priorities and ensure value for money in public spending. Increasing the ability to allocate and spend better and enhancing the capability of Ministries of Finance will make a significant contribution to the Financing for Development agenda.

Component 2: Public Investment Management

PIM and Governance of Infrastructure requires specific attention. Even before the current pandemic, it had become visible that PIM is a critical link between government use of public finances and the achievement of broader policy objectives. The capacity of government to undertake PIM activities and the quality of the underlying decision-making process is essential in directing public funds to the highest needs and achieving the largest benefits. The aim of both PFM and PIM is to produce better service delivery, including better infrastructure governance to deliver services. This is a particular area of growing attention, as the SDGs require a significant effort to ramp up investments in infrastructure, including energy and internet accessibility.

The availability and quality of social and economic infrastructure are recognized as important enablers and drivers of private sector led inclusive and sustainable



growth, including physical assets such as transport infrastructure, power, schools and hospitals. The World Bank and the IMF collaborate closely on application of the Public Investment management Assessment (PIMA) in about 50 countries. The joint support covers delivery agencies and the subnational level, where a great deal of PIM occurs. The work also includes a filter for PIM relating to climate change.

IDA19 has identified governance of infrastructure as a major commitment and the module will support this subject. PIM plays an important role in the response to COVID-19 by directing public funds to the most urgent needs during each of the three stages of the response. During the immediate response, PIM can redirect funds to the most immediate emergency needs in the health sector, including medical equipment. During the recovery stage, public investment decisions will need to be focused on reviving production and logistic chains, addressing urgent deferred maintenance and investing in ICT capacity. Longer term, there also need to ensure that public investment appraisals and decisions take account of contagion risks and address needs for remote working and maintaining supply chains.

Evidence shows that weak governance arrangements around infrastructure decision-making and implementation impede vital asset creation and operation. The approach is anchored in the comprehensive G20 Osaka Principles for Quality Infrastructure Investment which identify the need for good governance across the project design, preparation, procurement, and implementation phases of infrastructure projects, with attention to transparency, integrity, and environmental, climate change and social considerations. It uses a systematic approach to assess the governance requirements for quality infrastructure building on and fully consistent with the Infrastructure Governance for MFD tool (InfraGov Assessment) and the Governance Pillar of the Infrastructure Sector Assessment Program (Infra-SAP), designed to harmonize with the Osaka QII principles. The goal of the assessment is to provide actionable recommendations for policy change. InfraSAPs and InfraGov Assessments are being designed to be mutually consistent and harmonized with the ten areas of the QII diagnostic approach.

Further details about Module 4 are provided in Annex 2.



Module 5: Financial Reporting and Auditing

Component 1: Fiscal Reporting and Transparency

Financial Reporting and auditing are essential for oversight of public resources but also for making better management and decision making for the use of funds. This module will support activities at country level to strengthen reporting and accounting. It will also support continued collaboration with relevant global bodies for reporting and auditing to ensure that the voice of EMDEs will be represented and that the activities of the products of these bodies will be suitable for them, The spill-over effects of these improvements are significant, including information for better decision making and public sector management practices, improved debt transparency and management as a result of comprehensive debt accounting and reporting by adopting accruals based accounting, and better performance and oversight over SOEs due to reporting and auditing improvements.

Component 2: Accountability and Oversight (including Supreme Audit Institutions)

Supreme Audit Institutions play a vital role in helping their respective governments improve performance, enhance transparency, ensure accountability, fight corruption and foster efficient delivery for the benefit of their peoples. Diagnostics have consistently revealed the need for strengthening SAIs in many countries.

The World Bank has developed strong collaboration with SAIs in many countries, and with INTOSAI and its regional networks. A recently completed project , with support from SECO, has provided valuable lessons in successful approaches to support SAIs and effective methods for capacity development based on digital platforms that can be applied in country or at a regional level.

Further details about Module 5 are provided in Annex 2.



Module 6: 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 EMDEs to attract investors and to help economic activities blossom.

The public-private sector interface has gained greater importance in the response to COVID-19 as the recovery and long-term resilience phase can only be achieved in a partnership of both parts of the society.

Component 1: State-Owned Enterprises Governance and Performance

The aim of this component is to support partner countries in improving the governance of SOEs so that they can improve their performance and increase their contributions to economic development and to government resources. This component will focus on a critical series of complementary and integrated activities. The activities focus on assessing reform needs for governance of SOEs, bridging the SOE knowledge gap in partner countries, building capacity at country level, fostering peer-to-peer exchanges, and supporting operational engagement for successful reform implementation. A recent evaluation of the World Bank's engagement in SOEs provides many valuable lessons regarding support for reform of SOEs, including evidence of a strong connection between success in SOE reforms with other aspects of governance, such as control of corruption in a country. The Governance Global Program will strengthen these types of linkages by enabling a comprehensive approach that connects governance of SOE reform with other aspects, such as PFM and anti-corruption.

Component 2: Corporate Financial Reporting

This component aims to strengthen capital and credit markets, to enhance financial discipline in business and expose insolvency risks of financial institutions. 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 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.



Approaches and Methods

In order to undertake governance activities, a range of tools will be deployed to better understand what interventions are needed and how to implement reforms. In part these tools are specific to governance, in other cases these tools are shared with other specialisms and sectors. The approaches and methods to be deployed include:

Diagnostic and analytic tools which benchmark how a certain area of governance is performed in a particular jurisdiction. These tools include normative assessments, such as PEFA and PIMA – which indicate performance against a common framework of indicators. Diagnostic tools are useful for finding priority areas of support and reform and show results over time. The GGP will deploy these tools and support their improvement and broadening the way they can be applied for different policy objectives. The available diagnostic tools reflect specific technical aspects of each of the G&I modules described above, such as the benchmarking of PFM through PEFA or of Corporate Financial Reporting through ROSC. Another tool of relevance, even more in relation to the COVID-19 pandemic, are the institutional capacity assessments developed by the Bureaucracy Lab. Analytic tools will be deployed to develop a deeper understanding of underlying reasons for the governance conditions in different settings and how governance constraints impact on development results. This includes PEA and the analytical approach promoted by the WDR 2017. These analytics will be applied as cross cutting instruments to all modules.

Technical Assistance and Policy Advice (TA, PA) will be used as instruments to support governments and non-state actors in preparing and implementing reforms. The approaches and activities included in the GGPve developed significantly over time, as lessons have been learned with regard to effectiveness and impact in different circumstances. This does not just include advice on the technical content of reforms, but also the facilitation of reform processes in ways which strengthens cooperation and coordination, to help overcome underlying collective action problems and allows for iteration and adaptation. Adaptations of lessons learned combined with country specific diagnostic and analytical tools will be used to design and implement TA and PA activities, often implemented in conjunction with the World Bank lending projects in governance or in sectors.



Knowledge and Learning are approaches which are closely related to TA and PA. Innovative methods will be used, for example to transfer that lessons learned over time and to enable policy makers and practitioners to learn from other stakeholders who are undertaking similar reforms. In particular, the GGP will support peer-to-peer learning approaches to foster shared knowledge and learning, and in combination with diagnostics to create peer pressure in support of reforms.

The outputs of these activities will include:

- ▶ **Support to World Bank operations on priority reforms.** Bring all three sets of tools to bear, including distillation of operation activities from the knowledge and learning activities
- ▶ **Rigorously evaluating reforms to produce data and evidence of better governance outcomes.**
- ▶ **New global datasets.** The Worldwide Bureaucracy Indicators and other datasets, like the COVID-19 response tracker, and databases that are widely used as public goods

Together, these tools are labelled as Advisory Services and Analytics (ASA) and they are a major instrument for the World Bank to influence policy makers in EMDEs. This role of ASA has been highlighted by a recent study, covering over 6000 decision makers, that shows that the World Bank has greater impact than other IFIs as a result of ASA work and that these services have real effect on decision making.

The GGP will support the development of new tools for assessing institutional weaknesses, providing guidance on how to adopt governance and institutional reforms, identifying trade-offs and supporting the development of inclusive institutional development through more stakeholder participation. The GGP provides for a deeper approach to developing country-led policies for policy-based lending and for providing global assistance to supplement local effort to build coalitions for policy development and implementation. The GGP will also provide new vehicles for disseminating lessons quickly to the broader development community and client governments, through on-line webcast series, on-line training accredited modules and outreach to the international development media.

The application of these tools is funded by a range of funding sources, with a significant importance of external resources, with typically Trust Funds providing



between 60–70% of funding for ASA activities. An important reason for this is that ASA activities produce shared benefits for development partners in that at country level the diagnostics and analytics allow development partners to join around common objectives and a cohesive dialogue with government, and at global and regional level, these activities produce global public goods for mutual benefit of development partners.

Levels and Location of Implementation

The Governance Global Program will be implemented at global, regional and country levels, and will explicitly include implementation in FCV countries and at subnational levels. The global level activities will be to support the preparation and testing of global public goods, harvesting and development of knowledge and learning, and convening of global partnerships. At regional level, the program will focus on shared knowledge and learning, such as peer-to-peer networks similar to PEMPAL and PEMNA. At the country level, all activities in each of the modules can be supported, using all available approaches and methods.



Funding Arrangements

Funding of the Modules described above will be organized in two different Umbrella TFs. Modules 1-3 will be funded through an Umbrella TF called “Governance and Institutions” and Modules 4-6 will be funded through an Umbrella TF with the title “Financial Management”. These funding arrangements are based on the ongoing discussions with development partners, who are mostly organized at corporate level along the same two categories of activities, and therefore also have separate budgets for these two segments.

Figure 6: Composition of the two Umbrella Trust Funds supporting the Governance Global Program





In addition, the GGP can be supported through Associated TFs, either covering specific countries / regions, or specific thematic modules. The Associated TFs can be multi or single donor TFs. Details of the associated TFs are available in Annex 3.

The funds will be allocated through both managed allocations and demand driven mechanisms, including calls for proposals. The two Umbrella TFs will complement World Bank operations in the areas of G&I, and FM by providing critical resources that typically are not included and not covered from the Bank's administrative budgets relating to loans and credits. While the IBRD or IDA funds provide large scale investments or policy based budget support at country level, the TF resources from the two UTFs will provide funding to strengthen preparatory activities, such diagnostics and analytics and by providing TA and PA support that will enable governments and other stakeholders to make better informed decisions about governance reforms and find innovative approaches to deliver results. Similarly, the two UTFs will support complementary regional and global level activities that cannot be funded from lending operations.

The UTFs will fund both Bank Executed activities and Recipient Executed activities. The former is typically analytical and technical assistance type of activities whereas the latter include all activities that normally the government should be undertaking, or that are better discharged by other actors such as CSOs.

The total budget of the two UTFs over its seven-year lifetime is expected to reach \$160 million.



