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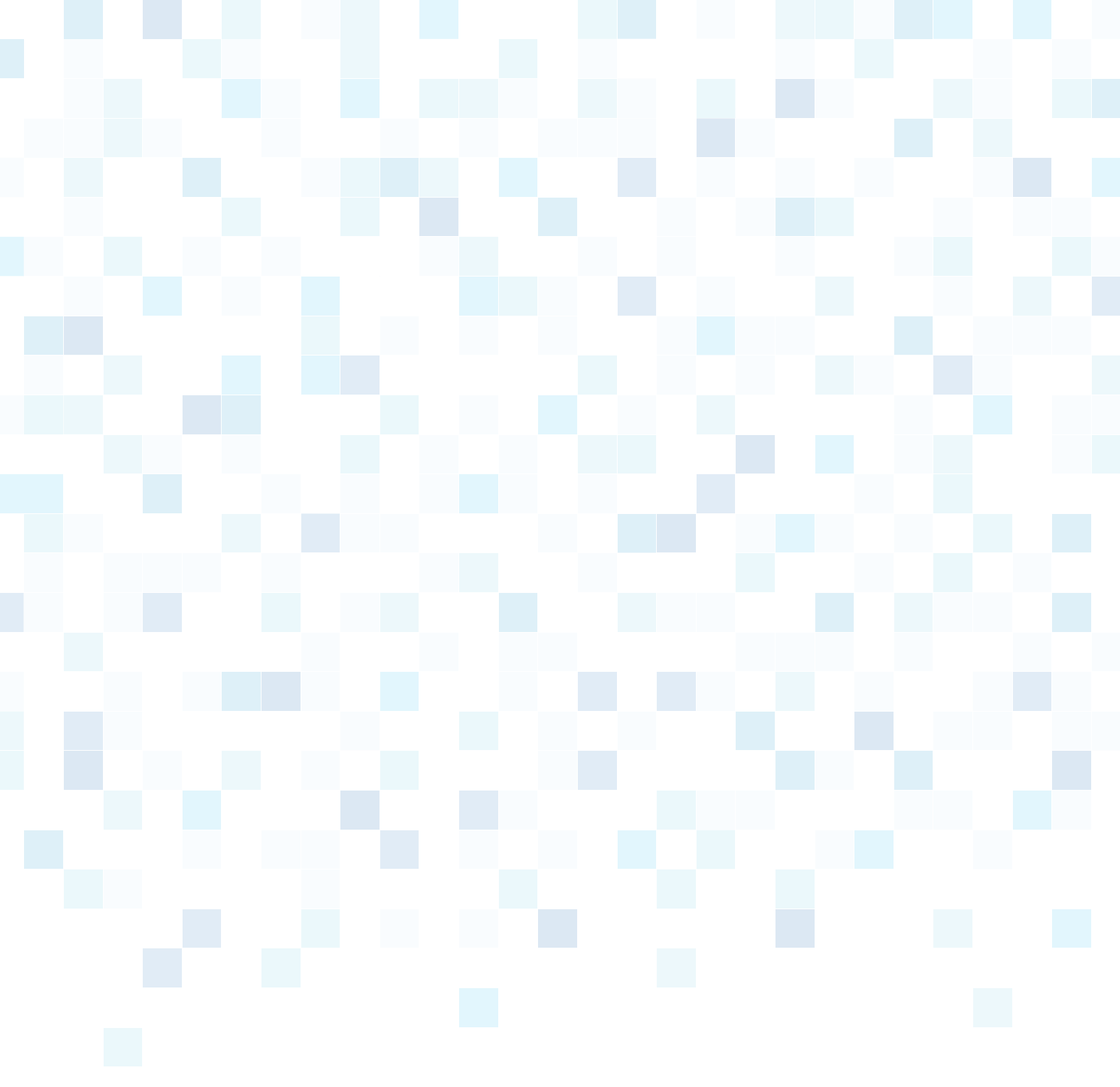
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2023 TRUST FUND ANNUAL REPORT

Addressing Global Challenges

Trust Funds & Partner Relations
Development Finance



This report provides updates on activities as of the end of the World Bank's fiscal year 2023 (fiscal 2023), a 12-month period from July 1, 2022 to June 30, 2023. Throughout this report, the term "World Bank" and the abbreviated "Bank" refer to the five institutions that comprise the Bank: the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). The terms "donors" and "development partners" are used interchangeably. All dollar amounts are U.S. dollars unless otherwise specified. As a result of rounding, numbers in tables may not add to totals, and percentages in figures may not add to 100 percent.

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Foreword

We are at a critical moment in history. The world faces a perfect storm of intertwined and complex global challenges. For the world's developing countries, the lingering effects of the global pandemic, slowing growth, conflict, fragility, food insecurity, and the urgent climate crisis all threaten to unwind development gains and plunge as many as 95 million more people into poverty.

The World Bank is transforming to respond to these compounding crises—fighting to preserve the hard-won development gains of previous decades and evolving to be a better partner to meet the most pressing needs of people and the planet in the future. Trust funds and financial intermediary funds (FIFs) are powerful tools for global development and an important part of this equation.

Trust funds and FIFs complement the World Bank's core funding to meet critical needs, working across the development spectrum and delivering on the World Bank's global challenge programs. Trust funds and FIFs have a powerful multiplier effect by targeting resources to issues of global concern, piloting innovative solutions for the most entrenched problems, developing knowledge that drives results, and allowing the World Bank to respond with urgency and in places otherwise out of reach.

The evolution of the World Bank's mission is an opportunity to further strengthen the impact of trust funds and FIFs. The reforms of the past five years have resulted in fewer, larger, and more strategically aligned trust funds, positioning them to meet this moment as they provide an established pathway for the World Bank to expand partnerships to increase available funds and impact.

Partnerships play a crucial role in the success of the World Bank. Nowhere is that more prevalent than in trust funds and FIFs. We express gratitude to all our development partners, implementing partners, and client countries for their active involvement, cooperation, and commitment to our common mission and vision. As we work collectively to catalyze change and multiply impact in the face of cascading global crises, trust funds and FIFs are an integral component of the effort to end poverty and boost shared prosperity on a livable planet.



Akihiko Nishio

Vice President

Development Finance

World Bank

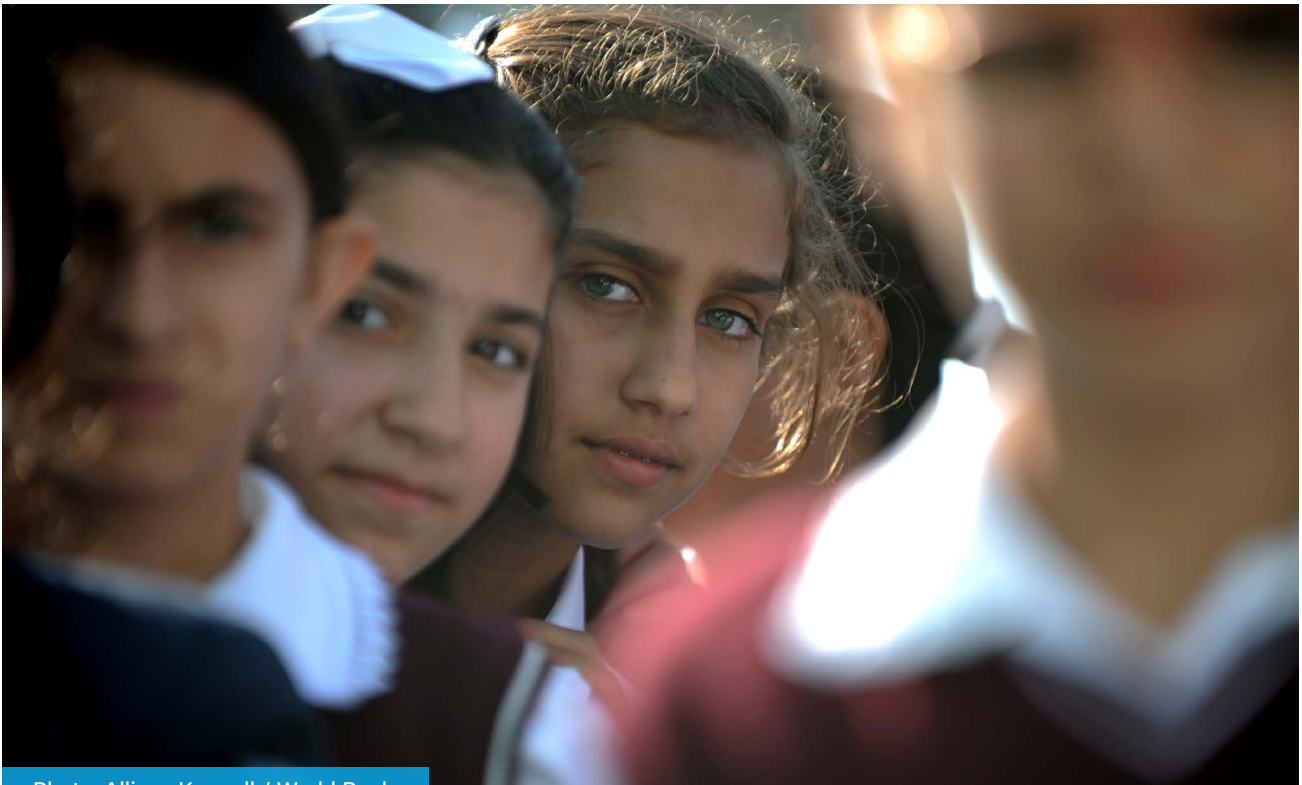


Photo: Allison Kwesell / World Bank

Reading this Report

- **Chapter 1** provides an overview of how the World Bank leverages the partnerships and collaboration engendered by trust funds and FIFs to maximize development impact amid overlapping global crises.
- **Chapter 2** examines the strategic role trust funds and FIFs play in scaling up climate investments, enabling climate adaptation, and incentivizing faster decarbonization across sectors and countries.
- **Chapter 3** looks at how trust funds and FIFs have enhanced the World Bank's response to the COVID-19 crisis, helping to pave the way for long-term recovery and better prepare for future pandemics.
- **Chapter 4** delves deeper into the role trust funds and FIFs play in supporting countries affected by fragility, conflict, and violence, including at-risk regions and recipients unable to receive financing from the World Bank's own resources.
- **Chapter 5** explores how trust funds and FIFs help communities and countries build financial stability and resilience so they are better able to withstand shocks, respond to crises, and access opportunities.
- **Chapter 6** provides additional financial information and analytics on the activities of World Bank trust funds and FIFs. It examines five-year trends (fiscal 2019–2023) on trust fund and FIF inflows, outflows, and assets under management.

[*The 2023 Yearbook of Trust-funded Results*](#) is a separate, supplementary document that tells the stories behind the trust-funded activities referenced in this report. It highlights development partner contributions, the work of beneficiaries and stakeholders, and impact on the ground.

Trust Funds and FIFs at a Glance

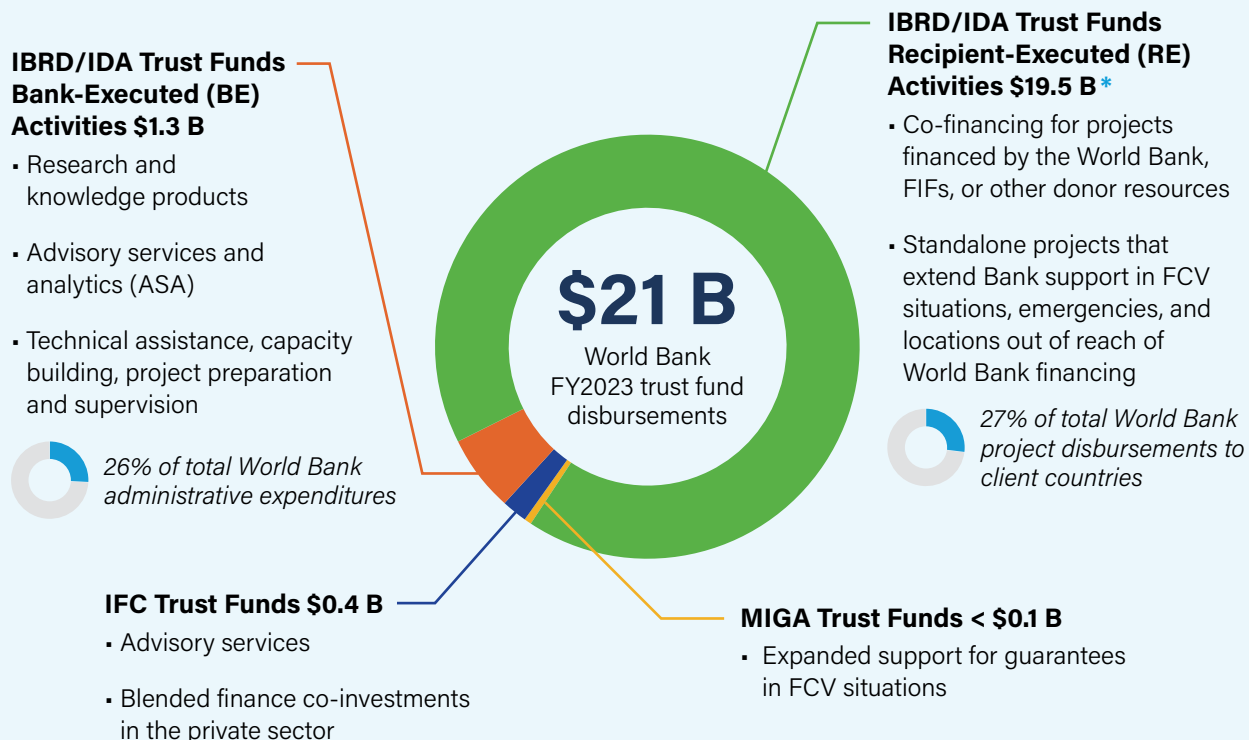


World Bank trust funds are financial instruments that create partnerships and platforms for financial, knowledge, and other collaborations around the world and across every area of development. They accept contributions from one or more donors and are held and disbursed by the World Bank as a trustee. Trust funds represent important funding sources for both clients and the World Bank.



Financial intermediary funds (FIFs) are customized platforms for partnership programs and special financing mechanisms. They provide large-scale commingled funding through multiple implementing entities to address core development challenges. FIFs are typically governed by an independent board, with the World Bank serving as a limited trustee or treasury manager of 26 FIFs and an implementing entity of 20.

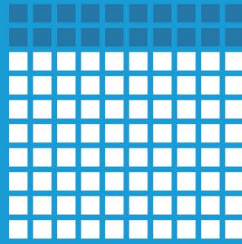
WORLD BANK FY2023 TRUST FUND DISBURSEMENTS



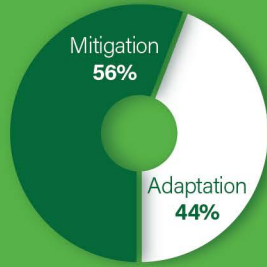
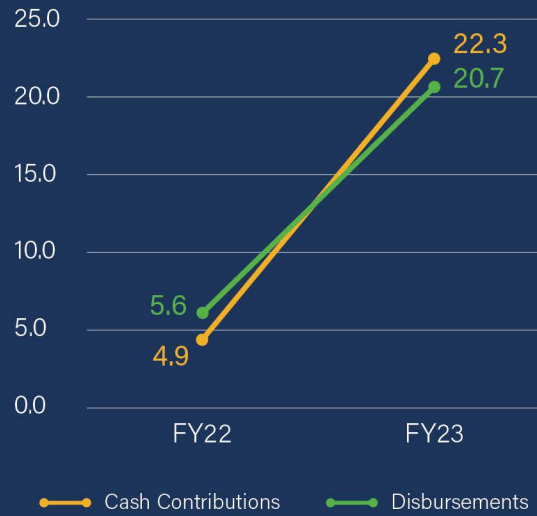
* 97% was from IBRD/IDA trust fund resources (\$18.8 billion), and 3% from World Bank-implemented FIF resources (\$0.7 billion).

80%

Share of IBRD/IDA trust fund RE disbursements for FCV-affected countries
FY2019-23

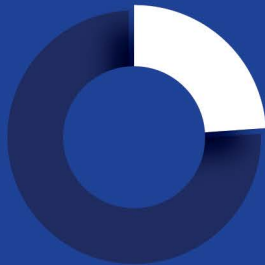


FY2023 increase in IBRD/IDA trust fund contributions and disbursements driven by support for Ukraine (\$B)



\$2.5 B

IBRD/IDA trust fund RE disbursements for climate change mitigation and adaptation
FY2019-23



24%

Share of IBRD/IDA trust fund RE disbursements for IDA countries
FY2019-23

\$19.5 B

IBRD/IDA trust funds disbursed to Ukraine April 2022-June 2023

52% of total World Bank support to Ukraine



\$63 M

Trust fund financing blended with IFC financing to catalyze private investments in emerging markets
FY2023



\$1.2 B

IBRD/IDA trust fund RE disbursements for pandemic prevention, preparedness, and response
FY2019-23



29%

Share of FIF disbursements supervised by the World Bank as implementing entity
20 FIFs FY2019-23

64%

Share of IBRD/IDA knowledge services supported by trust funds
FY2019-23

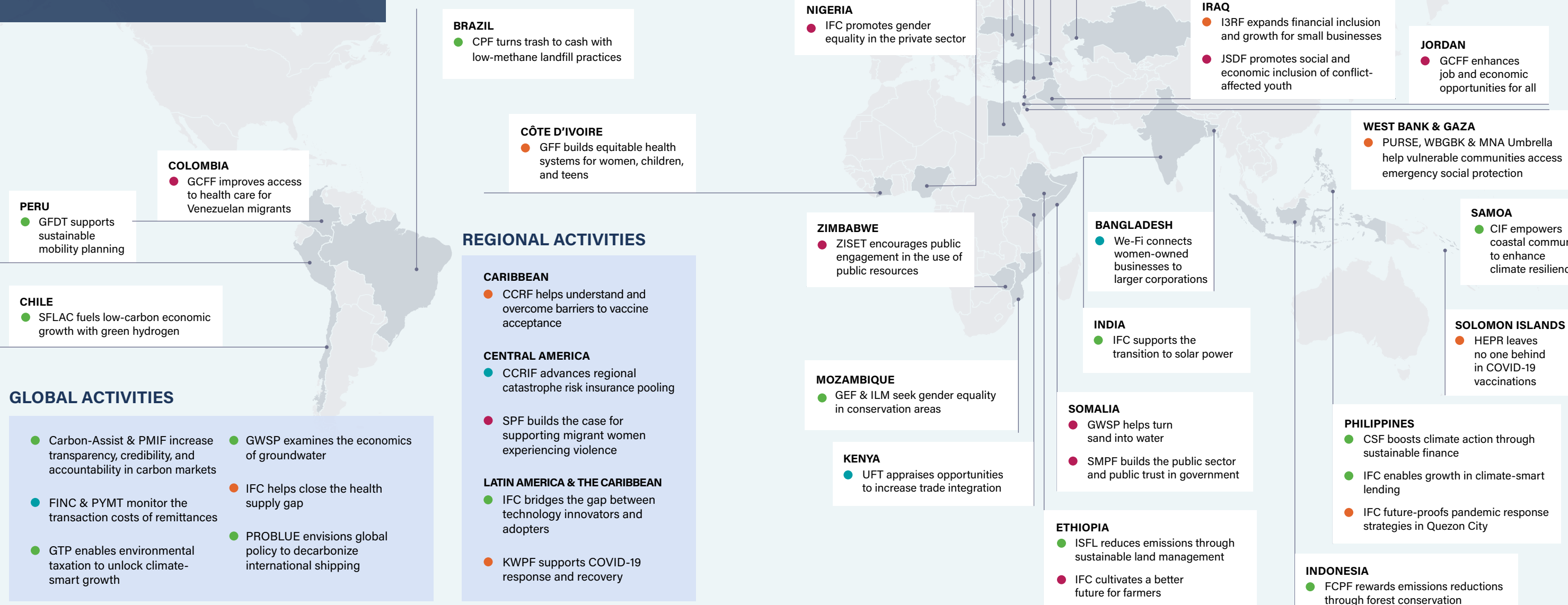
- ✓ Analysis
- ✓ Advice
- ✓ Data
- ✓ Toolkits
- ✓ Research
- ✓ Learning

Trust Funds in Action

World Bank trust funds and FIFs support a diverse range of development activities that help countries, regions, and the global community respond to the overlapping challenges of climate change, pandemics, fragility, conflict, and violence (FCV), and financial instability. This report features the following 52 trust-funded activities implemented in the last five years (fiscal 2019–23). They are further detailed in the [2023 Yearbook of Trust-funded Results](#).