Management of the Program

Partnership Council

The two UTFs supporting the Governance Global Program will be governed by two Partnership Councils (PC) that provide strategic directions to each of the UTFs. The two PCs will be composed of representatives from the Bank, including as Chair, a representative of each Donor contributing to the anchor trust fund, and a representative of each donor contributing to the associated trust fund(s).

The PC is expected to meet annually as convened by the Bank. The meetings may be conducted physically or virtually. The Bank may also agree to hold ad hoc meetings of the council at the request of a member. Further, the Bank may, in consultation with the Partnership Council, invite other relevant stakeholders to attend meetings of the Partnership Council.

The Bank will prepare annual work plans and budgets for each trust fund under an Umbrella and present them during PC meetings. Donors contributing to a specific trust fund and the Bank will endorse annual work plans and budgets for the said trust fund. In addition, it will review progress reports provided by the Bank based on the results framework for the trust funds under an Umbrella. Only donors contributing to a specific trust fund may endorse or provide inputs to the annual work plans and budgets of that trust fund. Decisions will be made by consensus of the Bank and the donors contributing to a trust fund.

Technical Working Groups

As needed, Technical Working Groups will be established for any Associated TFs for specific thematic areas or for countries/regions and bring together experts from the World Bank, donors and other development partners.



Umbrella TF Management

The Governance Global Program will be managed by the Governance Global Practice of the World Bank, and implementation will be coordinated closely with Regional and Country level management of the World Bank. A small Program Management Team (PMT) for the Governance Global Program will be established to manage the two UTFs and undertake all related tasks such as engagement with donors and other partners.

The PMT will support both Umbrella Trust Funds (Governance and Institutions Umbrella Trust Fund and Financial Management and Accountability Umbrella Trust Fund) and all associated and remaining stand-alone Trust Funds mapped to the GGP. The PMT will also join relevant deliberative bodies concerning Trust Funds and provide advice to governance staff in regions and country offices. The PMT will maintain donor relations, monitor and report activities, and inform Bank management about progress of the Umbrella Trust Funds and liaise with other relevant World Bank units .

Allocation Methodology

The UTFs will use a blend of competitive and direct allocation depending on the nature of the activities. The funds will be used for global level activities, including development of global public goods, research, knowledge and learning. Country and regional level funding will include piloting and field testing, country diagnostics and analytical work and dissemination activities as well as demand-driven technical assistance and analytical activities that support the preparation of World Bank projects, in related areas. In general, GGP activities will be supported by the relevant Umbrella TF at the request of CMUs and Regional Directors, in line with the country partnership frameworks and regional strategies. Given the wide range of activities, both competitive allocation methods (including call for proposals, allocations on rolling basis), and direct allocations (such as block grants and individual allocation) will be used.

Overall, the emphasis and priority for funding allocations will be to support country level activities, based on clear criteria for different types of countries, based on



the specific governance challenges faced by middle-income, lower income and FCV countries. The GoGGP will use innovative approaches and appropriate tools, such as Political Economy Analysis, to support the design of programs and funding allocations, of course in close consultation with development partners at country and global level.

Guidelines on how activities are selected, and funds are allocated will be transparent and well-articulated so that there is a common understanding of their application. The PMT will develop the criteria for accessing funding and for the types of activities that are eligible under the Trust Fund, what the funds can be used for, the timeline for when funds will be available and the duration of the grants. Decision making will be inclusive and based on consultations and discussions with the concerned parties (thematic leads, practice managers, leadership team and others).

Given the broad scope of the GGP, it is to be expected that most development partners will want to contribute only to one of the two Umbrella TFs or even to only one or more Modules or other program components. Any preferencing requests by development partners will be endorsed by the PC and accommodated through normal Trust Fund management procedures (such as establishment of specific Child Trust Funds). Requests from development partners that require more robust earmarking will be accommodated through establishment of associated trust funds, following the DFi guidelines.

Progress Reporting

Progress reports will be developed at the UTF level and will be undertaken annually, due to the scope and complexity of the program. The Progress reports will describe the cumulative achievements with brief descriptions of progress in achieving its development objective(s) during the reporting period.

Each UUTF will have one consolidated annual progress report. The report is envisioned to have a chapeau/executive summary chapter that provides aggregated results at the Umbrella level and a dedicated chapter to each program component to share their specific achievements and results stories. When necessary, dedicated chapters for associated Trust Funds can also be included. This will provide an opportunity to summarize the results at the program component level in addition

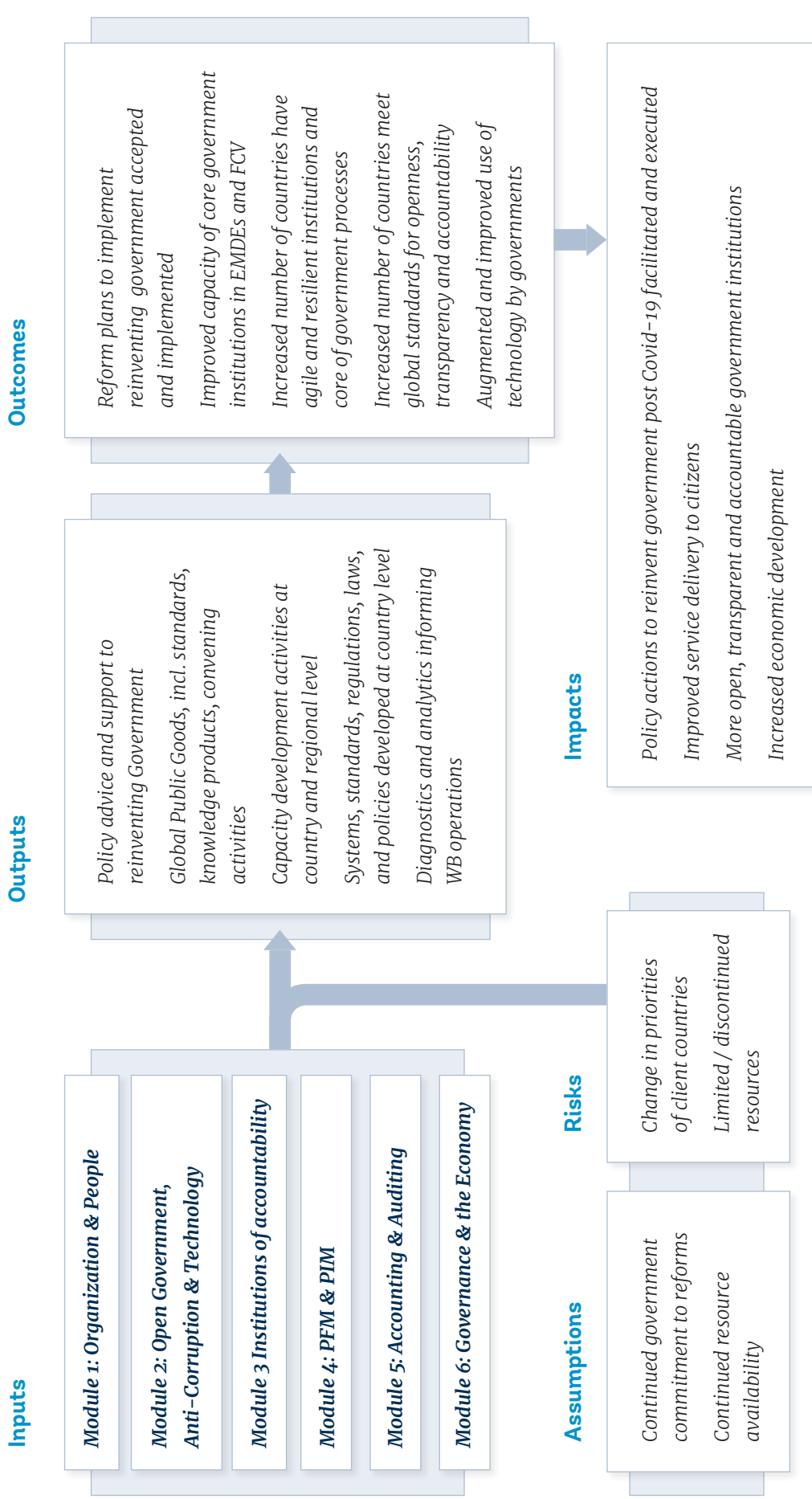


to the overall summary. The PC will be consulted during the preparation of the Progress Reports and the reports will be submitted to the PC for endorsement.

The Results Framework of the Program is based on a Theory of Change that regards progress on each of the Modules as contributing to overall improvement in governance at country level, leading to better service delivery and improvements in overall development for all citizens in EMDE countries.



Figure 6: Theory of change of the Governance Global Program



The detailed Results Framework is attached in Annex 4.



Communications and Visibility

A Communications and Visibility plan will be developed in accordance with DFI guidance. This will define the objectives of communications related to the program, the target audience(s), communication activities that will be implemented, how communication success will be measured, and the resources that will be devoted to communication and visibility. The PMT will ensure that development partners contributing to the G&I Umbrella Trust Fund will achieve the right level of visibility, both on the specific thematic areas covered and for the overall support to the governance agenda of the World Bank.

The Communications and Visibility plan will provide a framework that embraces all aspects of the Trust Fund. It will provide an overview of the Umbrella Trust Fund with a focus on how it will leverage partnerships, support Bank engagement at the global, regional and country level and the challenges it will need to address from a communications perspective to achieve success. It will also identify communication tools and channels, identify key human resources, and the costs associated.

Risk Assessment

Overall the risk of this program is Moderate. The Risk Matrix for the program indicates that overall the risk for the program is medium. The main risk concerns the sustainability funding of the program through the two Umbrella TFs and the Associated TFs. The overall program is based on a broad base of implementation capacity and experience in governance vested in the World Bank, underpinned by a significant amount of research and evidence based knowledge and learning. There is also growing evidence of demand from EMDEs for the activities covered by each of the modules and described in Annex 1 and 2.

Evaluation

The evaluation of the two Umbrella Trust Funds will be based on their agreed Results Frameworks. A detailed M&E plan will be included in the first Annual Work Program to be submitted to the PC for endorsement.

1

Annex 1 I Governance and Institutions Umbrella Trust Fund

Organization and People





1

Organization and People

This module covers a central element that is needed for achieving results in governance: institutions and public employment management. The module will support increasing the productivity of the government's internal machinery of organizations and personnel through reforms of government structures and systems for designing and implementing policies and improving the ability, motivation and accountability of public sector workers. This module includes the BureaucracyLab which is a data-driven approach to innovate reforms in staffing compensation and management of government employees. The module will also include intergovernmental coordination, devolution and the organization of government tasks through decentralization at different levels of government.



Objectives

At all levels of government, create accountable government entities staffed with capable employees and enable government institutions to respond to challenges and demands post COVID-19.

Approach

This Module will support two streams of activities: public institutions reform and devolution / decentralization.

Component 1: Public institutions reform

The aim of this component is to improve public institutions for better policy making, and success in implementation, against the backdrop of augmented demands imposed by the COVID-19 pandemic. The component will build the evidence-base of what works in public institutions, reform learning from country teams, disseminate lessons globally, and provide global expertise to support country teams and government counterparts to design, implement, and evaluate reforms of public sector institutions.

Public institutions reform includes (a) reform of coordination institutions and the development of a whole-of-government approach, and (b) reform of the bureaucracy or public administration reform, with a special focus on institutions in FCV countries.

Activities include advisory support to institutions at the centre of government, interactions with other central agencies, human resources management, planning and administrative services, and the delivery of public services. The reforms will be based on analysis and tools to address policy commitment and coordination failures, in particular lessons learned in each country by the response to COVID-19 and the requirements to improve policy formulation, coordinate implementation, and develop monitoring and feedback loops so that governments are able to deal with disruptions related to health care and climate change.



Building on the evidence base of public institutions reform, the module will support the data collection on public sector labour and productivity. Improving productivity will be even more important given the difficulties that countries will face after the COVID-19 crisis.

In support of IDA19, special attention will be placed on strengthening institutions and core systems in FCV. Core functions include policy, planning and decision making; human resource management. Support for institutional reforms seeks to address the underlying political economy factors that shape incentives, how institutions interact and how they function, including issues of accountability, oversight and citizen engagement and their influence on performance.

Essential approach of this module is to support frontier knowledge, empirics and analytical methods to diagnose bottlenecks in institutional capabilities and implement evidenced based reforms.

Specific activities included in this component are:

Expanding the global World-Wide Bureaucracy Indicators (WWBI) dataset.

WWBI currently covers more than 130 countries and captures almost 90 indicators on employment and wages. The plan is to annually expand the country and indicator coverage of the dataset, and to support the use of data in analytical and operational work. Cross-national data will be important as countries navigate the COVID-19 crisis.

Improving analytical methods.

A key demand is wage bill management through modelling the fiscal impact. A wage bill diagnostic and modelling tool will be further developed to cover more countries and develop on-line training.

Respond to country demand

Support data-informed public organization reforms, including improving government structures and modalities for better policy coordination, implementation, regulation quality and evaluation; public sector compensation and employment reform for fiscal sustainability and reducing labour market distortions; and per-



sonnel management reforms to improve staff productivity. This activity stream will also focus on the productivity of public institutions. Developing a better institutional assessment framework. The assessment will be on the performance of the machinery of government to deliver services and to implement reforms. The development of a new framework will be a significant, new contribution to policy-based lending and service-delivery projects.

Partnerships and sharing knowledge

Support to academia, development partners, and governments to implement reforms. Collaboration with academia will improve data and analytics for public institution reform, a partnership with the International Labour Organization creates a sustainable mechanism for collecting labour force data, and partnerships with governments is essential to access administrative data, experiment with innovative reforms, and build data analytics capacity in governments.

Component 2: Decentralization and subnational governance

The aim of this program component is to strengthen institutions at all levels of government by improving intergovernmental administrative and fiscal systems and building the capacity of subnational governments. This program component will develop diagnostic tools and technical notes on good practices to help country operational teams prioritize policy options and investment that are technically, politically and fiscally feasible.

This component will also build on the lessons from the COVID-19 response. In many countries, because of devolution, subnational governments have been at the forefront of dealing with the COVID-19 pandemic and with the economic aftermath. This increased role has consequences for funding, staffing and systems at subnational level, also in view of potential future challenges.

In addition, the program component will create new learning platforms to share knowledge, support applied research and develop policy options and tools on decentralization to improve the capacity of subnational governments to function effectively and to expand the coverage and quality of basic services.



Included in this component are:

Building a global learning platform

The learning platform will be available to subnational policymakers and other civil society stakeholders to help think strategically about national laws and regulations that make effective subnational governments, identify and tackle bottlenecks for subnational government, develop blueprints to respond to subnational governments' most pressing problems and build consensus at the national and subnational level and drive the decentralization agenda.

The platform includes three work streams:

- ▶ improving institutional and fiscal frameworks;
- ▶ improving the capacity of subnational governments; and
- ▶ supporting service delivery and frontline providers. The work includes identifying the web of financial flows linking all levels of governments as well as the political, functional, administrative and financial decentralization in rural and urban contexts, including those relating to sectoral decentralization, delivery of services, improving accountability, access to justice and other issues in local governance.

Other activities include toolkits, sector deep dives and peer learning events. Knowledge work includes policy briefs on effective decentralization and local government capacity in responding to pandemics; decentralization indicators dataset; policy research reports; on-line learning courses; and in-country training workshops.

Regional and country activities

The TF will finance global engagement in FCV contexts to promote decentralization as a post-conflict stabilization tool; organizing regional and global learning events and contributing to regional learning events and developing regional flagship reports. As part of the UTF's support to IDA19, special attention will be placed on advancing decentralization and service delivery reforms in fragile and conflict settings by strengthening sub-national administration and enabling resource distribution at the local level. This will also include support to strengthen the engagement of communities in processes for decision making.



Outputs

Public Institutions reform

Post COVID-19 related outputs:

- ▶ Global high frequency survey on impact of COVID-19 on the functioning of the public administration
- ▶ Policy notes on improving wage bill management during COVID-19; and on effective GovTech to improve business continuity and public sector productivity.

Additional outputs

- ▶ Expanded and updated World-Wide Bureaucracy Indicators (WWBI)
- ▶ Improving analytical methods to assess the public sector wage bill and its fiscal impact
- ▶ Tailormade responses to country level demand for analytics and TA for public sector and civil service reform in response to COVID-19 and potential future challenges
- ▶ Developing a better institutional assessment framework for public sector and civil service reform at country level
- ▶ Global and regional partnerships for sharing knowledge and learning for public sector reforms, including peer-to-peer learning networks

Devolution

Post COVID-19 related outputs:

- ▶ Strengthen devolved functions to sub national government related pandemic and climate change



Additional outputs

- ▶ Global learning platform that brings together lessons from devolution, including fiscal impact, successful capacity development approaches and improvements in service delivery
- ▶ Country level policy advice regarding strengthening of subnational governments to deal with medium and long term COVID-19 impact
- ▶ Dedicated support to decentralization and subnational governance in FCV settings

Relationship to other modules and initiatives

This Module is closely connected to all other modules, in particular the Open Government and Technology Module, which includes GovTech an essential element in reforms of the public sector and the bureaucracy, and with the Managing Public Resources Module, regarding the financing of the public sector and civil service, and the fiscal impact of the wage bill.

This module is closely related to the ongoing research of bureaucracy undertaken by DEC and other research institutions.

Selection criteria

Activities to be funded under this Module will need to meet the following criteria:

- ▶ Create novel approaches to public sector and bureaucracy reforms that enable improved service delivery, strengthen resilience of government institutions and rebuild core institutions and functions of government in FCV countries and regions
- ▶ Improve the quality of public sector assessment methods and tools at central and subnational levels, and that enable government to develop reforms plans that address constraints to public sector performance and resilience at all levels
- ▶ Activities in support of public sector reform and devolution strategies that represent good practice in terms of broader, deeper engagement in governance including analysis of the underlying political economy;



support sectoral governance and service delivery; strengthen accountability mechanisms and multi-stakeholder engagement / demand side for good governance and have a strong outcomes and results focus

Priorities

- ▶ Support to building institutions in fragile and conflict affected states and regions
- ▶ Support to countries where the World Bank and Development Partners plan to implement joint activities, including parallel funding of WB operations
- ▶ Support to activities where partner governments demonstrate strong ownership of an agreed program

What will be funded

Both Bank and Recipient Executed activities:

- ▶ BETF will fund a substantial portion of staff and consultant costs and direct operational costs of ASA, including technical assistance to countries and components of project preparation work.
- ▶ RETF will fund government entities, CSOs or academic institutions / think tanks to implement and scale up public sector reforms and devolution programs. RETFs can also be used for parallel funding of lending to governments that result from the activities funded under this module.



2

Annex 1 I Governance and Institutions Umbrella Trust Fund

Open Government, Anti-Corruption and Technology



2

Open Government, Anti-Corruption and Technology

These activities under this module will support countries to achieve broader aims of openness and transparency and reducing corruption with the use of technology. It will respond to requests from client countries for support on digital transformation to increase government efficiency and quality of service delivery, improve government citizen interactions, and to modernize core government operations. The World Bank has formulated a new approach for anti-corruption activities which strongly integrates initiatives that need to be taken in individual countries and at the global level and builds on the lessons learned from engagement in anti-corruption activities at country level over the past decades. This module is aligned closely with the World Bank's GovTech program and the Open Government Partnership initiative.



Objectives

- ▶ To promote and facilitate governments to apply the lessons from the
- ▶ COVID-19 pandemic to enable government to function and citizens to engage with government.
- ▶ Provide citizens with data and information about all public institutions and activities
- ▶ To support the adoption of GovTech solutions for accessible and efficient government
- ▶ To enable governments to be efficient, effective, more inclusive and more responsive to the needs and demands of citizens and businesses

Approach

This Module will support three mutually reinforcing categories of activities: analytics and global public goods, country and regional engagement, and knowledge development and sharing.

The module covers three components: Open Government, Anti-corruption and GovTech.

Component 1: Open Government

The WB supports countries to build capable, efficient, open, inclusive, and accountable institutions. Countries with strong institutions foster economic opportunity, reduce poverty, deliver valuable services, and earn the confidence of citizens a requirement that has proven to be vital in the event of a disruption such as the COVID-19 pandemic.

Open Government is an essential element in increasing trust in government, with significant evidence that transparency contributes directly to the confidence that citizens have in government policies and guidelines, whether related to public healthcare, economics or other public policy matters.

Within this broader agenda, the World Bank has been supporting Open Government through concrete IDA18 commitments and support to the Global OGP initiative. These activities include access to information, asset disclosure, citizen engagement, fiscal transparency, open contracting, open data, participatory budgeting, service delivery, and social accountability.



As the IDA19 implementation has started, support continues to be provided to governments and civil society to create open government approaches, strengthening participatory mechanisms, and enhancing government responsiveness to civil society and citizen feedback. This support will be through the following activities:

- ▶ Support countries to operationalize and implement reform commitments towards the OGP agenda to strengthen transparent, accountable, participatory, and inclusive governments
- ▶ Support countries that are willing to undertake steps to meet the basic criteria to join the global OGP initiative
- ▶ Support the integration of citizen engagement and beneficiary feedback into service delivery operations and develop and implement user feedback or enhanced Grievance Redress Mechanisms (GRMs) for service delivery that ensure participation by women in these processes

Component 2: Anti-corruption, openness and transparency

Global Standards and Monitoring. Activities under this theme will support adoption of common standards and best practices for issues of conflict of interest prevention and management, illicit enrichment and unexplained wealth. In addition, this activity will support more systematic and broader measurement and assessments of the extent and depth of various forms of corruption. Such an understanding of corruption will be essential for showing the link between poor governance at the country level and development outcomes, including responses to global crises such as the COVID-19 pandemic.