GLOBAL CHALLENGES:

- Tackling climate change
- Strengthening pandemic prevention, preparedness, and response
- Responding to fragility, conflict, and violence
- Building financial sustainability and resilience



GLOBAL ACTIVITIES

- Carbon-Assist & PMIF increase transparency, credibility, and accountability in carbon markets
- FINC & PYMT monitor the transaction costs of remittances
- GTP enables environmental taxation to unlock climate-smart growth
- GWSP examines the economics of groundwater
- IFC helps close the health supply gap
- PROBLUE envisions global policy to decarbonize international shipping

REGIONAL ACTIVITIES

- CARIBBEAN**
 - CCRF helps understand and overcome barriers to vaccine acceptance
- CENTRAL AMERICA**
 - CCRIF advances regional catastrophe risk insurance pooling
- SPF builds the case for supporting migrant women experiencing violence
- LATIN AMERICA & THE CARIBBEAN**
 - IFC bridges the gap between technology innovators and adopters
 - KWPF supports COVID-19 response and recovery

REGIONAL ACTIVITIES

- EAST AFRICA**
 - HEPR breaks the health emergency cycle
- HORN OF AFRICA**
 - GSFF supports regional risk insurance pooling for pastoralists
- MASHREQ**
 - UFGF increases economic empowerment of forcibly displaced women
- SAHEL**
 - CIWA prioritizes groundwater protection
- WEST AFRICA**
 - DDP helps integrate the digital innovation and entrepreneurship ecosystem
 - IFC develops local capital markets
- CENTRAL ASIA**
 - FS2030 protects food systems, preventing future pandemics
- SOUTH ASIA**
 - PARCC crowdsources innovations to manage climate and disaster risks

1 Partnering through Trust Funds and FIFs



Photo: Julia Burlachenko / World Bank

The world has suffered concurrent crises and formidable global challenges that have devastated many of the least developed economies and the most vulnerable communities. The compounding effects of poverty, pandemics, climate change, debt, conflict, food insecurity, and fragility threaten to undo decades of hard-won development gains. The stakes could not be higher—nearly 700 million people live in extreme poverty, and almost half the world’s population live on less than \$6.85 a day.¹ Urgent calls from across the international community demand that radically reformed and strengthened multilateral development banks (MDBs) led by the World Bank address these challenges head-on.

The World Bank is implementing a new playbook committed to creating a world free of poverty on a livable planet. Focusing on eight global challenges (Box 1.1), the Bank aims to end extreme poverty and boost shared prosperity on a livable planet by providing solutions to support country priorities, address global challenges through country programming, and drive development with speed, scale, and impact. This new mission builds on the Bank’s country-based model while retrofitting its operational and financial modalities to mobilize more co-financing for development. Trust funds and financial intermediary funds (FIFs) play an important role in this evolution.

Trust funds and FIFs are powerful tools for global development. They represent some of the best cooperation, commitment, and action of the international community to address the world’s most pressing problems. They help advance progress on the Sustainable Development Goals (SDGs) and the policy and investment priorities of middle and low-income countries. Trust funds and FIFs are flexible, responsive tools in the World Bank’s comprehensive toolkit of policy and financial instruments, bringing both complementarity to Bank operations and targeted and customized solutions (Box 1.2).

BOX

1.1

Global Challenges Key to Creating a World Free of Poverty on a Livable Planet



Climate change adaptation and mitigation



Addressing fragility and conflict



Pandemic prevention and preparedness



Energy access



Food and nutrition security



Water security and access



Enabling digitalization



Protecting biodiversity and nature

¹World Bank. October 17, 2023. "[Poverty: Overview](#)" World Bank.

BOX The Many Benefits of Trust Funds and FIFs

1.2

- Increase the concessionality, scale, and reach of World Bank projects and programs
- Facilitate World Bank knowledge services, including advisory services and analytics (ASA), original research, data generation and analysis, and a broad range of knowledge products
- Extend the Bank's reach in countries affected by FCV, non-member countries, countries in arrears, and non-sovereign entities
- Enable rapid responses to national, regional, and global emergencies
- Pilot projects to test new approaches for scale-up
- De-risk investments in emerging markets to stimulate other financiers

By creating a platform for innovation, trust funds and FIFs often have a catalytic, outsized impact on global development. The highly concessionary financial resources provided by these instruments co-finance both IBRD loans and IDA credits, which helps soften terms for borrowing countries and makes it easier to pilot innovative solutions by de-risking investments in an efficient manner. These resources encourage experimentation, make space to pilot and scale up projects, and generate global public goods in which borrowing countries may be unwilling to invest without incentives to do so.

Trust funds and FIFs offer tremendous flexibility. The tractability of trust funds, in allocation and implementation, enables the Bank to rapidly respond in times of crisis and remain engaged, especially in places where core lending activity is complicated. The flexible design of FIFs enables funds to be raised from multiple sources and channeled in a coordinated manner to address global priorities.

Trust funds and FIFs are engines of knowledge, contributing to a wide variety of IBRD and IDA projects implemented by recipients. They enable countries to obtain technical assistance, expertise,

and analytics to support national development, as well as the administrative, knowledge, and advisory services provided by the World Bank staff to support client needs, project preparation and implementation, and wide-ranging global public goods.

The World Bank's private sector arm IFC also uses trust fund and FIF resources to unlock private sector finance for development, by establishing credible standards for investors, enabling financial innovation, and mobilizing private capital beyond IFC's own account. Trust funds and FIFs support IFC's continuum of expertise, ranging from analytics and diagnostics to advisory and to game-changing investment opportunities that stimulate greater private sector investments.

MIGA, the World Bank's political risk insurance and credit enhancement arm, also works with development partners to leverage its resources and increase the risk appetite of private investors in challenging environments. By collaborating with development partners to establish specialized guarantee trust funds, MIGA mobilizes guarantee capacity in high-risk states affected by fragility, conflict, and violence (FCV), where its operations would be limited.



Photo: World Bank

The World Bank is a partner of choice for trust funds and FIFs. Of the 26 FIFs that the World Bank administrates, 18 chose to have the Bank host their secretariat and 20 use the Bank as an implementing entity. During the last five years (fiscal 2019–23), the World Bank has implemented \$4.4 billion from these 20 FIFs, representing 29 percent of their total funding provided to recipient countries and regions around the world. For many FIFs, the World Bank is their largest implementing entity.

As trustee of trust funds and FIFs under its management, the World Bank takes its fiduciary obligation seriously. It provides regular reports to development partners on the progress of funded activities and the use of trust funds, as agreed in legal agreements. The Bank provides a management assertion and an attestation from external auditors regarding internal controls over cash-based financial reporting for all cash-based trust funds, along with a combined financial statement for these trust funds, and the auditor's opinion on them.

When the World Bank engages in a trust-funded program, it is not simply an administrator for the contributing donors. Rather, the Bank brings all its

institutional capacities to bear to achieve shared objectives more efficiently than one partner could achieve by itself. The Bank is a thought leader with deep technical expertise and knowledge and a trusted source of development data and analysis. Its global reach, country presence, and central place in international development networks mean the Bank can convene partners across sectors and geographic locations to facilitate consensus on approaches to key development issues and then activate operations on the ground. These abilities and attributes ensure trust fund and FIF funding is used strategically to maximize coordinated action and achieve impact at scale.

Nowhere has the value of trust fund partnerships been more evident in fiscal 2023 than in Ukraine. Since Russia's invasion in February 2022, the World Bank and other development partners have mobilized more than \$37.5 billion—over half of which, \$19.5 billion, has been disbursed through World Bank trust funds.² Support for Ukraine is largely responsible for the jump in total IBRD/IDA trust fund contributions and disbursements, which went from \$4.9 billion and \$5.6 billion, respectively, in fiscal 2022 to \$22.3 billion and \$20.7 billion, respectively, in fiscal 2023.

² Trust fund disbursements for Ukraine totaled \$2.4 billion in fiscal 2022 and \$17.1 billion in fiscal 2023.



Photo: Julia Burlachenko

New trust funds were set up to deliver fast-disbursing, targeted funding to assist the people of Ukraine with their immediate needs, keep institutions and services running, and enable wider recovery and reconstruction efforts. The World Bank has since established the **Multi-Donor Resources for Institutions and Infrastructure (MRII) Facility** to coordinate IBRD/IDA, IFC, and MIGA support for Ukraine, including trust-funded initiatives. The facility takes a phased and multi-pronged approach to mobilizing financing and coordinating resources through guarantees, co- and parallel financing, and other financial instruments.

Trust funds also enable international aid to flow to Afghanistan. Since the country's abrupt change of government in August 2021, the **Afghanistan Resilience Trust Fund (ARTF)** has served as the

central partnership platform from which the Bank has coordinated with development partners and donors and committed over \$1 billion in off-budget support for the Afghan people. United Nations agencies and the Aga Khan Foundation implement ARTF-funded operations to deliver critical health, livelihood, food, water, and education services, as well as to collect and analyze data on current conditions within households and communities to inform humanitarian and development aid.

Pooled funding and partnership platforms have become a common development approach in conflict-affected, crisis, and reconstruction situations. Engagement with partners with on-the-ground presence in fragile settings has enhanced the Bank's effectiveness. For example, cooperation with the International Committee for the Red Cross has

been critical in delivering services for health and food security in hard-to-reach areas of Somalia and South Sudan. Engagement with these partners improves development partner coordination and harmonization of objectives, joint leverage in dialogue with government, impact, and efficiency. It dilutes exposure to political and reputational risks, increases funding predictability, and promotes robust fiduciary and monitoring frameworks.

International cooperation has also been essential for responding to the COVID-19 pandemic, with trust funds and FIFs playing important roles in saving lives, protecting the poor, maintaining education continuity, ensuring sustainable business growth and job creation, and strengthening policies, institutions, and investments. In the wake of the pandemic, trust-funded research and analysis by the World Bank have helped cities, countries, and regions worldwide assess their COVID-19 response and institute reforms to build resilience against future pandemics by strengthening health care systems, vaccination protocols, and community outreach.

In fiscal 2023, the World Bank used its convening power, knowledge, and experience to bring together G20 members, the World Health Organization, MDBs, global health institutions, and civil society to establish the **Pandemic Fund**. This new FIF answers the global call to augment the existing health security financing system and mobilize additional resources to build health systems and strengthen pandemic prevention, preparedness, and response capabilities in low and middle-income countries. It has raised \$2 billion in initial contributions and issued its first call for proposals in February 2023.

Also ready for action is the **Scaling Climate Action by Lowering Emissions (SCALE)** multi-partner umbrella trust fund initiated in fiscal 2023. The amount of resources required to combat climate change is immense, and the World Bank is working on many fronts to expand climate finance opportunities. SCALE builds on the Bank's 20 years of experience with projects that generate high-quality, high-integrity

emission reduction credits using results-based climate finance. This new umbrella program will pool funding from the global community, including donor countries, the private sector, and foundations, and make it available for the most impactful programs that reduce greenhouse gas (GHG) emissions. Technical advice and capacity strengthening provided by SCALE will also help countries gain the tools, knowledge, and experience they need to access additional private sector finance through international carbon markets.

This report sheds light on these and many more trust fund programs that contribute to World Bank-led responses to overlapping global challenges, with a focus on climate change, pandemics, FCV, and the financial instability they engender. While the chapters are distinct, these four focus areas intersect and bring in other global challenges, such as energy access, food and nutrition security, water security and access, enabling digitalization, and protecting biodiversity and nature.

The 52 trust-funded activities featured in this report and the supplemental [2023 Yearbook of Trust-funded Results](#) cover a five-year period from fiscal 2019–23. These impactful activities demonstrate the interconnectedness of the challenges—and their solutions—and show how trust fund partnerships benefit the World Bank, its clients, and its development partners. For example:

- Analysis and mapping of groundwater-dependent ecosystems in the Sahel supported by the **Cooperation in International Waters in Africa (CIWA)** induced countries in the region to initiate reforms to protect these essential carbon sinks, vital to rural economies, livelihoods, and biodiversity.
- **IFC trust funds** helped advance a public-private partnership in India to develop eight solar power parks totaling 1,500 megawatts and expected to reduce 2.8 million tons of GHG emissions annually.

- World Bank-led research funded by the **Global Program for the Blue Economy (PROBLUE)** informs industry players in international maritime shipping on ways to harness the unique business and development opportunities that decarbonizing the sector provides.
- Advice and analysis funded by **Food Systems 2030** helped lay the groundwork for regional cooperation in Central Asia on pandemic preparedness that prioritizes zoonoses, antimicrobial resistance, and food safety.
- Co-financing from the **Global Agriculture and Food Security Program (GAFSP)** helps West African countries build regional capacity to manage agricultural and food insecurity risks through more productive climate-smart agricultural practices and increased intraregional trade.
- **IFC trust funds** helped smooth the way for digital data corridors among credit bureaus in Eastern Europe, enabling Ukrainian refugees to verify their identities and credit histories electronically so they can gain access to finance in host countries.



Photo: André Benamour / LCBC

**BOX
1.3****Key Features and Principles of Umbrella 2.0 Programs**

- Each umbrella program is anchored by a primary, or anchor, multi-donor trust fund and may include associated trust funds.
- A single governance structure for all funds in a program—the Partnership Council—brings the World Bank’s management and partners to the same table around common development objectives, helps avoid fragmentation of resources, and increases efficiency.
- The Partnership Council endorses the umbrella program’s annual work program and budget after which the World Bank allocates program resources to individual activities.
- A unified results framework for each umbrella program is developed in consultation with development partners and covers activities funded by all trust funds in a program. It is the key monitoring tool to assess how individual activities are contributing to a program’s overall development objectives. The Partnership Council reviews progress against the unified results framework.
- Unified reporting is implemented at the program level with a strong focus on results.
- A communication and visibility plan for each umbrella program ensures that its strategic communication needs are considered and implemented.

1.1 Managing Trust Funds and FIFs

Across the World Bank, trust funds and FIFs are managed so that their financing can be mobilized with speed and efficiency (Table 1.1). Trust fund management arrangements are designed to enhance strategic alignment and to promote strong internal oversight and risk management, streamlined processes, and effective collaboration on establishing development priorities among the Bank, development partners, and client countries. The World Bank also provides administrative, operational, legal, and financial services to a diverse portfolio of FIFs and, in many cases, acts as an implementing entity (Annex E).

Since 2020, the World Bank has worked to transition from a fragmented portfolio of IBRD/IDA trust fund accounts to 72 larger and more strategically aligned

Umbrella 2.0 Programs (Annex C). These programs, developed in consultation with the Bank’s major donors, seek to promote good oversight, greater efficiency, and results reporting (Box 1.3). Reforms have streamlined and harmonized governance and management processes for better engagement, transparency, and integration with the Bank’s strategy and planning processes while reducing transaction costs for mutual benefit.

By targeting donor resources through fewer and larger umbrella programs, the World Bank is reducing its trust fund portfolio to strengthen the link between financing and strategic priorities. Better-focused, more consolidated umbrella programs complement the Bank’s core instruments and align with its country-driven model. They support programmatic approaches for addressing global priorities and global public goods, enable analytical and advisory work, and pilot approaches for later uptake under core instruments.

UPDATE ON TRUST FUND REFORMS

Continued engagement across the World Bank's Global Practices and Regions has maintained internal momentum on the reforms. During fiscal 2023, four new umbrella programs were added and two were dropped resulting in a total of 72 umbrella programs, of which 62 are up and running. Standalone trust funds have been reduced by 41 percent since the baseline, decreasing the number to 275 at the end of fiscal 2023 (Table 1.1).

The reforms have now entered their next phase to further improve the use of trust funds, including upstream integration of trust fund resources with the World Bank's business planning processes. This is possible because donors in umbrella programs are more focused at a strategic level, enabling the Bank to take funding decisions for individual activities and projects.

In fiscal 2023, an early consultation and clearance process on the use of global funds at the country level was put in place to improve trust funds' global-to-country linkages. A new internal information platform was launched to help Bank teams working in operations more easily access information on potential umbrella program funding, whether global, regional, or country.