Deepening Understanding and Addressing State Capture. Activities supported under this theme will scale up new actionable diagnostics to identify the policies and processes that support corrupt networks and permit these networks to capture public resources and policymaking processes, as well as the potential reforms to address these deficiencies. These tools, designed to support both prevention and deterrence of corrupt activities, include asset declarations and conflict of interest systems, immunity protection, whistleblower protection and ethics training. Institutions such as independent supreme audit institutions, the justice sector, and



anti-corruption agencies as well as investigators and prosecutors can be recipients of targeted technical assistance and capacity building.

Sector Based Approaches. Activities supported under this theme will strengthen indicators that cover public sector accountability institutions at the sector level, regulatory governance and citizen engagement at the subnational level, and will identify opportunities to promote transparency and accountability in key provinces or municipalities where local demand may exist. They also include in-depth evidence-based studies of the most prevalent fraud and corruption schemes in different sectors where the Bank provides assistance, including targeted reviews of cases related to conflicts of interest and ultimate beneficial ownership to distill investigative lessons learnt, and propose tangible long-term solutions.

High Definition Transparency. Activities supported under this theme will support the full disclosure and use of beneficial ownership information as a critical tool in confronting corruption and addressing illicit financial flows. It will also support the use of data analysis to identify patterns of corruption, including capacity building to client countries' institutions on the use of artificial intelligence and machine learning in building case management systems and advanced data analytics for the detection of fraud and corruption red flags and patterns.

Addressing the Facilitators. This theme will examine the intermediary role played by banks as well as trust and company service providers in handling proceeds of corruption and illicit financial flows. Activities supported under this theme will examine the often-stubborn behavioral norms that influence those who offer large sums of money to obtain public favors, e.g., a contract for public works, as well as those who, in the course of their daily life, offer smaller payments or other bribes to obtain a public service.

Component 3: GovTech

GovTech is a whole-of-government approach to digitalization that promotes accessible and efficient government. It focuses not only on technological solutions but enables the use of technology in day to day administration, including change management, capacity building, and ensuring a trusted regulatory environment.



For developing countries, a shift to GovTech can be transformational in terms of both adopting technology and improving governance. Research shows e-government capacity is positively associated with lower perceptions of corruption and higher government effectiveness.

There are rising expectations from citizens for governments to better perform and deliver high quality services and technology has the potential to help governments meet those demands by boosting government efficiency, transparency, responsiveness and building citizen trust. Yet, the capacity to leverage technology for public sector transformation is uneven and typically weak in developing countries. This module will support the following activities in support of GovTech in these countries:

Analytics and Global Public Goods. This component will support research, case studies and best practices on policies, implementation and impacts of GovTech across different country contexts and to provide global access to tools, knowledge and solutions in core government operations, citizen engagement and service delivery. The work includes (a) the identification of effective strategies in the adoption of GovTech solutions, (b) the development of digital skills in the public sector, and (c) support to developing legal and regulatory frameworks. The module will make available global public goods focused on principles and standards. Solutions will be prioritized based on their usability across different countries and ensure they are accessible to all. Proof of concepts and prototypes will be problem-focused and promote open source and other cost-effective technologies and software. Activities will include guidance and toolkits.

Country and Regional Engagement such as diagnostics, disruptive technology pilots, capacity building, and other activities in service delivery, citizen engagement, and core government operations. These include upstream advisory and technical assistance, particularly for strategy development and effective legal frameworks, that may support downstream GovTech investments. At the country level, proposed activities should fill a gap in the digital transformation space. Interventions will include both Bank-executed TF and Recipient-executed TF activities that would consist of analytical work, including diagnostics on GovTech readiness, capacity, and needs assessments, to identify gaps and inform strategies and potential solutions based on international good practices. Activities may include



technical assistance and capacity building on development and implementation of digital transformation, GovTech strategies and policies, change management and piloting GovTech solutions.

Partnerships and Sharing Knowledge as a mechanism to convene key stakeholders such as aspiring GovTech countries, leading GovTech countries, development partners, private sector partners, academic institutions, think tanks, civil society organizations and others to promote the use of foundational and frontier digital technologies with the goal of transforming the way governments operate, deliver services and interact with citizens. It aims to bring together a broader group of voices and experience on GovTech innovation, development and implementation, and maximize the impact of these exchanges using a wholesale model, packaging the information for a global audience, as well as customize it for country-level context. The module will include knowledge sharing through learning activities, global and regional events for peer-to-peer networking and experience sharing. It will also include the development of an online knowledge platform to facilitate accessibility to GovTech solutions. Significant opportunities may come from leveraging the experience and knowledge of the private sector technology companies ranging from global tech firms to small and medium enterprises, start-ups, and local tech eco-systems that are keen to engage with the public sector.

Outputs

Post COVID-19 related outputs:

Client countries have sped up innovation and development of GovTech tools and solutions to manage COVID-19 emergency response, provide necessary administrative services, push critical alerts and information, and engage with citizens to answer questions and understand concerns. As countries are coming out of the lockdown, it is crucial to gradually initiate the recovery phase while preventing the re-emergence of the COVID-19 cases. The following recovery and resilience actions are expected to be initiated to support our client countries to address post COVID-19 challenges:

- ▶ Guidance on Business Continuity Planning (BCP) to some of the countries through a central coordination agency/center of government, for COVID-19 related responses.



- ▶ Advisory support and training for civil servants for remote operation of existing systems and services, signing documents, holding meetings, sharing information. This can be driven by the BCP guide above.
- ▶ Supporting the vulnerable people and businesses through online payments (G2C and G2B), solutions for unemployment allowances, social benefits, subsidies for businesses, access to financing etc. through digital platforms.
- ▶ Implementation of less expensive and more reliable IT infrastructure solutions for rapid modernization of existing systems and services.
- ▶ Digital solutions for more transparent, collaborative and accountable government (e.g., apps and portals for interaction with citizens and business for data reporting and visualization, fundraising, monitoring donations, crowdsourcing for ideas, open budgets, open contracts, monitoring of the foreign aid assistance, etc.).
- ▶ Sector-specific studies on corruption including in health, social transfers, support for enterprises, etc.
- ▶ Support for beneficial ownership frameworks for emergency procurements

Anti-Corruption

Global public goods: global standards for access to information, asset disclosure, conflict of interest management, beneficial ownership, budget transparency, open contracting and e-procurement. Emphasis on benchmarking to allow for better analysis of what works, what does not, and why.

Country and regional engagements: Design and implementation of openness and transparency reforms and control of corruption in the form of analytical work, technical assistance, or direct project support. This will include public accountability mechanisms, sector-specific analyses, data collection to measure progress, national beneficial ownership frameworks and public participation. This module will support the application at the country level of tools to make better use of data and emerging technologies. Specific attention will be given to supporting AC and open government initiatives at country level related to COVID-19 responses.



Partnerships and sharing knowledge: wide dissemination of innovative anti-corruption ideas, standards, and tools developed in countries. WB will use its convening power to address corruption risks and policy making. The outputs will include dissemination of global standards and regional benchmarks, regional peer-to-peer learning networks, training and curricula.

Additional outputs

The Open Government activities will be focussed on support to countries that have not yet been able to access the Open Government Partnership because they do not meet all the required criteria. In addition, the Umbrella TF will support countries that have prepared National Action Plans for OGP but are lagging in implementing commitments in complex areas such as PFM or Judiciary reforms.

Relationship to other Modules and initiatives

The use of technology and open government plays a role in all other Modules of the Governance Global Program.

As indicated, OGP and GovTech are two existing programs in the World Bank covering the same topics. However, an essential difference with these existing programs is that OGP and GovTech represent a partnership with external partners that is distinct and does not overlap with any openness or use of technology activities supported by the Governance Global Program .

Selection criteria

Support for activities that are a potential entry point for greater country engagement, expansion of open government and increased use of smart technology.

- ▶ Activities that spread good practice in the use of citizen engagement in management of all aspects of the public sector
- ▶ Support to scaling up of regional and global initiatives in countries that are committed to openness and use of technology
- ▶ Activities that create capacity in country for openness and improved use of technology



Priorities

Openness and use of technology by government in FCV situations

- ▶ In country work, in support of CPFs that include open government, use of technology and citizen engagement
- ▶ Proposals that are supported by Civil Society in country
- ▶ Joint proposals by the World Bank and the Donor Partners.

What will be funded

Staff and consultant costs and direct operational costs and related implementation costs of Bank Executed activities. Funding will include advisory activities and technical assistance by the World Bank (ASA).

Grant funded activities executed by CSO or governments that result in increased openness, transparency, including CivicTech.

3

Annex 1 I Governance and Institutions Umbrella Trust Fund

Institutions of Accountability



3

Institutions of Accountability

In this module the program will support institutions of accountability outside the executive branch of government, including the legal and legislative branches and non-state actors that focus on accountability and better governance outcomes.

This Justice and the Rule of Law component builds on the World Development Report 2017 and integrates support to the justice sector with reforms in the broader public sector. The component also incorporates lessons from activities in recent years that were focused on access to justice, especially for the poor. In this module there is also a facility to provide direct support to CSOs that are engaged in promoting/ensuring good governance





Objectives

The objective of the module is to achieve better governance outcomes through support to institutions outside the executive branch of government that exert accountability, including non-state actors. This includes practical approaches to foster openness and transparency in client countries and to support citizen-centric reforms. In particular the module will apply the lessons from the COVID-19 pandemic and the challenges that became apparent as a result of this disruption and the response mechanisms.

Approach

This module is focused on justice and rule of law and oversight. Both are central to supporting countries in responding to the COVID-19 crisis. In addition to the overall issue of trust in government, specific actions are needed to increase transparency and exert oversight over the executive branch regarding health care and the implementation of the economic stimulus package that many countries have adopted to help the private sector and citizens recover. The approach includes oversight to avoid the effects of state capture, as funds are allocated and disbursed in rapid fashion, which opens opportunities for interference based on political connections. Similarly, for long term recovery, oversight, a well-functioning judiciary and transparency are key components in any effort to make a country attractive for investors.

Component 1: Justice and Rule of Law

The objective of this component is to develop and apply global public goods to support evidence based, citizen-centric reforms of client justice institutions. The activities under this program component will support the Bank's commitments to facilitate private sector development, strengthen the rule of law and improve access to justice services under the FCV and governance and institutions themes of IDA19. The Bank has over 25 years of experience investing in client country justice institutions in all regions and countries at all income levels, including FCV. The component will support the implementation of the World Bank Strategy 2020-2025 area



of special emphasis “Engaging on justice and rule of law” and will help countries achieve their commitments under SDG16, Peace Justice and the Rule of Law.

Component 2: Legislative bodies

Improved governance outcomes often require support from legislative bodies, at national and sub-national levels. These bodies need to have the capacity to undertake oversight and hold the executive branch to account with regard to the functions included in the other modules. Building on WB experience, capacity development and support to the application of new technology will be a key part of the approach.

Component 3: Multi-stakeholder engagement

The World Bank has developed a strong approach to multi-stakeholder engagement and developed mechanisms to support civil society with regard to social accountability and in sectors such as healthcare, water supply and in education. This component will build on this to engage with and support CSOs that are active to achieve better governance outcomes.

Outputs

Component 1: Justice & Rule of Law

Global public goods to improve national justice institutions through better information and more innovative tools. Development, testing and application of a new diagnostic tool for justice institutions: Justice Needs and Institutional Performance Review (JUNIPER). This will provide a standardized set of measures to allow countries to understand the strengths and weaknesses of their justice institutions and learn from good practices. JUNIPER will also promote the collection, storage and analysis of standardized administrative data from justice institutions and expand cross-country data collection and publication in line with the practice of the Council of Europe’s data set developed by the European Commission for the Efficiency of Justice (CEPEJ).



Innovative GovTech solutions to address common justice challenges and improve justice service delivery, including user interface platforms, case management systems and self-help tools.

Country-led, data-informed and citizen-centric justice reform: Citizen-centric solutions to address their most pressing justice problems, building on GovTech solutions for the justice sector.

Building on the Bank's, DEC-led, DE JURE program, support to countries undertaking cutting edge data collection and analytics including impact evaluations, business and citizen surveys and administrative data collection cross-referencing justice and non-justice data sets (such as tax records, firm outcomes). This output will also help countries manage the impact of COVID-19 health and economic crises on justice systems, including a changed landscape of legal needs, new ways of accessing and delivering justice services, and responses to changes in crime, with a particular emphasis on gender based violence.

Forging partnerships and sharing knowledge: Support partnerships with other international organizations, academia, development partners, governments and civil society organizations to help implement modules 1 and 2, and to translate the outputs produced under the above two modules into global public goods. Collaboration with academia will help improve the data and analytics. Partnerships with the Organization for Economic Co-operation and Development (OECD), the World Justice Project and others will help establish a sustainable mechanism for analyzing legal needs data and comparing Bank client results with OECD countries. Networks with civil society organizations will strengthen the focus on justice needs. This module will also support a variety of knowledge and training events, including the establishment of global learning networks, on-line courses, conferences, workshops, and brown-bag lunches facilitated by the Justice and Community of Practice to learn from and with each other and build the capacity of government counterparts, as well as of World Bank staff.

Component 2: Legislative bodies

Outputs will include capacity development and IT solutions that support elected bodies at national and subnational levels exerting oversight. The activities will build on ongoing WB programs.



Component 3: Multi Stakeholder engagement

Support to CSO and other non-state actors that are involved in oversight and achieving better governance outcomes can be provided capacity building support through the program, and can be supported as implementation partners through recipient executed activities.

Relationship to other Modules and initiatives

The Justice and Rule of Law component has strong connections with the Openness and Technology Module, building on the use of GovTech in the judiciary. External connection includes a partnership with the EU in the application of access to justice and with the OECD on comparison between EMDE and OECD countries.

Selection criteria

Activities to be selected for funding under this module will include:

- ▶ Justice reform programs that are embedded in World Bank CPFs or in broad based government reform programs
- ▶ Innovative approaches and methods to support justice reforms
- ▶ Development of global public goods that generate novel approaches to justice reform, and that generate / disseminate shared knowledge and learning.

Priorities

- ▶ Support to country level activities in countries where government and non state actors have expressed significant support for justice reform programs
- ▶ Activities in FCV environment where justice reform can contribute to restoring trust in government
- ▶ Knowledge development linked to reinvigorated and innovative approaches to justice reform.



What will be funded

- ▶ Staff and consultant costs and direct operational costs for World Bank executed activities.
- ▶ Research, technical support, advocacy and tool kits developed by other organizations, including CSOs engaged in justice activities.

4

Annex 2 I Financial Management Umbrella Trust Fund

Managing Public Finances

4

Managing Public Finances

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 will support innovative activities in PFM at the country level by funding and scaling up the development of new approaches (e.g. improved efficiency of spending, climate responsiveness, pandemic-readiness or agility and (ii) at the global and regional level by capturing lessons from novel approaches and disseminating this as shared knowledge.





Objectives

To support client governments and corporate bodies to undertake sustainable, transparent and accountable allocation and use financial resources in ways which enable delivery of services to citizens, respond to crises and enable and drive the achievement of development results by the public and private sectors.

Approach

This module will have three streams of activities: Public financial management, public investment management and governance and infrastructure.

Component 1: Public Financial Management as enabler and driver for development results and delivery of services

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. Whilst reforms are implemented, they often do not result in the desired changes in behavior or outcomes and are not well oriented towards addressing bottlenecks to economic management and service delivery. Underlying these challenges are collective action problems, and generic reforms may not be well targeted towards the specific challenges that potential reformers face.

PFM reforms for results

In response to these developments, the PFM Module of the Program will apply an innovative and agile approach, with the aim to achieve greater impact and sustainable results of PFM reforms. The scope of these novel PFM reforms will be expanded to include a wider range of government agencies, including those in the development of information technology and that deliver services. The PFM reforms will cover all line ministries, local governments, parastatals and units that commit and deploy public financial resources for the delivery of services.



The innovative and agile PFM reform processes will have the following characteristics:

- ▶ Supportive Enable the achievement of policy objectives, such as fiscal or sector policies.
- ▶ Address the underlying challenges to economic and fiscal management and service delivery
- ▶ Adapt to the operational and political environment, such as fragile and conflict affected countries.
- ▶ Move beyond central finance agencies to sector and subnational institutions.
- ▶ Connect with other reforms in the public sector, such as technology, civil service and tax reforms.
- ▶ Responsive to requirements of citizens and the private sector, including transparency, reliability and predictability.

Fiscal and expenditure management

The budget is one of the most potent policy tools available to the government. The annual decisions on allocation of public resources in the budget process provides an opportunity to fund and de-fund policies and services and provide incentives for delivery while reflecting macro fiscal priorities, opportunities and constraints. In many WB client countries, the power of the budget is often not fully utilized. This undermines the capacity to align spending with priorities and ensures value for money in public spending and thus achievement of development objectives including the SDGs.

Several technical tools and techniques have been promoted to support macro fiscal discipline, strategic resource allocation, value for money and activity-based costing. There is often a trade-off between optimal resource allocation and the information required to enable strategic decision making and accountability. Therefore, there is a need to understand better how different techniques can be deployed in different institutional and political contexts, and this Module will provide support for building this increased understanding.



Increasing the ability to allocate and spend better and enhancing the capability of Ministries of Finance will make a significant contribution to the Financing for Development agenda. Governments are stewards of vast assets in the form of natural resources, public infrastructure, obligations by their citizens, military assets among many other types of assets. However, most governments are still at the early stages of recognizing the economic value of their assets and the potential value of improved asset management. On the liability side, most governments have a keen appreciation of various debt liabilities, but many have weaker grip on explicit and implicit contingent liabilities, including guarantees, and many build up hidden or recognized arrears.

Component 2: Public Investment Management

The availability and quality of social and economic infrastructure are recognized as important enablers and drivers of private sector led inclusive and sustainable growth. This includes physical assets such as transport infrastructure, power, schools and hospitals. Ensuring that infrastructure is prioritized, financed, contracted, built and operated etc. in a more effective and efficient manner can ensure higher development impacts of investments and free up public and private resources for scaling up infrastructure investments or other policy purposes.

In recent years, the World Bank and the IMF have closely collaborated as the latter has rolled out the Public Investment management Assessment (PIMA) in about 50 countries. In addition to ensuring that infrastructure is prioritized, financed, contracted, built and operated in a more effective and efficient manner, the WB and the IMF focus on three main areas which will be supported by the UTF:

- ▶ at the delivery end of PIM dealing with delivery agencies rather than at the central agency level;
- ▶ at subnational level, where a great deal of PIM occurs;
- ▶ to bring in a filter for PIM relating to climate change.

In parallel to these efforts, IDA19 has identified governance of infrastructure provision as a major commitment in the 'Governance and Institutions' special theme in IDA countries. The UTF will support the actions that need to be taken by IDA recipients and the WB to achieve these commitments.



PIM plays an important role in the response to COVID-19 by directing public funds to the most urgent needs during each of the three stages of the response. During the immediate response, PIM can redirect funds to the most immediate emergency needs in the health sector, including medical equipment. During the recovery stage, public investment decisions will need to be focused on reviving production and logistic chains, addressing urgent deferred maintenance and investing in ICT capacity. Longer term, there also need to ensure that public investment appraisals and decisions take account of contagion risks and address needs for remote working and maintaining supply chains.

PIM can leverage technology and big data to reduce vulnerabilities of public investments and programs to viral contagion risk and provide for contingency plans in case of recurring major public health crises, such as COVID-19:

- ▶ Review PIM appraisal and approval guidelines, differentiating between capital projects and programs involving direct beneficiaries and incorporate the lessons learned from this pandemic both in terms of public health (prevention and containment) and in terms of economic and financial relief for the vulnerable.
- ▶ Reform procurement policies and processes to enable quick and effective responses to future public health crises, as is done for natural disaster rapid response. This could include clear but streamlined emergency purchasing procedures, the possibility for delegating or centralizing procurement of critical supplies, the use of framework contracts, international cooperation agreements.

Quality of spending on services and investments

Whilst the issue of the effectiveness and efficiency of expenditure is logically likely to be a binding constraint for the achievement of development results, improvements in PFM do not always evidently impact on those services and resources are often deployed inequitably and inefficiency—this may manifest itself in incomplete infrastructure investments such as roads, or infrastructure investments such as health facilities which are not staffed or equipped, contribute towards teacher absenteeism, erratic availability of service delivery inputs such as medical supplies, or inequitable targeting of social benefits. Central to this is how resources are allocated and spent by spending agencies at the national, subnational level



and how resources and the inputs they finance are channeled towards the point of delivery and the incentives created in the process.