The Bank has also started developing a more harmonized approach to the process of allocating trust fund resources in line with key principles of ensuring transparency, efficiency, strategic alignment, and management oversight. Once implemented, this will reduce the unnecessarily wide diversity of practices and support internal efficiency, oversight, and the integration of trust funds into the Bank's business planning cycle for better whole-of-finance decision making.

STRATEGIC FUNDRAISING

The annual Strategic External Funds Framework (SEFF) exercise supports the Bank's management in furthering the evolution to a more strategy-driven approach to fundraising and authorizing changes in the trust fund portfolio architecture. The fiscal 2023 exercise consolidated progress made in the shift to a streamlined umbrella trust fund portfolio architecture and allowed for Bank management to review fundraising plans and ensure their alignment with priorities. Further, it helped confirm the realism of the fundraising plan for fiscal years 2024–26. Based on the plans laid out in the SEFF, 89 percent of trust fund fundraising will target umbrella programs.

Table 1.1. Disaggregation of IBRD/IDA Trust Fund Portfolio as of June 30, 2023

	Trust Fund Accounts
Trust Funds Managed by Operational Units	453
<i>Established Umbrella 2.0 Programs - Anchor Trust Funds</i>	62
<i>- Associated Trust Funds</i>	58
<i>Standalone Trust Funds</i>	275
<i>Standalone Co-financing Trust Funds</i>	58
Trust Funds Managed by Corporate Units	33

This table excludes 161 trust fund accounts that do not contribute to fragmentation or challenges with strategic alignment, such as parallel trust funds established following the new cost recovery mechanism, trust funds enabling the Bank's role as FIF implementing entity and/or secretariat host, and trust funds created for administrative and other purposes.

Note: Standalone trust funds are those established by a World Bank business unit outside of an umbrella program. Standalone co-financing trust funds are trustee-level trust funds established for the sole purpose of co-financing an IDA or IBRD operation.

Table 1.2. World Bank Trust Fund and FIF Management Arrangements

■ **IBRD/IDA** ■

In 2023, the process continued to transition from a fragmented portfolio of trust fund accounts to 72 larger and more strategically aligned Umbrella 2.0 Programs (Annex C).

- Umbrella programs offer strategic alignment and stronger internal oversight, reduced transaction costs, and better integration with the Bank's strategy and planning processes.
- Streamlined, harmonized governance and management processes facilitate better engagement, transparency, and risk management.
- Increased focus on results reporting and communications aims to boost visibility.
- 89% of trust fund fundraising targets umbrella programs.

■ **IFC** ■

In 2023, IFC updated several key trust fund policies and procedures:

- The IFC Trust Fund Directive was revised to consolidate the IFC policy framework regarding IFC Advisory and Blended Finance trust funds and introduce Upstream as a new segment of IFC work relying on development partner support.
- A modernized IFC Trust Fund Accreditation course was introduced to ensure operational and support staff have up-to-date information on IFC trust funds management. This mandatory training will reach approximately 1,000 IFC staff.
- Reporting on trust-funded programs continues to be streamlined to enhance the quality of IFC donor reports while gaining efficiency in the reporting process.

■ **MIGA** ■

In fiscal 2022, MIGA adopted the MIGA Strategic Priorities Program to streamline management of its five active multi-donor trust funds.

- The program entails a common governance framework that provides unified governance, reporting, and oversight requirements.
- It has a consistent approach toward strategy, fundraising, and coordination to avoid duplication of trust fund activities.
- It boosts MIGA's ability to provide blended finance solutions and crowds in public and private reinsurance, where available, to deploy guarantees in support of its clients.

■ **FIFs** ■

In fiscal 2023, the Bank served as limited trustee or treasury manager for 26 FIFs (Annex E).

- FIF Management Framework, policies, and procedures were adopted to strengthen the selectivity, shaping, and oversight of FIFs as part of building a strategic global aid architecture.
- Increased strategic engagement with development partners continued as part of ongoing efforts to shape the dialogue on new FIF proposals and the continuum of financing instruments available to meet development objectives.

Interconnected Challenges and Solutions



42% of climate-related IBRD/IDA trust fund RE disbursements supports countries impacted by FCV

(FY2019–23)

Leveraging Global Partnerships



1/3 of climate-related IBRD/IDA trust fund RE disbursements are transfers from FIFs

(FY2019–23)

Top Beneficiaries of Trust Fund Support for Climate Action



South Asia
20% of disbursements



East Africa
21% of disbursements

Climate-related IBRD/IDA trust fund RE disbursements (FY2019–23)

Climate change reverberates across the globe, but low-income countries and vulnerable communities suffer the most despite contributing the least to carbon emissions. Left unchecked, climate change could push 132 million people into poverty over the next 10 years, undoing hard-won development gains.³ It could drive 216 million people to migrate within their own countries by 2050, with hotspots of internal migration emerging as soon as 2030.⁴ Extreme weather events caused by a changing climate have already severely strained crop yields and are expected to further damage global food supplies, especially in the world's most food-insecure regions. GHG emissions that cause global warming continue to grow, and the world is not on track to meet net zero by 2050.⁵

Tackling climate change is urgent and fundamental to the fight against poverty. The World Bank is the largest multilateral financier of climate action in developing countries. It delivered a record \$38.6 billion in climate finance in fiscal 2023, a 22 percent increase from last year. Guided by its [Climate Change Action Plan 2021–2025](#), the Bank is mainstreaming climate into all its development work, ensuring that by 2025 everything it does is aligned with the objectives of the Paris Agreement.

The Bank helps countries most affected by the climate crisis turn their national plans, policy priorities, and other climate ambitions into meaningful action on reducing or preventing GHG emissions (mitigation) and adjusting to unavoidable consequences of climate change (adaptation). It works with both the public and private sectors to implement policy and regulatory reforms and to create incentives for investments that can mitigate climate change, as well as help countries adapt to it. Well managed, a just transition to low-carbon development can usher in an era of green growth with more and better jobs, greater economic and climate resilience, and greater equality and shared prosperity.

The World Bank's commitments for climate-related investments reached 41 percent of total Bank financing in fiscal 2023. IBRD and IDA together delivered \$29.4

billion in climate finance, of which almost \$12 billion supported investments in adaptation and resilience. This brings the Bank closer to its goal of achieving parity between mitigation and adaptation financing. IFC, which delivered \$7.6 billion in total climate finance in fiscal 2023, and MIGA, which provided \$1.5 billion, also continue to step up efforts to identify private sector investment opportunities that enhance adaptation and resilience.

Trust funds and FIFs are part of this push for increased climate action. They play an important role in the provision of concessional funding to scale up climate investments, help countries in their quest for climate adaptation, and incentivize faster decarbonization. The World Bank uses trust funds in tandem with its core financing, as well as with climate-related FIFs, to address global climate challenges and support countries' sustainable development efforts.

The volume of recipient-executed (RE) disbursements from IBRD/IDA trust funds going to climate and other environment-related activities has increased annually for the last five fiscal years of 2019–23 (Figure 2.1). Climate-related RE investments during this time frame totaled \$2.5 billion, of which \$1.4 billion, or 56 percent, were for mitigation activities, and \$1.1 billion, or 44 percent, were for adaptation activities (Figure 2.2). Two-thirds of all RE climate-related disbursements, or \$1.7 billion, were contributed by development partners, while the other one-third, or \$0.8 billion, consisted of transfers from FIFs implemented by IBRD/IDA.

Twelve of the 26 FIFs administered by the Bank focus on climate change and environmental issues. The Bank acts as an implementing entity for many of these FIFs, including the Global Environment Facility (GEF), the Climate Investment Funds (CIF), and the Green Climate Fund (GCF). These are the three largest climate-related FIFs, with the GEF providing concessional funding for environment-related activities more broadly, and CIF and the GCF focusing on climate change mitigation and adaptation.

³ Jafino, B.A. et al. 2020. "[Revised Estimate of the Impact of Climate Change on Extreme Poverty by 2030](#)." Policy Research Working Paper 9417. World Bank, Washington, D.C.

⁴ Clement, V., et al. 2021. [Groundswell Part 2: Acting on Internal Climate Migration](#). Washington D.C.: World Bank.

⁵ To keep global warming to no more than 1.5°C, as called for in the Paris Agreement, global GHG emissions need to be reduced by 45 percent by 2030 and reach net zero by 2050.

Figure 2.1. IBRD/IDA Trust Fund RE Disbursements for Climate and Other Environmental Activities, Fiscal 2019-23 (\$ Millions)

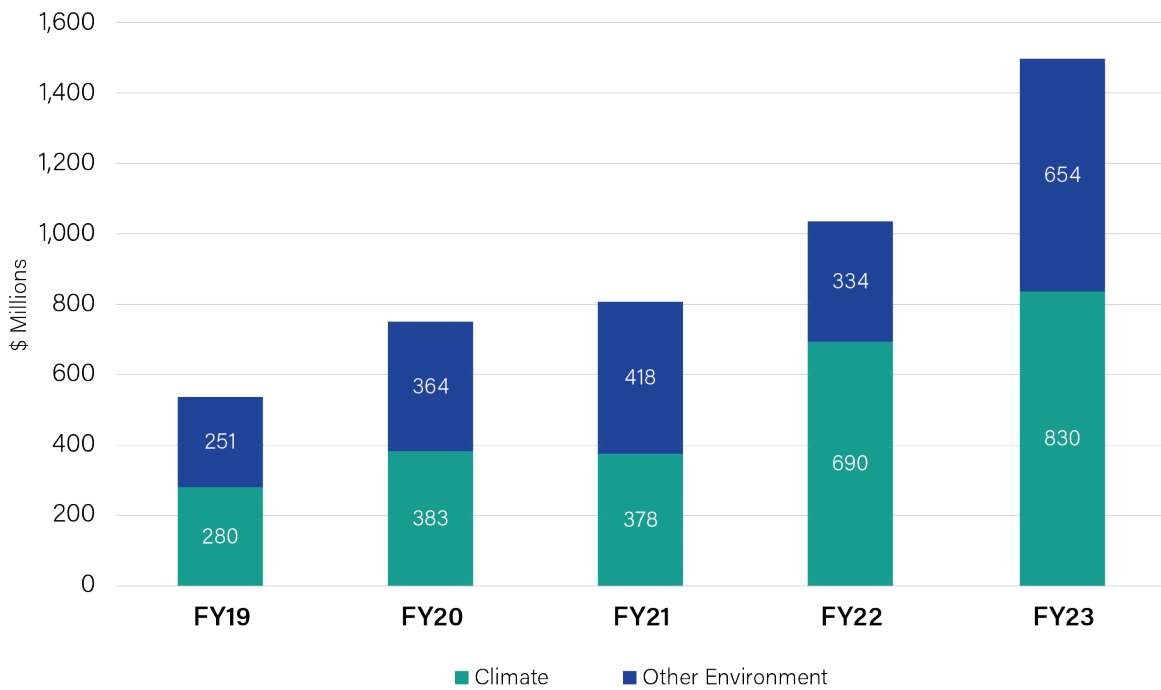
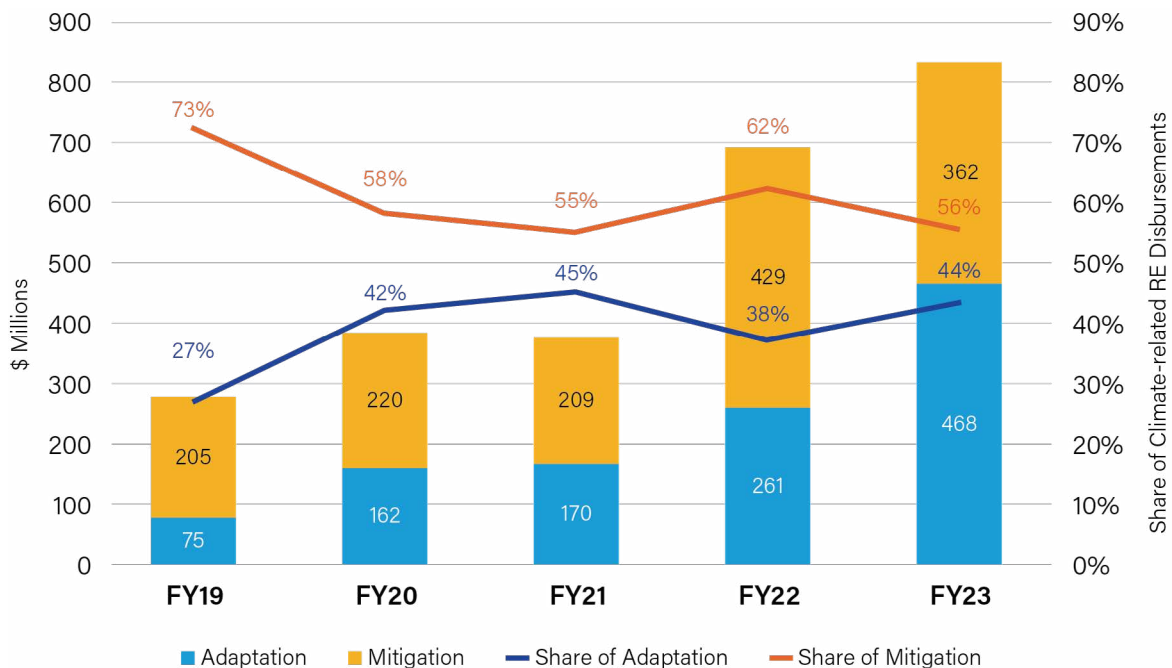


Figure 2.2. IBRD/IDA Trust Fund RE Disbursements for Mitigation and Adaptation Activities, Fiscal 2019-23 (\$ Millions)



2.1 Advancing Mitigation Efforts

The World Bank prioritizes mitigation activities in the following five systems, which together contribute over 90 percent of global GHG emissions: energy; agriculture, food, water, and land; cities; transport; and manufacturing. Transforming these systems is key to achieving Nationally Determined Contributions (NDC)—emission reductions that countries pledge to achieve under the Paris Agreement—as well as countries' development goals. Trust funds are part of these efforts.

For instance, given green hydrogen's promise as a renewable energy source that could help decarbonize challenging sectors, such as mining and transport, a technical assistance grant to Chile from the **Spanish Fund for Latin America and the Caribbean (SFLAC)** has played a pivotal role in advancing the country's National Green Hydrogen Strategy. The grant enabled the Bank to provide valuable knowledge and policy guidance, helping to position Chile as a regional leader in green hydrogen. Furthermore, it informed the preparation of a \$150 million IBRD project approved in June 2023 to support the creation of a Green Hydrogen Fund.

“With support, we will be able to establish a fund that will provide financing under favorable long-term conditions for the development of projects... and support the development of this industry.”

— *Mario Marcel, Minister of Finance, Chile*

Energy sector transformation is also underway in Ukraine, despite Russia's invasion. On March 16, 2022, the Ukrainian power system started synchronous operations with the power systems of the European Network of Transmission System Operators for Electricity (ENTSO-E) after disconnection from the Unified Power System of Russia. The World Bank utilized various trust funds to support this journey through project investments and technical assistance.⁶

Ukraine now has access to a larger reserve of power and one of the world's largest integrated electricity markets, to which Ukraine turned to improve its energy security after military attacks damaged more than half of its power infrastructure in late 2022. Over the long term, the synchronization will help Ukraine unlock trade opportunities with the European energy market and competition within the domestic market, as well as move toward sector decarbonization. A more flexible power system will allow greater integration of renewable energy sources, thereby lessening reliance on fossil fuels.

In India, IFC used trust funds⁷ to help advance a public-private partnership between Rewa Ultra Mega Solar Ltd. and the state government of Madhya Pradesh to develop eight solar power parks totaling 1,500 megawatts and expected to reduce 2.8 million tons of GHG emissions annually. The advisory project, completed in fiscal 2023, not only resulted in some of the lowest solar tariffs in the state, but it also secured Indian Railways, one of the largest electricity consumers in the country, as a power procurer alongside the state power procurement entity, MP Power Management Company Limited. Having a captive, high-quality buyer has helped to de-risk the generation project, and it has created an opportunity for the largest railway network in Asia to reduce the carbon footprint of its train operations.

⁶ The trust funds involved were Bank-implemented financing from CIF's Clean Technology Fund (CTF), the Ukraine Second Power Transmission Project Single-Donor Trust Fund, the Global Facility for Disaster Reduction and Recovery (GFDRR), the Korea Green Growth Trust Fund (KGGTF).

⁷ The IFC trust funds involved were the Australia Department of Foreign Affairs and Trade – IFC Global Advisory Services Trust Fund, and the Infrastructure Development Collaboration Partnership Fund (DEVCO).



Photo: Carlos F Pardo / World Bank

Peru is also focused on transport sector decarbonization. The **Global Facility to Decarbonize Transport (GFDT)** supported the preparation of an IBRD project focused on traffic management and safe infrastructure for bicyclists and other non-motorized transport users in the capital Lima. GFDT-funded data and analysis helped to prioritize transport investments and inform bike lane design, traffic flow, street intersection safety, and capacity building for local transport planning agencies. The work will shape the next 10 years of the investment program and Lima's urban transport planning efforts more broadly. It will also serve as a blueprint for Lima's secondary cities and similar World Bank projects elsewhere.

With funding from the **Global Program for the Blue Economy (PROBLUE)** and in partnership with clients, sector specialists, and scientists, the World Bank led [a series of reports](#) on decarbonizing the international maritime shipping sector and harnessing the unique business and development opportunities it provides. This research offers insight to policymakers

of the International Maritime Organization, whose 2023 GHG reduction strategy includes a common ambition to reach net-zero GHG emissions from international shipping close to 2050. Other industry and civil society players also use these World Bank global knowledge products to make evidence-based policy and investment decisions.

“PROBLUE has been particularly instrumental in identifying potential and supporting low-income countries in developing their blue economy, especially business opportunities in the area of alternative fuels.”

— Jan Hoffmann, Head, Trade Logistics Branch, Division on Technology and Logistics, United Nations Conference on Trade and Development

The World Bank's climate change mitigation work also includes helping countries boost their public domestic resources for climate action. Green taxes and fossil fuel subsidy reforms can help countries raise revenues while accelerating investments in renewables, but such measures are underutilized. With funding from the **Global Tax Program (GTP)**, the World Bank and the International Monetary Fund (IMF) developed the Climate Policy Assessment Tool (CPAT). Countries can use CPAT to design and assess climate-smart tax and subsidy reform options, such as carbon taxes, emissions trading systems, coal excise taxes, power feebates, electricity excises, electricity emissions, and renewable subsidies. The Bank has applied the tool in over 30 countries, contributing to development policy operations (DPOs) in two countries and several World Bank Country Climate and Development Reports.

2.2 Adapting and Building Resilience to Climate Impacts

The World Bank helps countries around the world adapt and build resilience to the increasingly severe impacts of climate change so they can better prepare for and withstand climate shocks. The Bank has committed to ensuring that half of its climate finance supports adaptation and resilience. Trust funds contribute to this goal, building partnerships and delivering adaptation investments that benefit people and communities now and long into the future.

For example, the **Global Facility for Disaster Reduction and Recovery (GFDRR)** supports World Bank collaboration with a range of UN agencies, governments, and other partners to help countries reduce disaster risk and losses from natural disasters. It also serves as the World Bank's implementing entity for the **Climate Risk and Early Warning Systems Initiative (CREWS)**—a FIF that invests in early warning systems to protect lives, livelihoods, and assets in least-developed countries and small island developing states (SIDS) that are most vulnerable to the impact of climate and extreme weather events.

GFDRR enables a range of World Bank technical support and analytical tools, such as the Global Rapid Post-Disaster Damage Estimation (GRADE) deployed in the aftermath of recent floods in Pakistan. The assessment directly informed the recovery operations and helped leverage \$1.7 billion of World Bank financing. In Chad, the GFDRR-backed Nature-Based Solutions Opportunity Scan identified areas in which nature-based solutions could reduce pluvial and fluvial flood risks and address urban heat in the capital city. This led to a \$150 million IDA investment in N'Djamena's urban resilience.

Nigeria has benefitted from Bank-implemented funding from the **Global Environment Facility (GEF)** and its **Special Climate Change Fund** to better handle disaster risks related to erosion. The Nigeria Erosion and Watershed Management Project (NEWMAP) helped to reduce soil erosion in targeted sub-watersheds across 23 states through an integrated watershed management approach. Some 12 million people have benefited from reconnected transport corridors, better access to markets and services, reduced flooding and siltation, improved storm water planning, and improved disaster risk preparedness.

From too much water to not enough, trust-funded activities help countries cope with water scarcity made worse by climate change. Groundwater is a vital freshwater resource worldwide, particularly in times of drought. As climate change worsens, policymakers need to better understand and manage this critical asset. The **Global Water Security and Sanitation Partnership (GWSP)** funded a new World Bank global flagship report entitled, [*The Hidden Wealth of Nations: The Economics of Groundwater in Times of Climate Change*](#). It considers the economic value of groundwater, the costs of misusing it, and the opportunities to leverage it more effectively. The report offers new data and evidence to help prioritize groundwater across sectors and at the highest political level.



Photo: Adaptation Fund

Governments of several countries in the Sahel have initiated institutional reforms to improve the management of their groundwater resources, thanks to research funded by the **Cooperation in International Waters in Africa (CIWA)** through the Sahel Groundwater Initiative. Analysis of the challenges of groundwater management in the region underscores the importance of this natural resource as a buffer against increasing water stress in arid lands and proposes a first typology of Sahelian groundwater-dependent ecosystems.

Climate adaptation and resilience measures demand high-level political action, but also local community buy-in. In Samoa, the World Bank implemented a \$14.6 million project financed by **CIF's Pilot Program for Climate Resilience (PPCR)** that built on the governance embedded within traditional community structures to integrate climate risk and resilience into core development planning. Communities prioritized adaptation investments to protect coastal resources

and infrastructure from sea level rise and intensifying storms. Over 140,000 people benefitted from investments ranging from rehabilitating mangroves to building safe shelters and escape roads. Some 400 hectares of degraded land were replanted and fish reserves were strengthened.

“The project has not only benefitted our villages and district communities but also civil society and the private sector. We have started to build community resilience to climate change to deal with multiple shocks.”

— *Afioga Leasiosiofa'asisina Galumalemana Oscar Malielegaoi, Chief Executive Officer of the Ministry of Finance, and Chairperson of the Climate Resilience Steering Committee, Samoa*

Community engagement is central to Mozambique's Conservation Areas for Biodiversity and Development Project (MozBio), supported by the **GEF** and the multi-donor trust fund (MDTF) for **Integrated Landscape Management (ILM) in Mozambique**. Recognizing that the inclusion of women in natural resource management and their equal participation in economic and social life are essential for enhanced resilience, MozBio has worked closely with partners on gender balancing and piloting the Gender Action Learning System (GALS). More than 1,000 beneficiaries have been guided through this step-by-step household methodology to identify and overcome gender barriers to economic and social progress. The project also supports area schools in implementing an environmental curriculum to raise youth awareness and engagement in preserving Mozambique's biodiversity.

2.3 Accessing Carbon Markets

Carbon markets could be a major source of additional revenue for climate action, reaching \$50 billion a year by 2030 by some estimates.⁸ Market structures taking shape under Article 6 of the Paris Agreement hold a great deal of promise for incentivizing decarbonization efforts. Since the launch of the Clean Development Mechanism (CDM) under the Kyoto Protocol over 20 years ago, the World Bank has worked with partners to create a full-fledged carbon market ecosystem—from setting standards for methodologies and requirements for third-party validation, to verification and reporting, to benefit-sharing arrangements so proceeds go to communities involved in reducing emissions.

World Bank trust funds have played a strategic role in this work, piloting results-based climate and carbon finance mechanisms that deliver payments once pre-agreed targets have been achieved—namely, verified

emission reductions (or carbon credits) that meet the World Bank's highest environmental, accounting, and social inclusion standards. The promise of future payout is a strong incentive for action on the ground, and payments signal to other potential investors and buyers that real progress is being made in reducing emissions. To ensure success, trust funds provide technical assistance and capacity building so stakeholders have the necessary tools and training to generate, verify, and monetize their emission reductions. The process enables countries to build the expertise and systems needed to access international and regional carbon markets and sell excess carbon credits over the long term.

Building on these two decades of experience, the World Bank is preparing to roll out its new **Scaling Climate Action by Lowering Emissions (SCALE)** umbrella multi-partner trust fund. SCALE brings together all results-based climate and carbon financing programs currently housed at the World Bank into a one-stop-shop. It is designed to complement up-front activity-based finance with results-based payments of \$40-60 million per project, supporting decarbonization across a broad range of sectors. SCALE also provides technical advice and capacity building and serves as an instrument for policy dialogue and broader engagement to incentivize low-carbon development.

In addition, SCALE's benefit-sharing arrangements are designed with broad stakeholder consultation to ensure that all project participants, including Indigenous Peoples and local communities, are recognized and rewarded for their role in driving low-carbon transitions. The **Enhancing Access to Benefits while Lowering Emissions (EnABLE)** MDTF will work in tandem with SCALE to further promote social inclusion of marginalized communities and disadvantaged groups, such as women, youth, and people with disabilities.

⁸ Blaufelder, C. et al. 2021. [A blueprint for scaling voluntary carbon markets to meet the climate challenge](#). McKinsey Sustainability.



Photo: Natalia Cieslik / World Bank

Looking back over the last five years, the following trust-funded activities offer insight into the power and potential of results-based payments to stimulate greater and faster decarbonization in a variety of settings and sectors.

For example, in Brazil, the **Carbon Partnership Facility (CPF)** worked with the country's second-largest public bank, CAIXA, to provide financing to incentivize reductions in methane emissions from decomposing trash. Methane is a powerful GHG and the second-largest driver of global climate change. The world's cities generate more than a billion tons of solid waste each year. Under this project, improvements to four landfills generated emission reduction payments of €23.7 million between 2013 and 2020, and captured over 175 million cubic meters of methane, equivalent to 3.5 million tons of CO₂ emissions.

Supported by \$18 million in grants from the **BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL)**, Ethiopia's Oromia Forested Landscape Program combines agriculture, livestock, and forestry to address climate change at the landscape level. By targeting the Oromia region, home

to over 30 million people and 52 percent of Ethiopia's forests, the program plays a central role in advancing the country's climate resilience agenda. In February 2023, a milestone was met with the signing of an Emission Reductions Purchase Agreement (ERPA). ISFL agrees to pay up to \$40 million for the reduction of approximately 4 million tonnes of GHG emissions by 2030 through forest preservation and sustainable land management practices in the program area.

“Our village is no longer threatened by deforestation. We are reforesting the bare lands and sustainably managing the existing ones. We have seen how the microclimate is changing and the income-generating activities are benefiting us.”

— *Mohammed Jemal, Farmer and cooperative member, Chewaka district, Oromia, Ethiopia*

The **Forest Carbon Partnership Facility (FCPF)** has also signed ERPAs with 15 countries, including Indonesia. For over a decade, the FCPF has supported Indonesia in developing its first-ever jurisdictional-level program for reducing emissions from deforestation and forest degradation (REDD+), including signing an ERPA to uphold the program's implementation. The FCPF will pay \$110 million for the reduction of 22 million tons of GHG emissions across 12.7 million hectares of land rich in tropical rainforests and biodiversity. In fiscal 2023, Indonesia received an advance ERPA payment of \$20.9 million, which represents 14 percent of the value of the emission reductions reported in the government's monitoring report for the 2019–2020 crediting period. With the FCPF, the government is exploring various carbon finance scenarios, including carbon markets and a domestic carbon exchange, as it expects to generate excess emission reductions.

While carbon markets under Article 6 of the Paris Agreement have the potential to unlock climate finance, they will only be effective in limiting global warming if the carbon credits transacted are real, credible, and accurately accounted for and tracked. The **Carbon Finance Assist Trust Fund (Carbon-Assist)** and the **Partnership for Market Implementation Facility (PMIF)** helped finance the development of the [Climate Action Data \(CAD\) Trust](#), an open-source global platform that connects, aggregates, and harmonizes carbon credit data. CAD Trust enhances transparency and trust in carbon markets by harmonizing data formats and connecting disparate carbon registry systems. The Government of Singapore and the International Emissions Trading Association also support the platform, whose overarching goal is to strengthen reporting compliance requirements and implementation of NDCs.

2.4 Incentivizing the Private Sector

The private sector has a key role to play in helping address the climate challenge, as economic stresses and multiple crises strain the ability of governments to

make the necessary investments to mitigate and adapt to climate change. With the support of trust funds, the World Bank offers climate expertise across industries and sectors, combined with a deep understanding of emerging markets and a practical outlook, to help private sector clients be competitive in the new climate economy. The Bank helps governments build expertise to work with their private sectors on climate-oriented growth, as firms develop decarbonization plans and financial institutions work to increase their share of climate investments.

For example, trust funds from Germany helped launch the World Bank's Scaling Up Climate Finance through Greening the Financial Sector—or 30 by 30 Zero Program—in the Philippines. It is one of four countries targeted by the program, which aims to increase climate lending to 30 percent of participating banks' portfolios by 2030. Work led by IFC is underway to tackle the regulatory and institutional constraints facing financial institutions, develop the market for climate thematic bonds, and build capacity and coordination for climate finance. By 2030, the program is also expected to assist the Philippines in aligning financial sector strategies and reforms with the implementation of new NDCs and raise at least \$400 million of climate funding from IFC to local banks, and another \$250 million through the introduction of climate thematic bonds issued by real sector companies to the capital markets.

As a bank known for its commitment to sustainable finance and climate change mitigation, we are delighted that IFC has entrusted us with this significant investment.

— Jose Teodoro K. Limcaoco, President and Chief Executive Officer, Bank of the Philippines Island, Philippines

In conjunction with the 30 by 30 Zero Program, technical assistance and advisory service grants from the **Climate Support Facility (CSF)** have contributed to financial sector reforms in the Philippines. The World Bank provided guidance on developing a green taxonomy and incentives for green investments within the country's central bank and its Securities Commission, as well as on incorporating climate and environmental risks into financial institutions' risk management frameworks and the country's Insurance Code reform. This support enabled the government to implement a series of sustainable development policy actions under three DPOs approved in 2022 and 2023, together totaling \$1.75 billion.

Trust fund and FIF financing help the Bank employ a range of instruments to de-risk high-impact climate projects in low and middle-income countries. For example, bespoke guarantee offerings provided by MIGA ease private sector investments in renewable energy development, including generation capacity, mini-grid systems, transmission systems, and battery storage. The **Renewable Energy Catalyst Trust Fund (RECTF)** provides a variety of risk mitigation and capacity tools toward this end, such as a first-loss facility, reinsurance, guarantee tenor extension, financial grants, and soon, liquidity support. MIGA has so far used the RECTF for two guarantee projects, together amounting to \$9.3 million in issuance of guarantees.

In 2022, the World Bank issued the [Wildlife Conservation Bond](#) (WCB) in support of South Africa's efforts to conserve endangered species. Also known as the "Rhino Bond," this five-year \$150 million sustainable development bond includes a potential performance payment from the **GEF**, which will contribute to protecting and increasing black rhino populations in protected areas of South Africa. The WCB channels private sector investments to achieve conservation outcomes, while bringing jobs to local communities. Drawing on this model, in 2023, the World Bank priced a five-year \$50 million, principal-protected emission reduction-linked bond that mobilized private capital to increase financing for low-carbon solutions in developing countries.

IFC uses blended finance, in which concessional funds from partners are blended with IFC's own financing, to de-risk climate investments. A disciplined approach to deploying concessional funds minimizes the level of subsidy to avoid distorting markets and allows the crowding-in of other commercial financiers. For example, IFC invested \$100 million in Egypt's first-ever private sector green bond to unlock finance for climate-smart projects, reduce GHG emissions, and support the country's energy transition. The bond will help Egypt's Commercial International Bank (CIB) increase lending to businesses investing in eco-friendly initiatives that are still nascent in Egypt, including green buildings, renewable energy, and energy efficiency. The project will benefit from \$1.4 million in funding from the blended finance component of the **UK-IFC Market Accelerator for Green Construction (MAGC)** trust fund through performance-based incentives to motivate developers to construct certified green buildings.

Blended finance has helped Vietnam launch the development of a first-of-its-kind modern waste-to-energy plant in Bac Ninh province to increase municipal solid waste treatment capacity, which currently hovers around 50 percent. The project includes a \$15 million concessional loan from the **Finland-IFC Blended Finance for Climate Program**. By introducing an environmentally sound waste treatment and disposal solution, the plant will help avoid health and safety issues related to soil and groundwater contamination.

Technology plays a powerful role in stimulating climate-smart innovations and investments. The World Bank serves as the trustee for **AgResults Initiative**, a FIF that uses pay-for-results prize competitions to incentivize the private sector to help develop, deliver, and scale up technologies that enhance productivity for smallholder farmers. One such competition in Vietnam sought to identify novel approaches for reducing GHG emissions and increasing yields in rice cultivation throughout South and Southeast Asia.



IFC's TechEmerge program matches innovators with companies to pilot projects, develop relationships, and scale solutions that tackle some of the world's most pressing problems. Trust funds help expand the program's reach. For example, funding from the **Sustainable Cooling Innovation Programme Trust Fund** enabled the TechEmerge Sustainable Cooling Cities LAC project to support 18 companies in Colombia and Mexico through two years of field testing new cooling technology. Demand for cooling in Mexico, including air conditioning, refrigeration, and other applications, is expected to increase six-fold in the next 30 years. As a result of this project, two innovators were able to raise \$8.8 million in funding from external sources, and another 15 commercial contracts totaling \$5 million are under discussion.

In South Asia, the **Program for Asia Resilience to Climate Change (PARCC)** supported both the TechEmerge Resilience Fund and the Climate Innovation Challenge Fund. They brought together government representatives, the private sector, civil society, and other development partners from across

the region to assess 26 crowdsourced solutions for providing local communities and decision makers with accurate information on climate and disaster risks and how to manage them. Innovations were diverse and included a two-way Wi-Fi community radio to connect signal-dark communities in India's Dharma Valley, a parametric insurance product for flood-prone farming communities in Nepal, and a mobile app to monitor in real time the status of critical infrastructure in Nepal and Bangladesh.

“Almost 70 percent of the roads in Neelkantha Municipality get damaged during the monsoon season... The CRISTA app now allows us to quickly identify problems and respond to repair and maintain roads.”

— *Krishna Dhakal, Engineer, Neelkantha Municipality Engineering Department, Nepal*

Strengthening Pandemic Prevention, Preparedness, and Response

Focusing on the Most Vulnerable



56% of health-related IBRD/IDA trust fund RE disbursements supports low-income countries

(FY2019–23)

Top Beneficiaries of Trust Fund Support to the Health Sector



South Asia
41% of disbursements



East Africa
28% of disbursements

IBRD/IDA trust fund RE disbursements to the health sector (FY2019–23)

Top Trust Funds in the Health Sector

- Global Financing Facility
- Afghanistan Resilience Trust Fund



Together account for **52%** of IBRD/IDA trust fund RE disbursements to the health sector (FY2019–23)

When the COVID-19 pandemic struck in 2020, the World Bank mounted the fastest and largest financial response in its history to help countries respond to, and recover from, the crisis. Working together, the global community brought the pandemic under control, but not before it led to nearly 7 million reported deaths⁹ and total expected economic losses estimated at nearly \$14 trillion through the end of 2023.¹⁰ The recovery has been highly uneven, leaving behind some of the poorest countries.

As of June 30, 2023, the World Bank committed \$270 billion of financial support to help public and private sector clients overcome the wide-ranging health and socio-economic impacts of the COVID-19 pandemic. The Bank's response has helped to save lives, protect poor and vulnerable people, maintain education continuity, ensure sustainable business growth and job creation, and strengthen policies, institutions, and investments. The COVID-19 crisis has also spurred collective action to augment the existing global health security financing system and to mobilize additional resources to build health systems and strengthen capacity for pandemic prevention, preparedness, and response.

To that end, the Bank facilitated the creation of a new FIF, the **Pandemic Fund**, in September 2022. It provides a dedicated stream of additional, long-term financing to strengthen pandemic prevention, preparedness, and response capabilities in low and middle-income countries through investments and technical support at the national, regional, and global levels. The fund raised \$2 billion in seed capital from 25 donors and issued its first call for proposals in February 2023. The World Bank brought its convening power, knowledge, and experience to leading the development and operationalization of the Pandemic Fund at record speed, collaborating with G20 members and beyond, the WHO, and a variety of other stakeholders, including MDBs, global health institutions, and civil society. The Bank hosts the Pandemic Fund's secretariat, and serves as trustee and one of the fund's implementing entities.