There is evident need to deepen our understanding of and strengthen the tools which assess the quality of expenditure, and importantly the underlying causes behind such ineffective and inefficient expenditure and the potential solutions to addressing them. Beyond generic guidance for public expenditure review, there are few diagnostic tools which examine the quality of spending and the underlying governance bottlenecks to the efficient and effective use of financial resources within sectors and methodologies for understanding and addressing such challenges. The UTF will therefore contribute towards this by a) conducting analytical work to identify common issues within agreed service delivery sectors including those relevant to the COVID-19 recovery and in doing so develop tools to b) assess the quality of spending in key sectors, and c) understand the underlying causes behind the poor quality of spending and how to identify solutions to addressing them. This will complement existing tools which assess the PFM systems within sectors such as those being developed in health and education.

Component 3: Governance of Infrastructure

Evidence shows that weak governance arrangements around infrastructure decision-making and implementation impede vital asset creation and operation. The WB is committed to help countries to identify major governance bottlenecks in infrastructure investments through better diagnostics that help inform policies and/or regulations to address them. The approach is anchored in the comprehensive G20 Osaka Principles for Quality Infrastructure Investment which identify the need for good governance across the project design, preparation, procurement, and implementation phases of infrastructure projects, with attention to transparency, integrity, and environmental, climate change and social considerations. It uses a systematic approach to assess the governance requirements for quality infrastructure building on and fully consistent with the Infrastructure Governance for MFD tool (InfraGov Assessment) and the Governance Pillar of the Infrastructure Sector Assessment Program (Infra-SAP). These have been developed by the WB and are both designed to harmonize with the Osaka QII principles. The goal of the assessment is to provide actionable recommendations for policy change.



The approach covers ten areas related to different stages of project preparation and implementation and the key issues associated with these: 1) the legal framework and institutional capacity in place to plan, assess, select and prioritize potential infrastructure projects; 2) processes for project selection to ensure economic efficiency and value for money (VfM), by taking into account the total cost and benefit over its life-cycle; 3) the framework for assessing the aff and fi sustainability of infrastructure projects throughout the project life cycle; 4) incorporation of environmental and climate change considerations in infrastructure projects; 5) incorporation of social considerations in infrastructure projects; 6) approaches to ensure data availability, transparency and integrity measures across the project cycle; 7) the quality, openness and transparency of procurement process; 8) the operation and maintenance of infrastructure assets in the manner anticipated at their procurement; 9) sector and regulatory frameworks for infrastructure ensuring competition in the market as well as efficiency and societal value in infrastructure projects; 10) state-owned enterprises in the infrastructure sectors operating according to market terms and satisfactory corporate governance standards.

Recognizing different levels of developments and country needs, the assessments will be methodologically aligned, but not uniform. Countries can either assess country systems in a comprehensive manner or examine only a subset of priority areas in depth, depending on relevance, demand, resources and local context.

Both InfraSAPs and InfraGov Assessments are being designed to be mutually consistent and harmonized with the ten areas of the QII diagnostic approach. This alignment should allow for “interoperability”, meaning that the QII governance assessment could be delivered through the Governance Pillar of the Infra-SAP, or as a standalone Infrastructure Governance Assessment. This cooperation at the country level will ensure that the IDA 19 policy commitment is addressed in a consistent manner when different instruments are used. It will also help to accelerate the rollout of the QII approach, by increasing the opportunities for its applications.

The InfraSAP Assessment will use existing data sources for the ten key areas. The data sources include: Public Investment Management Assessment (PIMA, IMF), Public Investment Management (PIM, WB), PEFA, COST reports, which cover traditional public investment issues, Procuring Infrastructure PPPs Survey and the new Traditional Public Infrastructure procurement survey (WB), InfraScope index,



which covers the quality of a country's PPP procurement framework; and Methodology for Assessing Procurement Systems (MAPS) that covers procurement issues in general, World Governance Indicators, OECD Product Market Regulation indicators, and a variety of sector-specific infrastructure regulation indicators covering the electricity, transport and digital sectors.

Outputs

Component 1

- ▶ Tools for practitioners to support diagnosis, design and implementation of implementation of innovative PFM reforms in ways that enable development results
- ▶ PFM reform plans formulated and implemented in support of government development policy objectives and aligned with 2030 SDGs
- ▶ PFM reform plans that are aligned with a country's policy objectives (incl. post pandemic resilience) and identify and support addressing challenges that will enable improved economic and service delivery outcomes.
- ▶ Strategic country PFM reform results, including strengthened PFM country processes and systems at the sector and subnational levels.
- ▶ Development of institutional and staff capacity to support core functions and innovative approaches to PFM reform including in response to crises (COVID, Climate Change) and in FCV countries
- ▶ Evidence based global and regional Knowledge and Learning derived from lessons and experience with implementation of innovative PFM activities.

Selection criteria

- ▶ Innovative PFM reform activities that strengthen the link to economic policy objectives and/or improve service delivery at sector and subnational levels
- ▶ Activities that assist countries in using PFM assessments and problem identification techniques for the benefit of developing coherent, results focused reform strategies



- ▶ PFM activities that restore core functions of the state in post conflict or post stress countries
- ▶ PFM and PIM activities with the potential to strengthen the allocation and management of public resources linked to results.
- ▶ Joint PFM and PIM assessments with IMF and other DPs
- ▶ PFM and PIM activities that lead to improved quality at entry of WB investment or development policy lending operations
- ▶ Governance of Infrastructure Assessments will be undertaken from a pre-selected list of IDA19 countries

Priorities

- ▶ Innovative PFM and PIM activities
- ▶ Building PFM institutions and functions in FCV
- ▶ IDA19 countries with significant Infrastructure investment plans

What will be funded

Both Bank and Recipient Executed activities:

- ▶ BETF will fund a substantial portion of staff and consultant costs and direct operational costs of ASA, including technical assistance to countries and components of project preparation work.
- ▶ RETF will fund government entities, CSOs or academic institutions / think tanks to implement and scale up public sector reforms and devolution programs. RETFs can also be used for parallel funding of lending to governments that result from the activities funded under this module.

Component 2

Outputs at global level will include the continued improvement of the PIMA tool, in close collaboration with the IMF and the development of a Public Investment Management Systems (PIMS) universal interoperability framework with other public sector systems



Outputs from country level activities supporting PIM reforms may include:

- ▶ Establishment of PIM units, functional structures and staffing—including drafting of PIM regulations beyond the guidelines.
- ▶ Projects stock taking exercise, analysis, classification and tagging of investments in line with established PIM guidelines.
- ▶ Development medium term plans for rationalized projects consistent with macro frameworks and budgeting tools – including national governments, sub-nationals and SOEs.
- ▶ PIM business process mapping & re-engineering, technical specifications to support design and implementation of PIMS.

Component 3

InfraSAP Assessments in at least 20 IDA19 countries, of which at least 10 are actively used as policy inputs

Relationship to other Modules and initiatives

The PFM and PIM module covers core functions of government, and thus touches on all other modules of this program.

Closely related is of course also the Procurement UTF, because the topic is part of the public financial management value chain.

An important relationship is with the IMF, which covers both PFM and PIM in its core diagnostics and country programs.

Similarly, there are strong relationships with Regional Development Banks and with bilateral partners and the EC. These partnerships include frequent collaboration on diagnostics, program preparation and implementation, at the country level. In many EMDEs, the World Bank participates in PFM Reform Working Groups and similar donor coordination groups. The Governance Global Program will support these arrangements, directly or through Associated TFs, which will continue to support these partnership arrangements.



Governance of Infrastructure is closely related to the existing QII Umbrella TF in the Infrastructure GP, and with the expanding portfolio of Governance of Infrastructure activities undertaken by the IMF.

Selection criteria

- ▶ Innovative PFM activities that produce improved management aligned with policy objectives and improve service delivery
- ▶ PFM activities that restore core functions of the state in post conflict or post stress countries
- ▶ Activities that assist countries in using PFM assessments for the benefit of developing coherent reform strategies
- ▶ Joint PFM and PIM assessments with IMF and other DPs
- ▶ PFM and PIM activities that lead to improved quality at entry of WB investment or development policy lending operations
- ▶ Governance of Infrastructure Assessments will be undertaken from a preselected list of IDA19 countries

Priorities

- ▶ Innovative PFM and PIM activities
- ▶ Building PFM institutions and functions in FCV
- ▶ IDA19 countries with significant Infrastructure investment plans What will be funded: Both Bank and Recipient Executed activities:
- ▶ BETF will fund a substantial portion of staff and consultant costs and direct operational costs of ASA, including technical assistance to countries and components of project preparation work.
- ▶ RETF will fund government entities, CSOs or academic institutions / think tanks to implement and scale up public sector reforms and devolution programs. RETFs can also be used for parallel funding of lending to governments that result from the activities funded under this module.

5

Annex 2 I Financial Management Umbrella Trust Fund

Financial Reporting and Auditing



5

Financial Reporting and Auditing

Financial Reporting and auditing are essential for oversight of public resources but also for making better management and decision making for the use of funds. This module will support activities at country level to strengthen reporting and accounting. It will also support continued collaboration with relevant global bodies for reporting and auditing to ensure that the voice of EMDEs will be represented and that the activities of the products of these bodies will be suitable for them, The spill-over effects of these improvements are significant, including information for better decision making and public sector management practices, improved debt transparency and management as a result of comprehensive debt accounting and reporting by adopting accruals based accounting, and better performance and oversight over SOEs due to reporting and auditing improvements.





Objectives

- ▶ Increased number of countries that provide Public Sector Financial Reporting in line with IPSAS guidelines
- ▶ Increased number of countries that undertake audits through their SAI and that respond to audits in compliance with ISSAIs

Approach

Component 1: Fiscal reporting and transparency

Public sector accounting and financial reporting is for effective Public Financial Management. Enhanced budget accountability and control, transparency of public finances and effective management of assets and liabilities / debt can only be achieved through accurate and reliable financial accounting and reporting which can be audited. Modern accrual-based systems capture present and future economic benefits and obligations and provide information about underlying the financial information that would otherwise not be captured under cash-based systems or statistical reporting frameworks. While sometimes seen as difficult to achieve, the switch to accruals-based accounting is essential for EMDEs to reap the benefits of development. Government needs insight in its debt and liabilities position to make sound decisions. Financial reporting by sectors and on profits / losses by SOEs is essential for policy making.

Accounting and financial reporting frameworks based on international standards provide rigorous and comprehensive guidelines for recording financial information and disclosing public debt for the whole of government. Unlike budget or statistical reporting, financial reports are subject to external audit which provides necessary scrutiny during periods of high risk, changes to traditional procedures and reduced ex ante controls, such as during the current pandemic.