This new Pandemic Fund and other trust funds and FIFs have played important roles in the Bank's COVID-19 pandemic response and larger efforts to strengthen health systems. Between fiscal 2019 to 2023, IBRD/IDA trust funds disbursed \$1.2 billion of RE grants toward pandemic prevention, preparedness, and response. These disbursements peaked in fiscal 2021 during the height of the COVID-19 pandemic (Figure 3.1) and surpassed health-related RE disbursements that year. This is because the World Bank's response to the COVID-19 pandemic extended beyond health-related activities, and still does.

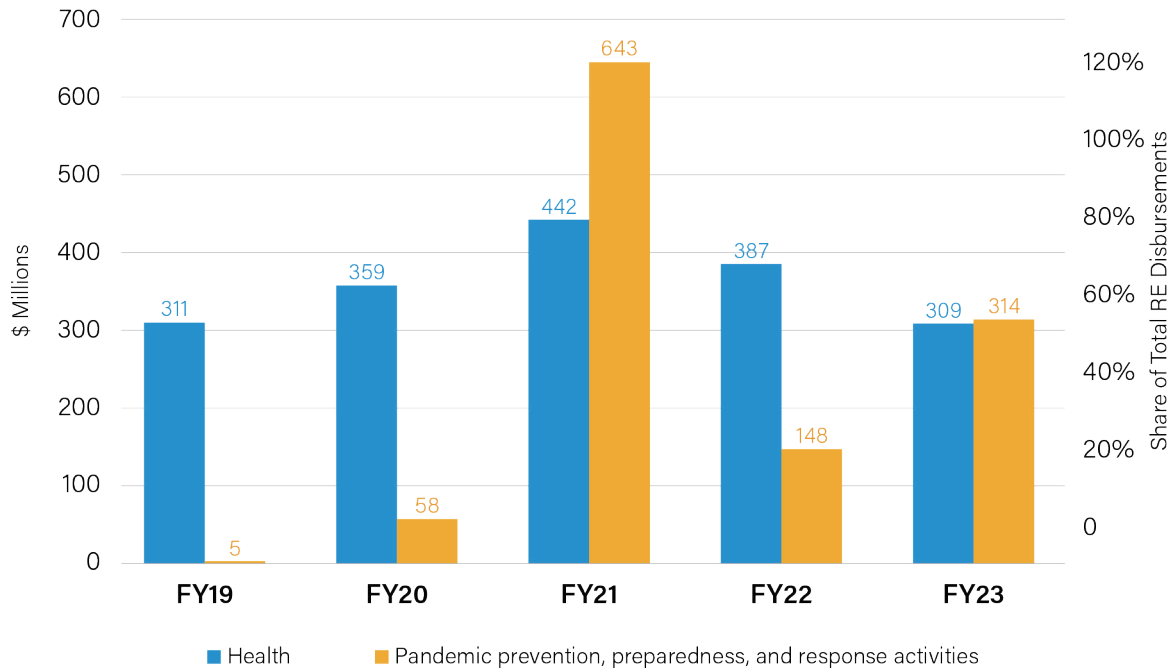
A key contributor is the **Health Emergency Preparedness and Response Umbrella Program (HEPR)**, established by the World Bank in June 2020 to help countries respond to the pandemic and prepare for future health emergencies. During its first two years, HEPR mobilized \$211 million in resources and allocated \$126 million through June 2023 to support 45 country and regional efforts in health emergency preparedness and response. These resources have co-financed IDA investments, provided funds to countries not eligible for IDA resources, supported regional efforts to strengthen cross-border health emergency preparedness, and created a global effort to build the evidence needed to identify the most impactful health emergency preparedness and response efforts.

To save lives, for example, HEPR helped the Solomon Islands extend its COVID-19 vaccine deployment efforts to hard-to-reach areas in its archipelago of six major islands and more than 900 smaller islands. The HEPR grant provided funds to purchase boats, vehicles, and safety equipment to reach remote communities, and to conduct a communication and advocacy campaign to combat misinformation about COVID-19 vaccines. To help prepare for future pandemics, HEPR funding has enabled countries in Eastern Africa to strengthen their internal health systems and create more effective cross-border surveillance and response networks. In just nine months in 2022, the completeness and timeliness

⁹ WHO. August 9, 2023. "[WHO Coronavirus \(COVID-19\) Dashboard](#)." WHO.

¹⁰ World Bank. 2023. *Preventing, Preparing for, and Responding to Disease Outbreaks and Pandemics: Future Directions for the World Bank*. Washington, D.C.: World Bank.

Figure 3.1. IBRD/IDA Trust Fund RE Disbursements for Health and Pandemic Activities, Fiscal 2019–2023 (\$ Millions)



of priority disease reporting increased from 10 to 90 percent in Malawi, 30 to 60 percent in Rwanda, and 68 to 90 percent in Tanzania.

To protect the poor and most vulnerable, trust funds have financed social protection programs to ease some of the economic losses that households experienced during the COVID-19 pandemic. For example, three trust funds—the **Trust Fund for Gaza and West Bank (WBGBK)**, the **Palestinian Umbrella for Resilience Support to the Economy (PURSE)**, and the **Middle East and North Africa Region Umbrella MDTF**—financed the Emergency Social Protection COVID-19 Response Project, which provided cash transfers to more than 95,000 vulnerable households in the West Bank and Gaza. This project also supported a cash-for-work program, which helped non-governmental organizations (NGOs) provide temporary jobs to 4,000 people, 85 percent of whom were women.

To ensure sustainable business growth and job creation, the **Iraq Reform, Recovery and Reconstruction Fund (I3RF)** supports the

IBRD’s COVID-19 Adaptation and Recovery Pilot (CARP). The project seeks to expand financial inclusion through non-bank financial institutions to revitalize Iraq’s economy post-pandemic and strengthen long-term resilience within its financial ecosystem. Comprehensive sector analysis, advice on regulatory reforms, and targeted assistance to microfinance institutions have made it easier for struggling businesses to access crucial financial resources. The project also empowers small businesses and entrepreneurs through grants and mentorship.

“**One of the nicest things about CARP is that we work with the Iraqi business community directly without mediators.**”

— *Mustafa Rifaat, Project Implementation Unit, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)*



Photo: Ministry of Health, The Solomon Islands

To help countries strengthen their policies, institutions, and investments to foster long-term recovery, the **Korea-World Bank Partnership Facility (KWPF)** funded analytical work to help countries in Latin America and the Caribbean region better respond to the COVID-19 pandemic. The study compared the policy responses of 10 countries in the region with South Korea and Uruguay, two high-performers in the first stages of the pandemic. A practical guide on developing and implementing proactive, population-based COVID-19 testing was produced, as were two real-time analytical dashboards for safe economic reactivation in Colombia and Peru. The research also informed a regional report on using wastewater-based epidemiology to enhance pandemic surveillance capabilities.

3.1 Improving Health Systems and Regional Cooperation

Immediate COVID-19 response measures have largely given way to longer-term investments in pandemic prevention and preparedness. This comprises many

elements, including strong and resilient health systems, particularly for primary care, to facilitate the detection of disease outbreaks, provide essential care, and support the deployment of vaccines and other medical countermeasures. The COVID-19 crisis laid bare long-standing weaknesses in pandemic preparedness in many countries, especially low and middle-income countries. World Bank trust funds bring technical knowledge, advice, and analysis to countries to help them strengthen their national systems and regional cooperation.

The Bank's work on pandemic preparedness involves One Health, a collaborative approach that brings animal, environmental, and public health sectors together to prevent, detect, respond to, and recover from infectious diseases. With support from **Food Systems 2030**, the World Bank is focused on embedding the One Health approach across the institution and in regions worldwide. This includes Central Asia, where advisory and analytical work underpinned the One Health Framework for Action, which aims to contribute to pandemic preparedness, with priority given to zoonoses, antimicrobial resistance, and food safety. The framework also

provides an investment roadmap for the region still struggling with the economic impacts of the COVID-19 pandemic. In November 2022, five Central Asian countries signed a joint communiqué agreeing to adopt the framework, including establishing governance structures and engaging in joint resource mobilization, data sharing, and preparatory work to implement national and regional activities.

“The One Health Framework for Action provides an excellent opportunity for accelerating the operationalization of the One Health approach in Central Asia and strengthening regional and cross-sectoral collaboration.”

— Peter Sousa Hoejskov, Technical Officer on Food Safety and Zoonotic Diseases, WHO

Overall, countries with universal and progressive health coverage were better equipped to mitigate the negative consequences of the COVID-19 pandemic. Côte d'Ivoire, for example, was able to draw on an ongoing IDA project and technical assistance from the **Global Financing Facility for Women, Children and Adolescents (GFF)** that had rolled out a universal health coverage program to make services more affordable to communities. Between 2019 and 2021, over 3.5 million individuals were enrolled in the health insurance program, representing an 89 percent increase in three years. Beginning in 2020, the government targeted individuals working in the informal sector, many of them women, by encouraging them to register for an insurance card. This also helped mitigate the financial impacts of the COVID-19 pandemic. By the end of 2021, 20 percent of all insured individuals were informal sector workers.

Egypt had just embarked on a path toward universal health coverage before the COVID-19 outbreak. Experiences during the pandemic underscored the benefits that would flow if Egypt could broaden access to safe and quality health care. IFC used the **MENA Private Sector Development Trust Fund** to launch the Egypt Health Quality Advisory Program to support private health care service providers across the country in enhancing patient safety practices and upgrading their quality assurance systems. The project has assessed and advised 100 health care facilities across 15 governorates, which have used recommendations to improve processes and training to meet national and international accreditation standards.

IFC trust funds¹¹ have also assisted local governments in assessing their response to COVID-19 to identify challenges and successes, lessons learned, and ways to future-proof their response capacity. In the Philippines, for example, Quezon City was one of the worst-affected cities due to its high population density, poor urban communities, inadequate health infrastructure, and limited government capacity.

“The IFC health advisory team visit was useful. They helped us identify, measure, and assess areas for performance improvement and helped build staff capabilities through their comprehensive training program for quality managers.”

— Mahmoud Mourad, Quality Manager, Rofayda Hospital, Egypt

¹¹ The trust funds involved were the Korea-IFC Partnership Program and the Australia Department of Foreign Affairs and Trade (DFAT)-IFC Global Advisory Services Trust Fund.



Photo: IFC

The Quezon City COVID-19 Advisory Support Project identified the need to invest in better data management and reconfigure the city's COVID-19 testing and vaccination response to address broader public health needs. The Quezon City government validated the assessment results and is taking on recommendations.

World Bank research funded by the **Canada-Caribbean Resilience Facility (CCRF)** has garnered lessons learned on pandemic preparedness and responsiveness in the Caribbean, particularly on COVID-19 vaccine acceptance and uptake. Eight out of 20 countries in the region were still below a 50 percent vaccination rate as of March 2023. Phone and social media surveys conducted across multiple countries revealed distrust and concerns around the risks of vaccines with few perceived benefits. The research has led to several knowledge products documenting the challenges of COVID-19 vaccine deployment in Caribbean countries and recommendations for improving community outreach and vaccine promotion strategies.

3.2 Promoting Local Markets and Manufacturing

Through its private sector arm, IFC, the World Bank invests in initiatives to build up local vaccine, pharmaceutical, and health-related manufacturing capabilities in emerging markets to strengthen domestic capacity to prepare for and respond to future pandemics. IFC projects aim to improve the quality and accessibility of health products and help clients seize economic opportunities in medical equipment and pharmaceutical production.

In particular, the IFC-led **Global Health Platform (GHP)** has helped countries respond quickly to COVID-19 disruptions in the short-term and continues to drive long-term change in the health sector. The platform generated close to \$2 billion in investment commitments, including \$600 million mobilized from a diverse set of financiers, to develop local health supply chains. With funding from donors,¹² the GHP has delivered advisory services to address gender disparities in the health care professions, improve

¹² The IFC trust funds involved were the United Kingdom-IFC Global Advisory Project on Personal Protective Equipment Trust Fund, the Norway Global Health Platform Trust Fund, and the Comprehensive Japan Trust Fund.

access to quality health care, accelerate digital transformation in health care and pharmaceutical companies, expand and diversify medical equipment manufacturing, and develop financing options for medical equipment acquisitions.

For example, GHP trust funds enabled technical advice to seven private sector clients in Africa, Asia, and the Middle East on manufacturing masks, gowns, and other personal protection equipment (PPE). IFC advised manufacturers on PPE production standards, connected them to potential buyers and global PPE procurement efforts, and shared market analysis. The program also served as a global platform to share knowledge on PPE, including global and regional market trends, international standards and certifications, PPE waste and circularity, PPE fit for women health care workers, and workers' health and safety during PPE production.

The trust-funded **Africa Medical Equipment Facility (AMEF)** supports the acquisition of medical equipment by smaller health care enterprises, including hospitals, clinics, pathology laboratories, diagnostic imaging centers, and medical equipment distributors in Cameroon, Côte d'Ivoire, Kenya, Rwanda, Senegal, Tanzania, and Uganda. AMEF's client banks have approved the first six medical equipment loans. In partnership with the Government of Norway and under the umbrella of the GHP, IFC also launched the Women's Leadership in Private Healthcare working group, which brings together senior women leaders from 17 health care organizations in Africa, East Asia, and the Middle East and North Africa to identify and address barriers to women's leadership in the field.

IFC's efforts to raise standards in private health care include work on the Healthcare Quality Assessment Tool and the Ethical Principles in Health Services (EPIHC), both supported by donors through the GHP. The Healthcare Quality Assessment Tool aims to increase access to safe and quality health care by improving quality assurance processes and practices of health care providers. This also contributes to increased investment in health care facilities as health

care providers with better quality assurance practices are more attractive investment targets for financiers. The EPIHC project seeks to build transparent, resilient health systems through a set of shared principles for ethical decision making and behavior.

3.3 Facilitating FIF Contributions

The response of the international development community to the COVID-19 pandemic has benefitted greatly from the large-scale contributions of health-related FIFs to save lives and protect the most vulnerable. FIFs have contributed not only to the immediate crisis response by delivering vaccines and other health supplies to millions of people around the world, but also to strengthening health systems and enhancing preparedness for future pandemics. In addition to creating the new Pandemic Fund in September 2022 and facilitating its development and launch in record speed, the World Bank provides indispensable administrative, operational, legal, and financial services to the following FIFs, which are making important contributions to COVID-19 health responses.

The **Coalition for Epidemic Preparedness Innovations (CEPI)** brings together public and private sector entities, philanthropies, and civil society organizations to develop vaccines to stop future epidemics. The World Bank serves as a limited financial trustee. CEPI supports the world's largest portfolio of COVID-19 vaccines and is the only public sector funder of research and development that has systematically leveraged its investments to enable equitable access to vaccines, guaranteeing access to doses for the COVID-19 Vaccines Global Access (COVAX) initiative. Working through the World Bank and other partners, COVAX distributed almost 2 billion doses of COVID-19 vaccines to 146 countries by November 2022. CEPI continues to invest in the next generation of vaccines against COVID-19 variants and other coronaviruses.



Photo: Ezra Acayan / World Bank

The **International Finance Facility for Immunization (IFFIm)** issues vaccine bonds in capital markets (backed by binding pledges from donor countries) that provide immediate funding for Gavi, the Vaccine Alliance, to purchase and distribute vaccines. With the World Bank serving as treasury manager to enable these transactions, IFFIm has played a critical role in frontloading donor pledges to help fund the purchase of COVID-19 vaccines. Since the start of the pandemic, IFFIm has disbursed \$980 million to Gavi for the COVAX, as well as \$272 million to Gavi for vaccine development.

The World Bank is also the trustee of the **Global Fund to Fight AIDS, Tuberculosis and Malaria**. Over the span of 20 years, the Global Fund has invested more than \$55.4 billion across 100 countries to save 50 million lives and reduce the combined death rate from these three diseases by more than half in the countries where it invests. The Global Fund's COVID-19 response amounted to \$5 billion

that supported 109 countries and 22 multi-country programs, by procuring medical supplies and protecting front-line health workers with training and PPE.

The COVID-19 pandemic caused the worst disruption to education in decades, leading to prolonged school closures and exacerbating the learning crisis and human capital development challenges. The **Global Partnership for Education (GPE)**, for which the World Bank is the trustee, host, and largest implementing entity, provided approximately \$500 million in accelerated funding and COVID-19 grants to help partner country governments plan and implement emergency responses. Funding focused on preventing the negative impacts of COVID-19 on education, ensuring continued learning for children, preventing the spread of COVID-19 in and through schools, and supporting vulnerable groups, especially girls.

4 Responding to Fragility, Conflict, and Violence

Targeted Support for Those Most in Need

80% of all IBRD/IDA trust fund RE disbursements supports fragile states

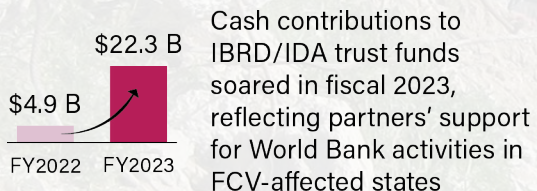


93% of disbursements focuses on 5 states

- Ukraine
- Ethiopia
- Afghanistan
- Mozambique
- West Bank and Gaza

IBRD/IDA trust fund RE disbursements to FCV-affected states (FY2019–23)

Shared Commitment to Action



By 2030, nearly 59 percent of the world's extreme poor will live in countries affected by fragility, conflict, and violence (FCV). This sobering projection reveals the challenges extend well beyond Russia's invasion of Ukraine, fighting in Sudan, and other headline news. Rising inequality, lack of opportunity, discrimination, and exclusion fuel the spike in violent conflict seen across the world since 2010. Governments often lack the capacity or will to manage risks, thus making institutions and people more vulnerable to economic shocks, natural disasters, and global challenges and regional spillovers, such as the COVID-19 pandemic and the influx of refugees from war-torn areas. As conflicts continue across the globe, the number of people displaced by them has reached record levels. Of the more than 108 million forcibly displaced persons worldwide, an estimated 76 percent are hosted in low and middle-income countries, often by communities facing their own socio-economic challenges.¹³

Responding to fragility, conflict, and violence is key to attaining the SDGs and a priority of the World Bank, as articulated in its [2020–2025 FCV Strategy](#). A record \$30 billion in financing for FCV-affected countries was approved in December 2021 under IDA's 20th replenishment to meet diverse challenges in the poorest countries. The World Bank's response to hotspots like Afghanistan and Ukraine has been rapid and effective, with trust funds playing key roles.

Following Afghanistan's abrupt change in government in August 2021, the **Afghanistan Resilience Trust Fund (ARTF)**, formerly the Afghanistan Reconstruction Trust Fund, has enabled the World Bank to provide over \$1 billion in off-budget support to deliver essential food, livelihood, health, water, and education services to the Afghan people and to build the capacity of local NGOs and civil society organizations. The World Bank's new funding modality channels funding through United Nations agencies and the Aga Khan Foundation to implement

all operations. These activities aim to address basic services and pave the way for development in Afghanistan's complex environment. ARTF also supports on-the-ground surveys, data collection, and analytics that give the Afghan people a voice and help shape the international community's humanitarian-development response in this FCV context.

Since Russia's invasion of Ukraine in February 2022, the World Bank and other development partners have mobilized more than \$37.5 billion for Ukraine through June 30, 2023, of which over \$19.5 billion has been disbursed through IBRD/IDA trust funds. While trust funds consistently devote a large share of their resources to projects in countries on the World Bank's [official list of fragile and conflict-affected situations](#), RE disbursements for FCV-affected states climbed to 94 percent of total RE disbursements in fiscal 2023, largely due to support for Ukraine (Figure 4.1). RE disbursements for FCV-affected states from fiscal 2019–23 totaled \$25.3 billion and 77 percent of this went to Ukraine through standalone trust funds for the country's economic recovery (Figure 4.2).

This huge increase from previous years' disbursements reflects the shared commitment of the World Bank and development partners to support Ukraine through urgent repair projects and coordination with the government for recovery and reconstruction. These figures also show that trust funds have been a vehicle of choice to deliver fast-disbursing, targeted funding where it is needed most. Immediately after Russia's invasion began, the World Bank established two multi-donor trust funds in fiscal 2022 to provide \$2.5 billion in grant co-financing to two Bank operations: the Financing of Recovery of Economic Emergency (FREE) Ukraine Supplemental DPO, approved in March 2022, and the Public Expenditures for Administrative Capacity Endurance (PEACE) in Ukraine Project, approved in June 2022.

¹³ UNHCR. June 2023. [UNHCR Global Trends 2022](#). UNHCR.

Figure 4.1. IBRD/IDA Trust Fund RE Disbursements for FCV-affected States, Fiscal 2019-23 (\$ Millions)

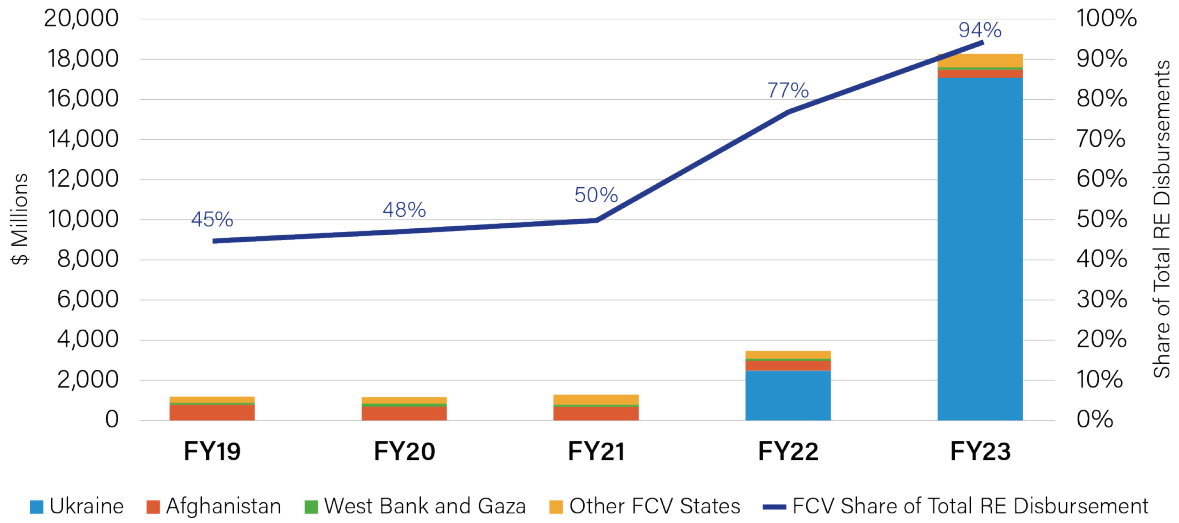
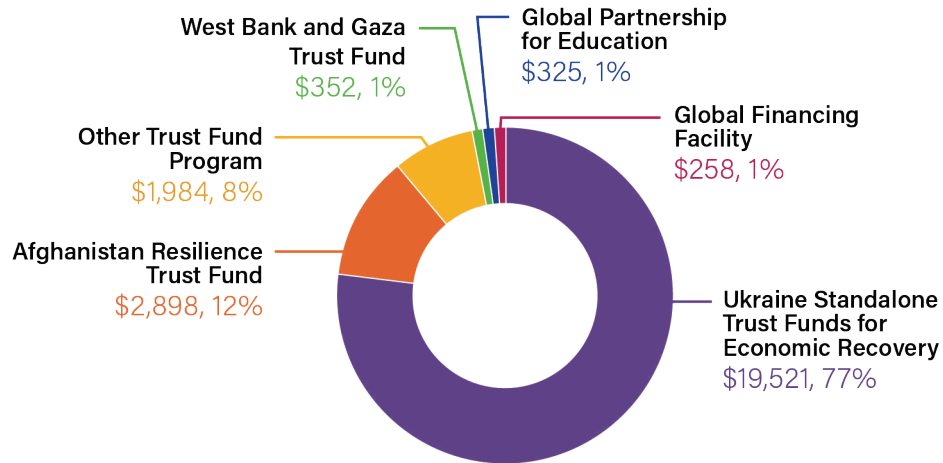


Figure 4.2. Top IBRD/IDA Trust Fund Programs Supporting RE Activities in FCV-affected States, Fiscal 2019-23 (\$ Millions)



The FREE operation provided an immediate platform for the Bank to work with Ukraine's development partners and mobilize additional resources on top of \$484 million in IBRD financing, including \$134 million backed by guarantees. Bilateral donors (Austria, Denmark, Iceland, Latvia, Lithuania, Norway, the United Kingdom, and the United States) contributed grant financing for an additional \$1.2 billion through the **FREE Multi-donor Trust Fund** within two weeks of Russia's invasion.¹⁴ Together, \$2.25 billion in emergency budget financing was mobilized to help meet the immediate social and fiscal needs precipitated by the invasion.

The PEACE project has raised \$19.7 billion in World Bank and trust fund resources to sustain support for an estimated 13 million Ukrainians. The bulk, \$17.9 billion, has already been disbursed, benefitting 10 million pensioners, 500,000 education employees, 145,000 government employees, 56,000 first responders, and over 3 million social assistance beneficiaries and internally displaced people.

In December 2022, the World Bank launched the **Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund (URTF)** for Ukraine's immediate repairs and recovery efforts. The trust fund has received contributions and pledges from Austria, Canada, Iceland, Japan, Latvia, Lithuania, the Netherlands, Norway, Sweden, and Switzerland totaling \$1.1 billion. The URTF is a coordinated financing and support mechanism to assist the Government of Ukraine in sustaining its administrative and service delivery capacity, conducting relief efforts, and planning and implementing its recovery, reconstruction, and reform agenda.

The World Bank has since established the **Multi-Donor Resources for Institutions and Infrastructure (MRII) Facility** to coordinate IBRD, IFC, and MIGA efforts for Ukraine. The PEACE project and the URTF now fall under the MRII Facility, as does IFC's Economic Resilience Action (ERA) program and other initiatives that allow donors to help Ukraine address

its immediate needs to sustain key public services, the private sector, and wider recovery and reconstruction. The MRII takes a phased and multi-pronged approach to mobilizing financing and coordinating resources through guarantees, co- and parallel financing, and other financial instruments.

4.1 Addressing the Drivers of FCV

The Bank supports countries at every stage of fragility, working to prevent violent conflict and interpersonal tensions before they turn into full-blown crises, but also remaining engaged during conflict and crisis to preserve hard-won development gains, protect essential institutions, and build resilience so countries are set on the course for recovery. Trust funds help enable this work with resources to tackle the root causes of FCV in various contexts and promote peace and stability.

In particular, the **State and Peacebuilding Fund (SPF)** is the World Bank's leading global trust fund for implementing the Bank's FCV Strategy. SPF provides catalytic financing to help address drivers of fragility, prevent conflict, activate rapid crisis response, and build long-term resilience. SPF's mandate is to innovate and push the frontiers of the Bank's engagement in FCV situations through activities that can be scaled and mainstreamed. SPF provides seed funding for pilots, tools, and analytical work that inform larger World Bank projects.

For example, SPF funded a Survivor-centered Accessibility Framework Evaluation (SAFE) along migratory routes in Central America. The research has helped to fill knowledge gaps about the violence women and girls experience in their home countries and during their journeys along common migratory routes, thereby influencing World Bank operations on safe migration and survivor services for migrant women in Central America.

¹⁴ Japan made a parallel loan in the amount of \$600 million.

In Iraq, funding from the **Japan Social Development Fund (JSDF)** mobilizes youth as agents of change for building more peaceful societies. The project fosters the socio-economic inclusion of conflict-affected youth ages 15–29 through entrepreneurship and youth-led community development activities. Over 3,330 young people, half of whom are women, have received psychosocial support and soft skills training, and several trainees have gone on to receive micro-entrepreneurship startup capital and coaching.

Somalia has also benefited from trust fund financing to promote peace and improve citizen confidence by rebuilding state functionality. The **Somalia Country Engagement Program** co-finances a \$130 million IDA project that supports the Federal Government of Somalia and eligible Federal Member States in strengthening resource management systems, an inter-governmental fiscal framework, and service delivery systems in health and education after years of off-system, off-budget donor financing for these services. It has also fostered key policy reforms for state-building and enabled budget transparency and citizen engagement activities.

“The project is helping us foster policy reforms and nurture the basics of federalism.”

— *Abdirahman Dualeh Beileh, former Minister of Finance (2017–2022), Somalia*

The **Global Water Security and Sanitation Partnership (GWSP)** has helped Somalia improve rural water supply. Decades of low investment had left water points in pasture lands scarce, claimed by clans, and intrinsically linked to resource conflict. Over the past five years, the GWSP has helped transform how the World Bank works in Somalia by developing capacity and political capital, resulting in over 360,000 people benefiting from improved water sources and a portfolio of World Bank grants to the water sector totaling \$102 million.

To help Zimbabwe address accountability and transparency challenges and increase citizen confidence in the use of public resources, the Bank launched the Public Finance Management Enhancement Project with financing from the **Zimbabwe Reconstruction Fund (ZIMREF)**. From 2016–2021, the project contributed to enhancing fiscal discipline, strategic allocation of resources, and service delivery efficiency, through strengthened systems, procedures, citizen engagement, and targeted capacity building. The project, together with other analytical work, established the foundation for future reforms to promote economic stability and inclusive growth in Zimbabwe. In 2023, the ZIMREF was restructured and rebranded as the **Zimbabwe Socio-Economic Transformation Fund (ZISSET)**, a country-specific umbrella program that will support the implementation of Zimbabwe’s National Development Strategy 2021–25.

FIFs also make important contributions to addressing the drivers and impacts of FCV and strengthening resilience, especially for the most vulnerable and marginalized populations. For example, the World Bank hosts the secretariat and serves as an implementing entity for the **Global Agriculture and Food Security Program (GAFSP)**. It works to build resilient and sustainable agriculture and food systems in low-income countries, in times of crisis and beyond. With co-financing from GAFSP, the West Africa Food System Resilience Program will support the second phase of Burkina Faso’s National Rural Sector Program targeting 125 communes in nine regions chosen for their high agricultural potential and favorable climate conditions. It is part of the broader regional effort to increase agricultural productivity through climate-smart agriculture, promote intraregional value chains and trade, and build capacity to manage agricultural and food insecurity risks.



Photo: Dominic Chavez / World Bank

4.2 Easing the Impact of Forced Displacement

Russia's invasion of Ukraine has caused the fastest-growing refugee crisis in Europe since the end of World War II. Globally, an estimated 108 million people have been forcibly displaced from their homes, either internally in their countries or externally as refugees.¹⁵ Some of these displaced people face the prospect of never being able to return home. Given the protracted nature of forced displacement, the global community has combined humanitarian assistance with longer-term development financing to help refugees become more self-reliant so that they can contribute more to their own futures and their host communities.

During the last five years, IBRD/IDA trust funds have disbursed \$844 million to help countries address issues related to forced displacement (Figure 4.3). More than 90 percent of these resources went to five

countries, with Afghanistan absorbing nearly half, followed by Türkiye, Jordan, Lebanon, and Ethiopia. In fiscal 2023, **Global Concessional Financing Facility (GCOFF)** disbursed \$9 million to Lebanon to address the protracted economic and social crises in the country and the Port of Beirut explosion in 2020, in addition to the influx of refugees from neighboring Syria.

RE disbursements for activities that address forced displacement peaked at 11 percent of total RE disbursements in fiscal 2020 largely due to support for Türkiye, which hosts the largest number of refugees in the world (Figure 4.3). The **European Commission–World Bank Partnership Program on Europe and Central Asia (EPP)** provided a €45.5 million grant to implement the Türkiye Employment Support for Syrians under the Temporary Protection and Turkish Citizens project. This effort has demonstrated ways to integrate refugees into

¹⁵ UNHCR. June 2023. [UNHCR Global Trends 2022](#). UNHCR.

formal markets and promote employment in host communities even during times of crisis. Nearly 38,000 people in four Turkish provinces—more than half of whom were Syrian refugees—benefited from a range of employment programs and services, and over 18,000 Syrian refugees and Turkish citizens were able to obtain formal jobs. Overall, more than 70,000 refugees and nearly 5.8 million Turkish citizens registered and benefited from job counseling services.

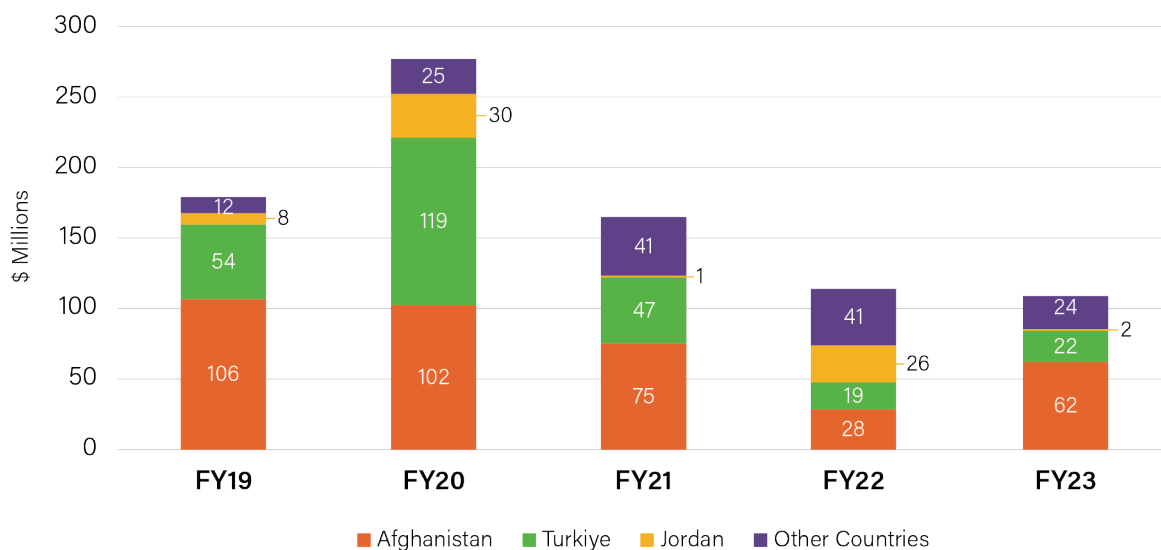
“We take care of our needs by ourselves. Earning your own money and spending it for your family is a unique feeling. I go home and my kids welcome me. What more could one ask for?”

— Nour Alhuda Osman, Syrian beneficiary and garment factory worker, Adana, Türkiye

To increase the socio-economic integration of forcibly displaced people in the Middle East and East Africa, the World Bank worked with the Netherlands, the International Labour Organization (ILO), UNICEF, and UNHCR to establish the **PROSPECTS Partnership** on Jobs and Education for Forcibly Displaced Persons and Host Communities. In 2022, PROSPECTS helped IFC launch the StartMashreq program in Iraq, Jordan, and Lebanon with startup accelerator Flat6Labs.¹⁶ The program aims to develop a virtual education and incubation platform to support startups and address the policy and regulatory barriers to their growth and scale-up. Promoting entrepreneurship in the region is expected to have a domino effect on creating opportunities for young, displaced, or otherwise marginalized groups.

Jordanian hosts and Syrian refugees seeking jobs also benefit from FIF financing from the **Global Concessional Financing Facility (GCOFF)**. It co-finances a \$400 million joint IBRD and IDA project that has contributed to aligning donors and development

Figure 4.3. IBRD/IDA Trust Fund RE Disbursements for Activities Addressing Forced Displacement, by Country, Fiscal 2019–23 (\$ Millions)



¹⁶ Flat6Labs also received support from a United Kingdom trust fund, Financial Support of a Program of Advisory Services Relating to Flat6Labs (UK-FCO-EGYPT-F6L).

partners' activities toward formalizing the Syrian labor force and easing Syrians' access to jobs. Under the Economic Opportunities for Jordanians and Syrian Refugees project, the number of work permits issued to Syrians increased from 45,000 in 2019 to 62,000 in 2022 and currently stands at 77,000. Jordan was also the site for the Mashreq Gender Facility's pilot program on increasing access to economic opportunities for displaced women. Supported by the **Umbrella Facility for Gender Equality (UFGE)**, the pilot helped local municipalities understand and take regulatory action to address the gender barriers that displaced women face in the job market.