Accruals based accounting has been regraded a lesser priority by some international development specialists. While this reporting system requires some additional capacity, the benefits widely outweigh the costs, especially in view of the post COVID-19 response. As many countries try to restart and stimulate economic



recovery, borrowing by EMDEs will be expanding. Proper debt management will be essential, especially since many countries were already building up debt before the pandemic. In this context it is essential that government has the financial reporting capability to properly record its debt position and inform its citizens about this.

Component 2: Accountability and oversight, including Supreme Audit Institutions

Supreme Audit Institutions (SAI) play a vital role in helping their respective governments improve performance, enhance transparency, ensure accountability, fight corruption, and foster efficient service delivery for the benefit of their peoples. Diagnostics have consistently revealed the need for strengthening SAIs in many countries.

Outputs

Component 1: Financial Reporting

Output 1- Gap Analysis Toolkits

- ▶ Annual update to cash basis and accrual basis toolkits for newly issued IPSAS or changes to standards
- ▶ Revision of toolkits to enhance usefulness
- ▶ Dissemination of revised toolkits

Output 2–Implementation Guidance

- ▶ Needs Assessment and updated needs assessment (every three years)
- ▶ Guidance Notes on key topics
- ▶ Database of implementation plans
- ▶ Training materials
- ▶ Update IPSASB Study 14
- ▶ Dissemination of Study 14

Output 3–Planning and delivery of biannual conference (global)



Output 4 – Identification, prioritization and delivery of Peer assisted learning events (regional)

Output 5 – Country level implementation projects

- ▶ Identification and prioritization of country level support
- ▶ Gap analysis for selected countries
- ▶ Transition roadmap for selected countries
- ▶ Project implementation support for selected countries
- ▶ TA in selected countries in the use of accrual accounting

Component 2: Financial Reporting

- ▶ Knowledge events and products, in consultation with INTOSAI, including on SAI independence
- ▶ Annual global SAI Independence Tracker
- ▶ Country level stakeholder / donor collaboration for improvements or protection of constitutional/ legal framework and implementation
- ▶ SAI Audit reports on donor financed projects
- ▶ Internal Audit reports on donor financed projects
- ▶ ISSAI compliance assessments
- ▶ Training programs on ISSAIs
- ▶ Country reports / Performance Audit reports on SDGs
- ▶ Peer learning activities
- ▶ Audit Committee manuals and training events
- ▶ SAI senior management trainings conducted

Relationship to other Modules

This Module is closely related to the other Modules in this Umbrella TF. Financial Management requires reporting and auditing, and financial reporting and auditing of the public sector will need to match closely with the same in the private sector.



Selection criteria

Activities in this module will be selected based on the potential for innovation and based on priorities derived from collaboration with relevant international bodies.

Priorities

- ▶ Countries willing to adopt IPSAS
- ▶ Countries selected in consultation with INTOSAI and regional SAIs

What will be funded

- ▶ Both Bank and Recipient Executed activities:
- ▶ BETF will fund a substantial portion of staff and consultant costs and direct operational costs of ASA, including technical assistance to countries and components of project preparation work.
- ▶ RETF will fund government entities, CSOs or academic institutions / think tanks to implement and scale up public sector reforms and devolution programs. RETFs can also be used for parallel funding of lending to

6

Annex 2 I Financial Management Umbrella Trust Fund

Public-private sector interface



6

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 EMDEs to attract investors and to help economic activities blossom. Included in these interactions are (i) the 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 regard to the private sector. This module will promote and develop innovative approaches in all of these private / public sector interactions.





Objectives

- ▶ To enable countries to assess and strengthen governance of SOEs and to strengthen the role SOEs can play in response to the lessons learned from the COVID-19 pandemic.
- ▶ To enable countries to assess Corporate Financial Reporting and put systems in place to improve capacity for compliance with international standards
- ▶ To enable countries to identify and implement reform of the public sector that improve investment opportunities and economic growth.

Approach

This module deals with an area of growing importance, the interface between the public and the private sector. The relevance of this interface is growing as part of the SDGs, as it is evident that the development goals can only be achieved with support of the private sector, both through financing and investment, as well as through direct action related to the SDGs.

The public / private sector interface has gained even greater importance in the response to COVID-19, as the recovery and long-term resilience phase can only be achieved in a partnership of both parts of society.

Component 1: State-owned enterprises (SOE) governance and performance

The aim of this component is to support partner countries in improving the governance of SOEs so that they can improve their performance and increase their contributions to economic development and to government resources. State-owned enterprises (SOEs) are still major economic actors worldwide and especially in most World Bank partner countries. Improving their performance is a top policy priority in order to create conditions favorable for economic development.

The SOE component is critical for addressing challenges in an integrated fashion, responding to growing client demand for support on SOE reform. First, diagnostics and analyses will be important to identify and prioritize SOE-related challenges through an evidence-based approach. Second, regional platforms of SOE



ownership institutions are critical to build cross country partnership and promote knowledge exchange on this complex agenda. Third, advisory activities under this component are strongly needed to leverage financing instruments, which support SOE reform implementation.

Many economic and social benefits are associated with well-managed SOEs. These include (i) improved service delivery to citizens and local businesses; (ii) a reduced fiscal cost stemming from subsidies or losses; (iii) a level-playing field in domestic markets allowing the private sector to develop; (iv) increased opportunities for maximizing finance for development, through SOE bond issues, public-private partnerships and increased contributions to domestic revenues by SOEs; and (v) a lower risk of corruption, through improved governance of SOEs.

Building on these achievements and to address increasing client demand, the SOE component will focus on a critical series of complementary and integrated activities. The activities focus on assessing reform needs, bridging the SOE knowledge gap in partner countries, building capacity at country level, fostering peer-to-peer exchanges, and supporting operational engagement for successful reform implementation. Specific areas of engagement include:

- ▶ **Assessing the governance of SOEs in partner countries:** Relying on the recently completed Integrated SOE Framework (iSOEF) and leveraging global database currently developed by the WB, country-level diagnostics will assess the strengths and weaknesses of the policy and institutional framework underpinning the way SOEs are managed. They will form an evidence-based analytical underpinning to inform policy dialogue and reform priorities.
- ▶ **SOE Notes and e-learning program:** SOE governance and performance involve a range of economic, legal, financial, and human resources dimensions, and relationships between many players. Policymakers and practitioners in partner countries need to keep abreast of the many developments in these specific fields and in the area of SOE reform. To that effort the program will develop (i) a series of short notes and country cases capturing good practices and (ii) an SOE e-learning program for at least 300 practitioners in partner countries.
- ▶ **Regional platforms for SOE ownership institutions:** These platforms, developed in partnership with regional players (e.g., regional MDBs and



African Union), will support peer exchange among SOE ownership institutions promote knowledge sharing on SOE reforms. They will be complemented by targeted South-South/ “twinning” exchanges in specific reform areas.

- ▶ **Good Practice in SOE Covid-19 response:** in many EMDEs, SOEs can play a crucial catalytic role in the recovery and resilience phase of the response to the pandemic. This specific activity will take stock of country experience in that respect and identify emerging good practice. Examples of contribution could include enhanced preparedness, streamlined supply chains, successful company restructuring and initiatives to improve the use of modern ICT.
- ▶ **Reform implementation support.** The program aims to systematically link analysis with actual reform implementation. Leveraging a roster of global and regional SOE experts, it will provide “just-in-time” advice to governments and incorporate diagnostic findings into operations. These initiatives will directly support client countries to strengthen SOE oversight, legal and regulatory frameworks, fiscal risk management, and SOE operational and service delivery performance.

Component 2: Corporate financial reporting

This component aims to strengthen capital and credit markets, enhance financial discipline in business and expose insolvency risks of financial institutions. 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 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.

Corporate Financial Reporting (CFR) supports client countries in building the foundations for financial transparency, including reform of laws, regulations and standards; building of institutions that monitor and regulate financial reporting; and training of officials, educators, and professionals involved in financial reporting. It also helps to strengthen their standards, institutions, and practices of financial transparency for enterprises, to help develop capital and lending markets and spur growth.

In response to demand from EMDEs, there is a need to target the private sector



and promote economic growth and develop mutually agreed compacts with development partners. The following activities are envisaged to be undertaken under the CFR Component:

Accounting and Advisories for SMEs: An expanding and vibrant SME sector is vital for EMDEs. The CFR Component will support Professional Accounting Organizations (PAOs) to build their capacity to support their members that provide core accounting and auditing and business advisory services to SMEs and to improve the awareness and role of the accounting profession in an active business support ecosystem. In collaboration with PAOs and others, the WB will work directly with professional accountants and small and medium-sized practices (SMPs) to comply with new SME financial reporting and auditing requirements and to provide SME financial management and business advisory services. CFR agenda will work with the client-governments in implementing robust frameworks for accounting, reporting, and auditing of SOEs as well as an oversight mechanism for these to progress towards well-governed, transparent, and accountable SOEs, contributing in a positive way to the economy and society. The WB has implemented this approach with great success in transition economies, and will now expand this experience to the MENA and Africa regions:

Audit Oversight and Quality Assurance: External auditing is key to assure that financial reporting is reliable and trusted. However, an international consensus has developed that the auditing profession cannot regulate itself. Independent monitoring and oversight are required. The CFR Program Component supports experts in audit oversight and quality assurance to address this need in client countries. The support includes technical advice and capacity building in the areas of legislation, regulations, and standards governing external audit; board composition, structure, funding, and functions of audit oversight; and training, tools, templates and manuals to implement effective inspections and quality assurance for external auditors, among other areas.

Corporate Risk Governance and Accountability for banks in EMDEs: The 2008 financial crisis highlighted severe weaknesses in the risk management, control and governance processes of the banks as well as in their statutory audit and financial supervision. This led to increased scrutiny of the respective roles in interaction of banking supervisors and external auditors as well as a review of the reporting obligation of the banks, and the necessity for those to have a stronger capital base.



As banks and financial sector companies are an engine of growth in EMDEs and with risks impacting their financial stability, they must be effectively supervised. The CFR agenda helps supervisors to better understand the importance of financial reporting and how to leverage the auditors' work. Supervisors are trained in new accounting standards based on published International Financial Reporting Standards, including IFRS 9 on financial instruments and others.

ROSC Accounting & Auditing: The CFR supports countries in the diagnosis using updated indicators and developing an action plan to strengthen the accounting and auditing framework through:

- ▶ **Developing the Accounting Professional Bodies and Professionals:** Professional Accounting Organizations (PAOs), which professional accountants belong, supports their members through ongoing training, guidance and tools aimed at maintaining their professional competence. The component will support PAOs in performing these important roles.
- ▶ **Auditing and Accounting Education:** This will help to address the scarcity of professional auditors and accounting professionals in the public sector.
- ▶ **The impact of COVID-19 is providing evidence that companies should shift their business models to use all the company capital.** Integrated thinking and reporting, looking at all aspects including human, social, natural, intellectual capital not just financial and manufactured capital is needed to create long term value for the benefit of all stakeholders, not just shareholders

Component 3: Improved governance in support of invest climate

Increasingly, EMDEs aim to improve aspects of the public sector that impact on economic development and attractiveness to investors. Some programs, such as the G20 Compact with Africa, support countries that reform their public sector to achieve improvements in their macro-fiscal performance, business climate and financial sector. This can include a wide range of reforms, including all modules included in the two Umbrella TFs which have an impact on the private sector, including on the perception of opportunities for investors, domestic and foreign.