“The program is a recognition by the international community that Jordan is providing a global public good by hosting Syrian refugees and expanding their access to work.”

— Omar Fanek, Director, Reform Secretariat, Ministry of Planning and International Cooperation, Jordan

Another important focus area is education. Among the Syrian population in Lebanon, for example, 59 percent of Syrian refugees ages 3–18 are not in formal schooling. The **Lebanon Syrian Crisis Trust Fund (LSCTF)** and the **Results in Education for All Children Trust Fund (REACH)** together provided \$96 million in co-financing for a \$100 million IDA project in Lebanon that has been instrumental in maintaining learning continuity despite the COVID-19 pandemic and other crises impacting the country, including teacher strikes. Performance-based incentives and productivity allowances for public school teachers have helped these educators manage economic hardships and return to school to keep students learning.

In Colombia, a **GCF** grant co-financed a \$150 million IBRD project, Improving Quality Healthcare Services and Efficiency, that helped increase access to health care for Venezuelan migrants. This first-ever Program for Results (PforR) operation in Colombia provided grant financing to incentivize the government to incorporate a migrant and refugee

perspective in the project, resulting in the affiliation of 225,000 Venezuelan migrants into the social security system. This enabled them to access care during the pandemic, including vaccinations. A second-generation health PforR is under consideration to increase migrants' access to primary and mental health care, as well as specialized care for mothers, children, and HIV patients.

Moldova also hosts refugees displaced from Ukraine. To help Moldova mitigate the economic and social spillovers of Russia's invasion of Ukraine, as well as build resilience and reduce vulnerabilities to future shocks, the World Bank partnered with key donors to establish the **MDTF for Co-financing of the Moldova Development Policy Program**. This \$145 million trust fund seeks to bolster Moldova's ability to implement its policy reform program. It complements IBRD and IDA commitments of \$250 million for two Emergency Response, Resilience and Competitiveness DPOs and \$34.2 million in grant commitments from the **GCF**. A new umbrella program, **Moldova – Growth, Resilience and Opportunities for Well-being (M-GROW)**, is now under development and welcoming donor support for Moldova's development toward European integration.

4.3 Forging Paths for Private Investment

Even in high-risk environments, there are ways the private sector can help boost economic growth, livelihoods, and stability in fragile states. Trust funds support this work, demonstrating that like-minded donors and investors are willing to weather setbacks before clear progress is made.

For example, the IFC's **Africa Fragility Initiative (AFI)** is a five-year \$74 million program launched in 2021 to advance responsible private sector-led growth and job creation across 32 FCV-affected African countries where business costs are high, operational challenges formidable, and development needs great. AFI brings together the private sector and development partners to generate business development, identify local market champions, and improve the delivery of goods and services for potentially millions of people across the African continent.

Trust fund financing from **AFI** and the **Global Agriculture and Food Security Program (GAFSP)** Private Sector Window have helped Ethiopia advance its goal of establishing cooperative farming networks to foster economies of scale, higher quality products, and less fragmented supply chains. IFC advised Soufflet Malt Ethiopia, one of the leading investors in the malting sector, on expanding local sourcing. The project increased farmers' access to improved seed varieties and established contract farming through aggregators and farmer financing models. By June 2023, Soufflet's annual purchase of grain from the local market was over 88,000 tons—more than double the project's target—and the combined sales revenue of nearly 80,000 farmers increased to \$87.5 million. Soufflet's investment saves an estimated \$50 million in imports per year for the country.

“Thanks to the malt barley business, we can provide better-quality food and clothing to our family. I am happy that I am sending [my children] to school to fulfill all their needs.”

— Tadelech Hunde, Farmer, Ethiopia

In Nigeria, the IFC-managed multi-partner **Facility for Investment Climate Advisory Services (FIAS)**¹⁷ funds the Upstream Special Economic Zone West Africa project, which advises the country on adopting and implementing legal, regulatory, and institutional frameworks for a competitive special economic zone. This will enable downstream private investments in health care, aeronautics, manufacturing, agribusiness, petrochemicals, and infrastructure while promoting greater economic opportunity for women.

Improving gender equality in Nigeria's private sector is the focus of IFC's Nigeria2Equal program. With support from the **Comprehensive Japan Trust Fund**, the program has expanded local research and data with reports on the cost of bullying and harassment in Nigeria's workplaces as well as gender gap analyses of the most capitalized companies on the Nigeria Exchange. The program has created a peer learning platform where 18 companies have made more than 165 public commitments to implement solutions to reduce gender gaps in their businesses.

The World Bank also engages with the private sector in conflict-affected and fragile economies through MIGA, which provides coverage where other insurers are often not willing or unable to go. Three of MIGA's five trust funds are focused on FCV settings, including the **West Bank and Gaza Trust Fund**. It was established in 1997 to encourage private sector investment and economic development in the West Bank and Gaza, by offering political risk insurance to both local and foreign investors. The West Bank and Gaza is not a member of the IMF, World Bank, or MIGA, so it is not eligible for their sources of financing. The trust fund is used to cover guarantees underwritten in the West Bank and Gaza for the full amount of the guarantee. The trust fund had an initial paid-up contribution of just over \$15 million. As of April 30, 2023, its underwriting capacity was around \$28 million, with the increase resulting from interest income, premiums, and returns on investments since its inception. It has supported the issuance of MIGA guarantees worth \$45 million (gross) for 13 projects.

The **Conflict-Affected and Fragile Economies Facility (CAFEE)** was established in 2013 to support MIGA guarantees in the riskiest of FCV contexts. CAFEE provides an initial loss layer, which comprises a first and second loss layer of donor grants and a callable guarantee from donors.¹⁸ MIGA also

¹⁷ FIAS activities are supported by the governments of Australia, Austria, Canada, Denmark, France, Ireland, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, and the United States.

¹⁸ Under the CAFEE arrangements, when MIGA makes a call on the callable guarantee by providing notice of the amount and claim payment date to the donor once MIGA has made a claim determination, the donor is required to pay the required contribution to MIGA no later than 10 days prior to the claim payment date.



Photo: Mulugeta Wolde / IFC

participates in the first loss layer alongside CAFEF to the extent determined by the agency. The initial loss layer provides protection from the initial losses occurring under MIGA's Contract of Guarantee. Excess loss above the initial loss layer is borne completely by MIGA, and where applicable, its reinsurance partners. CAFEF's success lies in the fact that it offers a high degree of leverage to its donors. As of April 30, 2023, CAFEF had facilitated more than \$1 billion in gross MIGA guarantee issuance, and its corpus was \$68.7 million.

In Ukraine, CAFEF supported MIGA in issuing a €100 million capital optimization guarantee (\$107 million) for one year and one day to Raiffeisen Bank International AG (RBI), a major banking and financial services group based in Austria. The guarantee covers equity investments in RBI's subsidiary, Raiffeisen Bank Joint Stock Company (RBUA) in Ukraine, against the risk of expropriation of funds with respect to the mandatory cash reserves held at Ukraine's central bank (NBU). Local banking regulations mandate that RBUA maintain reserves with NBU to be able to conduct

operations in Ukraine. MIGA's capital optimization guarantee reduces the risk weight applicable to those mandatory reserves at the RBI group level to zero, freeing up funds that RBUA can use to expand local lending to individuals, small businesses, and corporate clients in critical industries and increase the volume of essential non-credit banking operations. Additional RBUA lending enabled by the MIGA guarantee will bolster employment and stimulate economic activity.

Given the heightened risks of operating in Ukraine, MIGA created the **Support for Ukraine's Reconstruction and Economy Trust Fund (SURE TF)**. Established in March 2023 with Japan's anchor contribution of \$23 million (expected to grow to \$300 million through contributions from additional donors), SURE TF will be used as a first-loss layer or toward reinsurance for MIGA's guarantees in the country. MIGA blends donor financing from the SURE TF with risk exposure on its own books and crowds in public and private reinsurance where available to issue guarantees in support of Ukraine.

Building Financial Sustainability and Resilience

“The World Bank is committed to working with its partners to address the crises we face today—and to build for tomorrow.”

— Akihiko Nishio, World Bank Vice President of Development Finance



The COVID-19 pandemic and Russia's invasion of Ukraine have collided to upend the fiscal and trade balances of many developing countries, undermining their financial stability and long-term growth prospects. The Financial Stability Board affirms that the current economic environment of high inflation, lower growth, and much tighter global financial conditions is particularly challenging for financial stability. The limited policy space in many jurisdictions makes it more difficult for authorities to intervene should a shock materialize.¹⁹

The forces that have powered growth and prosperity since the early 1990s have weakened, resulting in a persistent and broad-based decline in long-term growth prospects.²⁰ Productivity, trade, labor force, and investment growth are expected to flag over the remainder of this decade. The World Bank's latest projections indicate that the world economy will remain frail—and at risk of a deeper downturn—into 2024.²¹ This unstable economic footing imperils the ability of emerging markets and developing economies to create jobs and deliver essential services, and it puts development goals further out of reach.

The World Bank has long regarded strengthening the international financial architecture and enhancing developing countries' participation in the global trading system as global public priorities requiring global collective action.²² Today, the Bank's support for financial sustainability and resilience has broadened beyond strengthening countries' financial systems and macro-economic stability to include financial inclusion, access to finance, building effective and accountable institutions to tackle corruption,

strengthening tax revenue generation and debt management, and improving financial resilience in response to natural disasters.

Trust funds and FIFs support this effort, especially through advisory services, analytics, and other knowledge-based activities that build institutional and human resource capacity to effectively manage instability. They contribute to projects that increase access to finance, promote free and fair trade, and help developing countries join and compete in the digital economy.

5.1 Increasing Access to Finance

Across developing countries, 131 million micro, small, and medium-size enterprises (MSMEs) have unmet financing needs estimated at approximately \$5 trillion.²³ In the financial services sector, women are disproportionately disadvantaged. While 76 percent of adults worldwide have a bank account, close to one-third of adults—1.4 billion—still do not have one, and 54 percent of all unbanked adults are women.²⁴ The COVID-19 pandemic significantly impacted MSMEs as well as financial service providers serving the base of the pyramid, including microfinance institutions, non-bank financial institutions, and MSME-focused banks. With the support of trust funds, the World Bank seeks to expand access to financial products and services to those who have historically been excluded from the banking system, particularly in IDA countries, including micro-borrowers, SMEs, women, home buyers, and farmers, among others.

¹⁹ Financial Stability Board. 2022. [Promoting Financial Stability: 2022 FSB Annual Report](#). FSB.

²⁰ M. Ayhan Kose and Franziska Ohnsorge (eds.), [Falling Long-Term Growth Prospects: Trends, Expectations, and Policies](#), Advance Edition, World Bank, 2023.

²¹ World Bank. June 2023. [Global Economic Prospects](#). Washington, D.C.: World Bank.

²² A communiqué of the Development Committee Ministers, dated September 25, 2000, established five global public priority areas for the Bank's involvement, namely, (a) preserving the environment, (b) controlling communicable diseases, (c) strengthening the international financial architecture, (d) enhancing developing countries' participation in the global trading system, and (e) creating and sharing knowledge relevant for development. A World Bank report for the Development Committee, dated September 28, 2007, subsequently reaffirmed these five priority areas.

²³ SME Finance Forum. "MSME Finance Gap Data Site." IFC and GPFI.

²⁴ World Bank. 2022. [The Global Findex Database 2021](#). Washington, D.C.: World Bank.

For example, in Georgia, the **EU2020 Knowledge and Advisory Services** facilitated the design and implementation of a \$103 million IBRD project that has strengthened the enabling environment for MSMEs to access finance post-pandemic. Policy dialogue and analytical reports prepared with trust fund financing paved the way for several important reforms, including the adoption of the new Law on Investment Funds and amendments to the Law on the Securities Market and the Law on Payment Systems and Payment Services. The work also helped launch reforms on fintechs, financial infrastructure, and insurance, and strengthened a partial credit guarantee program, which aims to address high collateral requirements and risk aversion of financial institutions to unlock financial intermediation to SMEs.

To facilitate access to finance for agri-MSMEs and small farmers in Central Europe, Austrian funding through **FIAS** supported IFC's Central Europe Agriculture Finance Digital Platform in developing a digital gateway to address information asymmetry between lenders and small farmers. It consolidates finance, climate, pricing, and other information based on digital data. It also provides non-financial services and training on climate-smart solutions for farmers and agri-MSMEs.

Ukrainian refugees also have financial needs, but without proof of Ukrainian bank records or credit histories, they struggle to open bank accounts or obtain credit in host countries. Drawing on the partnerships and experiences of the Ukraine Financial Inclusion Credit Reporting project funded by donors,²⁵ IFC launched the Digital Data Corridors initiative in 2022. The initiative uses existing Ukrainian and European credit information infrastructure and brings together credit information providers, financial institutions, and industry experts to allow financial institutions to receive

international credit histories, identity verification, and bank transaction data electronically in real time. By the end of 2022, credit bureaus in the largest host countries for Ukrainians, including Poland, Czechia, and Moldova, were linked to the corridor, facilitating access to finance for Ukrainian refugees.

“This pioneering initiative will allow Ukrainian citizens to show the positive credit history they earned back home and build trust with a future employer and access finance from Moldovan banks and other financial institutions.”

— *Silviu Foca, Director General, Biroul de Credit SRL*

The challenge of accessing finance also extends to municipalities in Kazakhstan. Urban infrastructure is seen as a potential source of private investment to help expand basic services, but major regulatory obstacles to non-sovereign borrowing and public-private partnerships put Kazakhstan's cities at a disadvantage. Since 2020, the IFC trust-funded ECA Cities II Program²⁶ has helped pave the way for reforms to Kazakhstan's municipal borrowing legal framework and piloting a commercial subnational financing solution. The government also amended the Budget Code to allow creditworthy local city governments to access long-term commercial finance for sustainable infrastructure projects.

²⁵ The trust funds involved were the DFID Good Governance Fund (GGF)-IFC Advisory Services Trust Fund and the SECO-IFC Europe and Central Asia (ECA) Advisory Services Trust Fund.

²⁶ The trust funds involved are the Austria-IFC Europe and Central Asia (ECA) Advisory Services Trust Fund and the SECO-IFC Global Advisory Services Trust Fund.



Photo: Tahoor

In January 2022, MIGA established the **Fund for Advancing Sustainability (FAS)** to deliver technical assistance to mitigate risks and improve development impacts relating to MIGA projects. FAS is deployed to support MIGA's clients in its strategic focus, including climate, gender, fragility, and other vital areas, such as environmental and social standards and corporate governance. Through FAS, MIGA is able to address specific challenges for projects across all sectors, including agriculture, manufacturing, telecom, and infrastructure, to achieve sustained development outcomes. FAS is intended to complement MIGA's existing capacity and make its product offerings more accessible, particularly for small and medium-sized investors. The Republic of Korea—the anchor donor for FAS—committed \$3 million, of which \$2 million has already been paid in.

The **Women Entrepreneurs Finance Initiative (We-Fi)** FIF hosted by the World Bank, works to break down barriers related to finance, market access, and capacity to empower women entrepreneurs in

the developing world. In Bangladesh, for example, many women-led businesses have faced significant disruptions in supply and demand due to the COVID-19 pandemic. With support from We-Fi, the World Bank implements the Corporate Connect Program jointly with local and international partners. The program educates and engages larger corporations to stimulate corporate sourcing from women-owned businesses in Bangladesh, and it champions regulatory reforms to sustain these market linkages.

Funding from **We-Fi** and **FIAS** also contributes to an IFC project in Colombia that has helped Bancamía, the second-largest microfinance institution in the country, develop and pilot a plan to increase access to finance and banking services to forcibly displaced people from Venezuela, particularly women. As of June 2022, over 6,300 migrants and returnees have opened savings accounts or started lines of credit. The project's success reflects the strong demand for access to finance among forcibly displaced people, and offers a model for replication in other refugee-hosting countries.

5.2 Boosting International Trade and Integration

International trade is a powerful driver of economic development, poverty reduction, and financial sustainability. Despite these benefits, critics blame globalization for losing manufacturing jobs in advanced economies, environmental degradation, and disruptions to supplies of vital goods, like vaccines. Increasing geopolitical tensions prompt major players to raise barriers to trade and investment and to subsidize domestic production of goods deemed strategic. The World Bank estimates that a slump in investor confidence could push 30–50 million people into poverty by 2030, depending on the severity of protectionist policies put in place by advanced and developing economies.²⁷

Despite these trends, World Bank trust funds continue to help countries and communities participate in regional and global trading systems. For example, the **Horn of Africa Umbrella** supported the development of the East Africa Trade Facilitation Roadmap and its adoption by the Finance Ministers of Kenya, Ethiopia, Somalia, Djibouti, and South Sudan. The roadmap plots a course for coordinated public policy responses to development challenges that hamper economic growth in the region, and it underpins the Bank's \$325 million East Africa Regional Trade Facilitation Project now under preparation.

Also in East Africa, the **Umbrella Facility for Trade (UFT)** provided technical assistance and capacity strengthening to the Government of Kenya to negotiate and assess the impacts of new trade agreements and changes in regional integration initiatives. This included re-negotiating the East African Community's common external tariff, analyzing the economic and

distributional effects of the African Continental Free Trade Area, and assessing the impacts of a free-trade agreement with the United States. More than 70 government staff members received training on modern trade agreement negotiations.

“Our negotiation teams have been able to draft policies that are so well written that, in our first meeting with the U.S. Trade Representative...they tipped their hats to us.”

— *Pauline Mcharo, Deputy Chief Negotiator, Kenya-U.S. Free Trade Agreement*

The **Digital Development Partnership (DDP)** contributes to the Western Africa Regional Digital Integration Program, the Bank's flagship regional operation to increase broadband access and usage to advance the integration of digital markets in Western Africa. DDP funded research to enhance the design of program activities to promote financial sustainability and resilience of innovators and entrepreneurs in the region. Input from over 900 SMEs and 300 digital service providers across West Africa, as well as entrepreneurship support organizations, yielded useful insights into the key challenges within the regional digital ecosystem. Suggested solutions included a West Africa digital transformation fund to co-finance and accelerate regional SMEs' digital transformation initiatives, a regional digital exchange to access technologies, and a range of regional knowledge exchange opportunities.