Outputs

Additional outputs

- ▶ iSOEF country assessment reports.
- ▶ SOE reform action plans, incl. SOE contributions to COVID 19 response.
- ▶ (Sub)-Regional stocktaking reports (AFR and ECA).
- ▶ French and Spanish versions of iSOEF.
- ▶ E-learning course and accompanying training material.
- ▶ Global or regional workshops.
- ▶ South-South Exchanges on SOE reform.
- ▶ Additional iSOEF modules.
- ▶ SOE data and analytical information.
- ▶ Assessment tools and methodologies
- ▶ Robust frameworks for accounting, reporting and auditing
- ▶ Develop materials to support Training of Trainers in developing legislations, regulations and standards
- ▶ Develop Curricula on accounting and auditing
- ▶ Increased number of accounting professionals
- ▶ ROSC A&A diagnostic reports and action plan for countries

Relationship to other Windows

Given SOEs share of public expenditures and their implications on public finance, the SOE component is also critical to the achievement of the overall objectives of the FMA umbrella TF. The actions proposed in the SOE component are consistent with the other components and directly contribute to the overall trust fund objective “to enable client governments undertake effective, efficient, transparent and accountable management of public financial resources in order to operate the core functions of the state, provide services to citizens and support equitable economic growth, and be efficient, transparent and accountable in this process.”



Selection criteria

- ▶ SOE activities to be supported are based on demand from EMDE governments and on potential for improved governance and oversight of SOEs
- ▶ CFR activities will be supported based on the impact on overall improvements of compliance of the private sector in a country
- ▶ Other activities will be selected on potential improvements of economic governance and the ability of EMDEs to attract investments

Priorities

Priorities for funding will be based on the potential impact on SOE Governance and CFR compliance.

What would be funded

Both Bank and Recipient Executed activities:

- ▶ BETF will fund a substantial portion of staff and consultant costs and direct operational costs of ASA, including technical assistance to countries and components of project preparation work.
- ▶ RETF will fund government entities, CSOs or academic institutions / think tanks to implement and scale up public sector reforms and devolution programs. RETFs can also be used for parallel funding of lending to governments that result from the activities funded under this module.



ANNEX 3

List of Governance GP TFs and links to the UTFs



Annex 4 Results Framework

Umbrella Program Development Objective
Financial Management and Accountability

Support client governments and corporate bodies to undertake sustainable, transparent and accountable allocation and use of financial resources in ways which respond to crises and enable and drive the achievement of development results

Program-level outcomes

Public Financial Management

Objective

Improve fiscal and public expenditure management, financial reporting, accountability and oversight

Component outcomes

Improved fiscal and expenditure management
Strengthened financial reporting and transparency
Enhanced accountability and oversight
Increased PFM diagnostics and reforms

Intermediate outcomes/outputs

Number of client countries and sub-national governments that implement PEFA and other PFM diagnostics
Number of country-based assessment tools developed for assessing the variations in PFM performance

Activities

Develop Global Public Goods
Establish regional communities of practice
Develop regional training and accreditation programs for PFM assessment tools

Program-level outcomes

Public Investment Management

Objective

Improve the allocative efficiency and effectiveness of public investment management

Component outcomes

Improved prioritization of infrastructure and service delivery
Enhanced transparency in contractual processes for social and economic infrastructure
Improved frameworks for appraising public investment needs

Intermediate outcomes/outputs

Number of Global Public Goods developed
Number of country-level innovative approaches launched
Number of regional communities of practice providing peer-to-peer knowledge and learning

Activities

Develop Global Public Goods
Establish regional communities of practice
Harvest and curate experience and lessons from innovative approaches to budgeting
Establish PIM units
Conduct stocktaking exercises
Develop medium term plans



Umbrella Program Development Objective
Financial Management and Accountability

Program-level outcomes

**State-Owned Enterprises
and Corporate Governance**

Objective

Strengthen the corporate governance and management of SOEs

Component outcomes

Strengthened regulatory framework for managing SOEs in relevant sectors

Improved monitoring of SOE performance and fiscal risk

Enhancing the financing operations of SOEs

Intermediate outcomes/outputs

Number of countries that apply iSOEF

Number of regional SOE platforms promoting peer exchange and learning

Number of WB operations informed by diagnostics

Activities

Implement diagnostic framework (iSOEF) using assessments

Establish regional platforms for SOE ownership institutions

Conduct analytics and develop country cases and good practices

Provide advice on reform implementation

Program-level outcomes

Corporate financial reporting

Objective

Improve the reliability, quality, and access to corporate financial information

Component outcomes

Improved capacity for providing SMEs with core accounting, auditing, and business advisory services

Improved awareness and role of the accounting profession

Improved capacity for audit oversight and quality assurance

Increased capacity for financial supervision and corporate accounting standards

Intermediate outcomes/outputs

Number of SMEs that receive core accounting and auditing and business advisory services

Number of countries that receive support from audit oversight and quality assurance experts

Number of supervisors trained on new accounting standards

Countries that use updated indicators for the ROSC A&A assessments

Number of PAOs supported

Countries that implemented education reforms through CFR program support

Activities

Provide accounting and auditing and business advisory for SMEs

Implement audit oversight and quality assurance

Training of supervisors on new accounting standards

Support the use of updated indicators for the ROSC A&A assessments

Develop action plan for the accounting and auditing framework

Develop accounting professional bodies and professionals

Diagnostics on educational reforms



Umbrella Program Development Objective
Governance and Institutions

Support countries to build capable, effective, accountable, transparent and inclusive institutions that deliver citizen-centric services, facilitate private-sector growth and build trust in Government

Program-level outcomes

Public Institutions Reform

Objective

Improve the evidence-base of what works in public institutions reform, disseminate globally, and to support World Bank country teams and government counterparts design, implement, and evaluate evidence-based reforms

Component outcomes

Improved global data and knowledge on priority reforms
Increased data-informed public organization reforms
Increased partnerships and knowledge sharing

Intermediate outcomes/outputs

Number of new countries added to the WWBI dataset
Number of countries using new, improved STATA software-based modeling tool
Number of countries applying empirical approaches (e.g., big data and IE) for public institutions reforms
Countries that apply institutional assessment framework

Activities

Add more countries and indicators to WWBI dataset
Improve and apply new STATA software-based modeling tool
Implement empirical methods in select countries
Develop country institutional assessment framework
Collaboration and partnership activities

Program-level outcomes

Decentralization and Subnational Governance

Objective

Promote integrated approach to decentralization

Component outcomes

Improved institutional and fiscal frameworks
Improved capacity of subnational governments to function effectively
Expanded support to services delivery and frontline providers

Intermediate outcomes/outputs

Number of global work delivered
Number of regional work delivered
Number of country work delivered
Number of knowledge work delivered

Activities

Global work: Develop and deliver targeted toolkits, deep dives, and peer learning
Regional and country work: Produce regional flagship reports; Promote decentralization as a post-conflict stabilization tool in FCV contexts; organize/ contribute to peer learning
Knowledge work: Prepare policy briefs; decentralization indicators dataset; policy research; on-line learning; in-country training.



Umbrella Program Development Objective
Governance and Institutions

Program-level outcomes

GovTech

Objective

Promote the adoption of GovTech solutions for simple, accessible, and efficient government

Component outcomes

Improved e-government readiness in MDTF recipient countries

Improved efficiency, transparency and accountability of service delivery

Increased citizen voice, trust and participation

Intermediate outcomes/outputs

Number of countries with access to improved knowledge on GovTech solutions, approaches and impacts

Number of institutions that demonstrate improved capacity to design, implement and monitor GovTech initiatives

Activities

Conduct analytics and develop Global Public Goods

Support country and regional interventions

Convene key partners and stakeholders to share knowledge about digital technologies and Knowledge sharing

Program-level outcomes

Anti-corruption, Openness and Transparency

Objective

Support practical approaches to controlling corruption and fostering openness and transparency in our client countries

Component outcomes

Increased global standards and monitoring

Improved identification of policies and processes that support anti-corruption

Improved indicators on public sector accountability, governance and citizen engagement

Increased adoption of technology-based transparency tools

Increased information on anticorruption facilitators and enablers

Intermediate outcomes/outputs

Common standards and tools implemented

Information available on pathways and enablers of capture

Number of indicators and studies on transparency and accountability

Number of new transparency tools and technologies disseminated

Activities

Produce and disseminate common standards and tools

Produce information on pathways and levers of capture

Produce and disseminate new transparency tools and technologies



Umbrella Program Development Objective
Governance and Institutions

Program-level outcomes

Political Economy

Objective

Enhance the effectiveness of specific operations and analytics on the ground

Component outcomes

- Increased application of political economy perspectives by teams and in selected sectors
- Improved knowledge base on political economy of development
- Increased use of data and strategic information on political economy

Intermediate outcomes/outputs

- Number of GP staff with increased awareness of sector-specific priority political economy gaps and tools
- Number of counterparts with access to political economy toolkits
- Number of joint country engagements that apply political economy data and strategic information

Activities

- Produce regional flagship reports on priority political economy gaps
- Produce toolkits for applying political economy analysis in specific sectors
- Apply political economy and change management techniques in GGP operations
- Use WDR2017 framework to assess likely trajectories on political economy

Program-level outcomes

Justice and Rule of Law

Objective

Develop and apply global public goods to support evidence-based, citizen-centric reforms of client justice institutions

Component outcomes

- Strengthened private sector development
- Strengthened the rule of law
- Improved access to justice services under the IDA19 FCV and G&I themes

Intermediate outcomes/outputs

- Number of Global Public Goods produced to improve national justice systems
- Number of countries with improved awareness of the strengths and weaknesses of their justice systems
- Standardized administrative data available from justice institutions
- Number of client countries using GovTech solutions to address challenges and improve service delivery
- Number of partnership networks to strengthen justice data and needs

Activities

- Develop and apply new diagnostic tool (JUNIPER)
- Collect, store and analyze administrative data from justice institutions
- Develop innovative GovTech solutions
- Undertake data collection and analytics on justice and non-justice data sets
- Conduct partnership activities
- Conduct knowledge and training events



Coming Together While Staying Apart

Facilitating Collective Action through Trust and Social
Connection in the Age of COVID-19



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