²⁷ World Bank. 2023. [“Trade Has Been a Powerful Driver of Economic Development and Poverty Reduction.”](#) *Understanding Poverty Brief*. World Bank.



Photo: Sarah Farhat / World Bank

Trust funds also help build the evidence base to solve issues related to remittances, which are vital for the global economy and millions of households worldwide. Remittance inflows to low and middle-income economies reached \$626 billion in 2022,²⁸ exceeding foreign direct investment and official development assistance. However, remittances often come at a high transaction cost for migrants and their families. With backing from the **Financial Inclusion Trust Fund (FINC)** and the **Payment Systems and Remittances Trust Fund (PYMT)**, the World Bank's Remittance Prices Worldwide (RPW) database has collected quarterly data on remittance costs since 2009, covering 367 remittance corridors. The RPW serves as the official reference for global remittance service cost reduction objectives and is used to track progress toward SDGs on remittance costs and to inform policy decisions.

As governments and the private sector contend with the rising costs of finance, growing debt burdens, and increasing inflation, it becomes even more important to develop strong, well-regulated local capital markets that can promote more resilient and sustainable growth. Yet most developing countries lack the necessary preconditions for a healthy capital market: stable macroeconomic fundamentals, a sound banking system, a good institutional and regulatory framework, an efficient market infrastructure, and sufficient market size. In 2018, the World Bank and development partners launched the **Joint Capital Markets Program (J-CAP)** to bring together experts from across the Bank to deliver advisory services sequenced with investments to support the development of local debt and equity capital markets. J-CAP launched in 14 countries, including the West African Economic and Monetary Union (WAEMU).

²⁸ World Bank. November 2022. *Remittances Brave Global Headwinds: Migration and Development Brief 37*. Washington, D.C.: World Bank.

In West Africa, the program has focused on harmonizing the capital market environment across the eight WAEMU countries to expand the domestic institutional investor base and develop capital market instruments to increase real sector development. An improved regulatory framework, issued by the regional capital markets authority in January 2022 with key assistance from J-CAP, enabled the creation of local private equity and venture capital funds, requiring them to direct at least 70 percent of their total investment portfolio to SMEs unlisted on stock markets. This will help channel investment capital to promising startups and young enterprises that are typically too risky for banks.

5.3 Establishing Regional Catastrophe Risk Pools

Climate change and increasingly extreme weather events exacerbate the frequency and intensity of natural disasters, which have surged over the past 50 years.²⁹ According to the World Meteorological Organization (WMO), extreme weather and climate and water-related events caused nearly 12,000 reported disasters between 1970 and 2021, with over 2 million deaths and \$4.3 trillion in economic losses.³⁰ The World Bank is a leader in establishing and managing designated facilities and trust funds to help countries respond to and recover from natural disasters. Regional risk insurance pools are a cost-efficient means of enhancing countries' financial sustainability and resilience, by providing short-term liquidity when an insurance policy is triggered by a catastrophic event.

For example, the **Global Shield Financing Facility (GSFF)**, formerly the Global Risk Financing Facility, helps to strengthen the financial resilience of pastoralists in the Horn of Africa—one of the poorest and most fragile regions in the world, with 50 million pastoralists among the most vulnerable. When drought hits, livestock either die or are sold at rock-bottom prices. With support from the GSFF, Djibouti, Ethiopia, Kenya, and Somalia have come together to pool their drought risk through a regional institution, ZEP-RE, and transfer it to the insurance market. By March 2023, 159,000 pastoralists (about 1 million with dependents) were enrolled in the program with a package of drought index insurance, savings, digital accounts, and financial literacy. Over half of participants (57 percent) are women. The initiative also partners with the **Consultative Group to Assist the Poor (CGAP)** to ensure that the savings and insurance products meet the needs of women herders and service providers are incentivized to deliver.

“Our cattle are like our bank account. When our livestock is affected by drought, it is like we have lost that account and we are hopeless. Since I joined the program and received the training, I can now afford to buy fodder for my animals.”

— Asna Ware Deba, Pastoralist, Tana River County, Kenya

²⁹ WMO. August 2021. “[Weather-related disasters increase over past 50 years, causing more damage but fewer deaths.](#)” Press releases. WMO.

³⁰ WMO. “[Atlas of Mortality and Economic Losses from Weather, Climate and Water Extremes.](#)” Resources. WMO.



Photo: Vincent Tremeau / World Bank

Countries in Central America and the Caribbean are also vulnerable to natural disasters, leading to human and economic losses that hinder economic growth. The COVID-19 pandemic and global inflation crisis have further strained the region's fiscal and financial systems, limiting their ability to prepare for and respond to future disasters. The **Caribbean Catastrophe Risk Insurance Facility (CCRIF)** provides affordable and high-quality catastrophe risk coverage and funds technical assistance to enable participating governments to improve disaster preparedness through comprehensive risk financing strategies.

Similarly, the Pacific Catastrophe Risk Insurance Company (PCRIC) was created to improve access to rapid, post-disaster finance for vulnerable Pacific Island countries as part of the G7-championed InsuResilience Global Partnership and with funding from the **Pacific Catastrophe Risk Assessment and Financing Initiative MDTF**. The PCRIC is a dedicated entity designed to provide disaster and climate-related insurance to Pacific Island countries and build capacity in both the public and private sectors while helping to minimize the costs of premiums to support the development of disaster risk insurance markets. Before the PCRIC's closure in fiscal 2023, it made full insurance payouts within 30 days of the occurrence of insured events, and the claims-paying capacity was enough to sustain a 1-in-200-year insured loss.

Financial Information of Trust Funds and FIFs

This chapter provides aggregate financial information on the activities of trust funds and FIFs administered individually or jointly by IBRD, IFC, MIGA, and ICSID. It looks at five-year trends, from fiscal 2019–23, on trust fund and FIF inflows, outflows, and assets under management (Box 6.1)—all of which demonstrate the World Bank's position as the partner of choice to advance development agendas in countries, regions, and around the globe. Due to rounding, disbursements below \$50 million are displayed as \$0.00 million and other figures presented in this chapter may not add up to totals.

BOX 6.1 Definitions of Key Financial Terms



Inflows are cash contributions to trust funds and FIFs, including encashment of promissory notes and cash receipts from donors.

All contributions (cash and promissory notes, net of certain discounts) are reported using the historical FX rates at the date of receipt. Amounts to donor balance and holding accounts have been excluded. From fiscal 2017 onward, most contributors to the Global Fund provide contributions directly to its secretariat, and the trustee receives these funds as contributions from the Global Fund Secretariat as a contributor.



Outflows are disbursements from trust funds and cash transfers from FIFs to implementing entities (World Bank excluded) for development activities. For accounting purposes, FIF transfers to the World Bank as an implementing entity are not included in FIF disbursements; instead, they are transferred and later recorded as IBRD/IDA trust fund disbursements.



Assets are funds held in trust (FHIT)—cash, investments, promissory notes—and contributions receivable at the end of the fiscal year. “Other” FHIT includes amounts held in escrow on behalf of the International Centre for Settlement of Investment Dispute (ICSID), donor balance accounts (DBA), balances on administration accounts, and unapplied receipts.

Fiscal 2023 Financial Snapshot of World Bank Trust Funds and FIFs



INFLOWS
\$34.9 BILLION

IBRD/IDA trust fund contributions: \$22.3 billion

Fiscal 2023 cash contributions were the highest of the last five years, mainly driven by contributions to:

- MDTF for Co-financing the Public Expenditures for Administrative Capacity Endurance in Ukraine (PEACE) Project: \$16.7 billion
- Special Transfer to Ukraine Single Donor Trust Fund: \$1.7 billion

IFC trust fund contributions: \$0.2 billion

FIF contributions: \$12.3 billion

Significant contributions were received for:

- The Global Fund to Fight AIDS, Tuberculosis and Malaria: \$3.9 billion
- Green Climate Fund: \$3.1 billion



FUNDS HELD IN TRUST (FHIT)
\$51.1 BILLION

Over half (\$25.5 billion) of the total FHIT are committed and pending disbursement/transfer.

Increased contributions in fiscal 2023 led to larger FHIT (up from \$41.9 billion in fiscal 2022)

Top trust fund FHIT:

- Carbon finance programs: \$1.3 billion
- MDTF for Co-financing the PEACE Project: \$1.2 billion
- Ukraine Relief, Recovery, Reconstruction and Reform– \$1.1 billion
- Global Financing Facility: \$1.1 billion

Top FIF FHIT:

- Green Climate Fund: \$11.7 billion
- Global Environment Facility: \$6.1 billion
- Climate Investment Funds: \$4.8 billion



OUTFLOWS
\$28.8 BILLION

IBRD/IDA trust fund disbursements: \$20.7 billion

Fiscal 2023 disbursements were the highest of last five years, largely due to disbursements to support Ukraine:

- MDTF for Co-financing the PEACE Project: \$15.4 billion
- Special Transfer to Ukraine Single Donor Trust Fund: \$1.7 billion

IFC trust fund disbursements: \$0.3 billion

Cash transfers from FIFs to implementing entities: \$7.8 billion

Table 6.1. Key Statistics on World Bank Trust Funds and FIFs, Fiscal 2019–2023

	FY19	FY20	FY21	FY22	FY23
Contributions (\$ billion)					
IBRD/IDA Trust Funds	3.85	3.67	4.08	4.86	22.29
IFC Trust Funds	0.45	0.27	0.32	0.29	0.21
MIGA Trust Funds	0.00	0.00	0.00	0.00	0.05
FIFs	6.99	8.94	9.91	11.39	12.33
Total	11.29	12.88	14.31	16.55	34.88
Disbursements and Transfers (\$ billion)					
IBRD/IDA Trust Funds	3.67	3.50	3.57	5.57	20.73
<i>Bank Executed Disbursing Accounts</i>	<i>1.08</i>	<i>1.07</i>	<i>1.03</i>	<i>1.11</i>	<i>1.25</i>
<i>Recipient Executed Disbursing Accounts</i>	<i>2.59</i>	<i>2.43</i>	<i>2.55</i>	<i>4.46</i>	<i>19.48</i>
IFC Trust Funds*	0.30	0.27	0.25	0.27	0.30
MIGA Trust Funds	0.00	0.00	0.00	0.00	0.00
FIFs	4.87	6.75	9.15	7.84	7.77
Total	8.84	10.52	12.97	13.68	28.80
<i>FIF transfers to World Bank Trust Funds</i>	<i>1.00</i>	<i>0.92</i>	<i>0.88</i>	<i>0.66</i>	<i>0.99</i>
Funds Held in Trust (\$ billion)					
IBRD/IDA Trust Funds	10.35	11.22	12.35	11.96	14.56
IFC Trust Funds	0.80	0.83	0.91	0.92	0.85
MIGA Trust Funds	0.11	0.09	0.09	0.10	0.15
FIFs	23.13	24.39	25.96	27.88	34.47
Others	0.88	0.89	0.94	0.98	1.08
Total	35.26	37.42	40.24	41.86	51.11

Table 6.1. Key Statistics on World Bank Trust Funds and FIFs, Fiscal 2019–2023

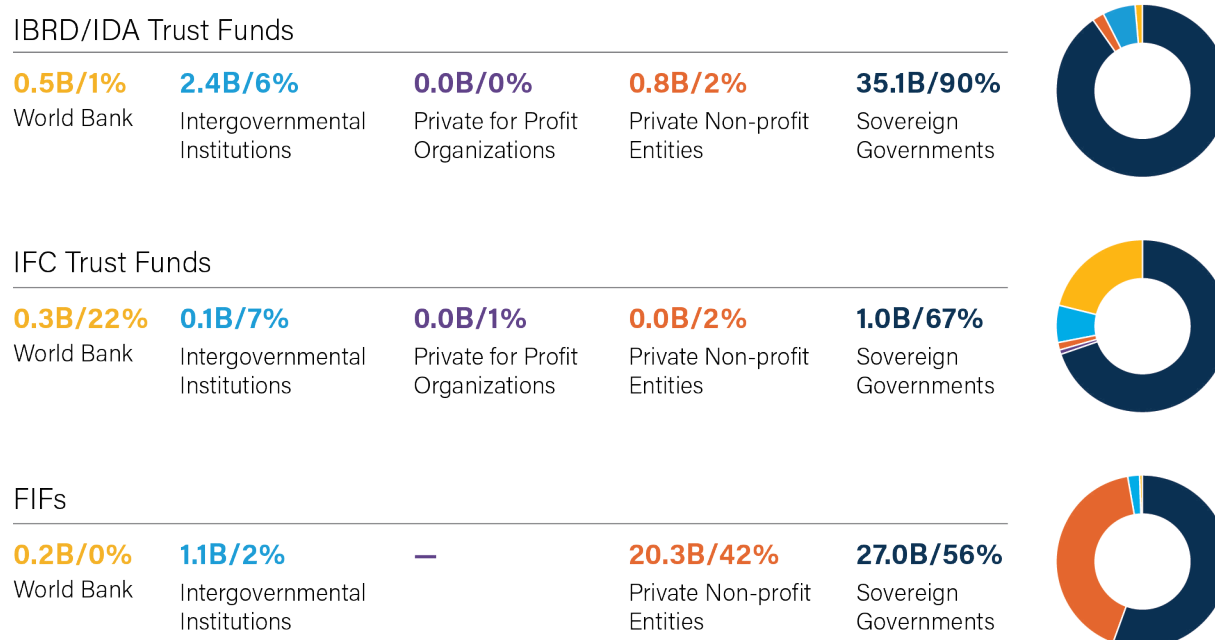
	FY19	FY20	FY21	FY22	FY23
Contribution Receivable (\$ billion)					
IBRD/IDA Trust Funds	3.77	3.57	3.86	3.17	2.83
IFC Trust Funds	0.45	0.51	0.38	0.28	0.28
MIGA Trust Funds	0.01	0.01	0.01	0.05	0.03
FIFs	6.42	7.01	9.72	9.42	11.14
Total	10.65	11.09	13.97	12.92	14.28
Investment Income (\$ billion)					
IBRD/IDA Trust Funds	0.28	0.23	0.04	0.00	0.53
IFC Trust Funds	0.02	0.02	0.00	0.00	0.04
FIFs	0.58	0.51	0.16	-0.22	0.93
Total	0.88	0.76	0.20	-0.22	1.50

Notes: IFC trust fund disbursements and transfers do not include blended finance.

In fiscal 2022, a net investment loss of \$220 million was recorded for FIFs, which primarily reflects the unrealized mark-to-market losses from U.S. Agency Mortgage-Backed Securities, resulting from a rise in short-term U.S. interest rates.

6.1 Inflows³¹

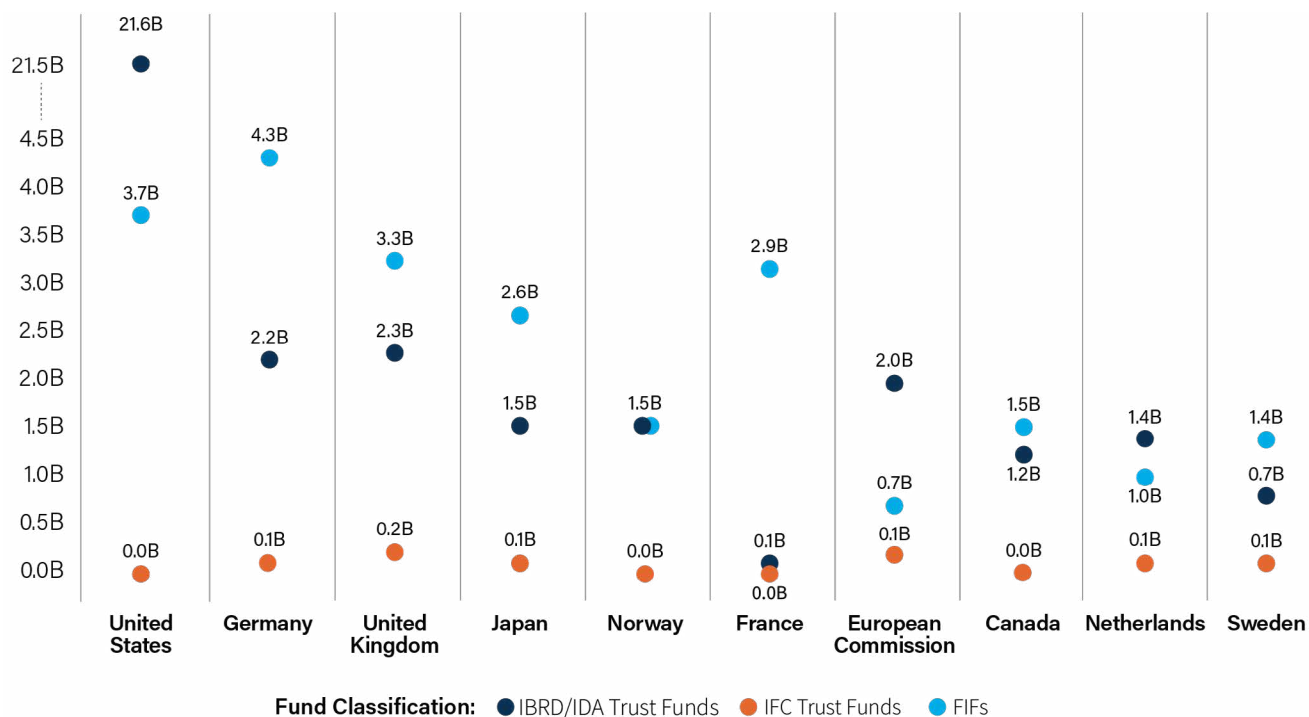
Figure 6.1. Cash Contributions by Development Partner Type: Trust Funds and FIFs, Fiscal 2019–23 (\$ Billions)



Sovereign governments were the main contributors to World Bank trust funds, providing 90 percent (\$35.1 billion) of the cash contributions received for IBRD/IDA trust funds, 67 percent (\$1 billion) received for IFC trust funds, and 56 percent (\$27 billion) received for FIFs in fiscal 2019–23. Private non-profit entities were the second largest group of contributors, providing 42 percent (\$20.3 billion) of the cash contributions received for FIFs.

³¹ From fiscal 2017, most contributors to the Global Fund provide contributions directly to its secretariat, and the trustee receives these funds as contributions from the Global Fund Secretariat as a contributor. The majority (96 percent) of the cash contributions received from private non-profit entities for FIFs is from the Global Fund Secretariat.

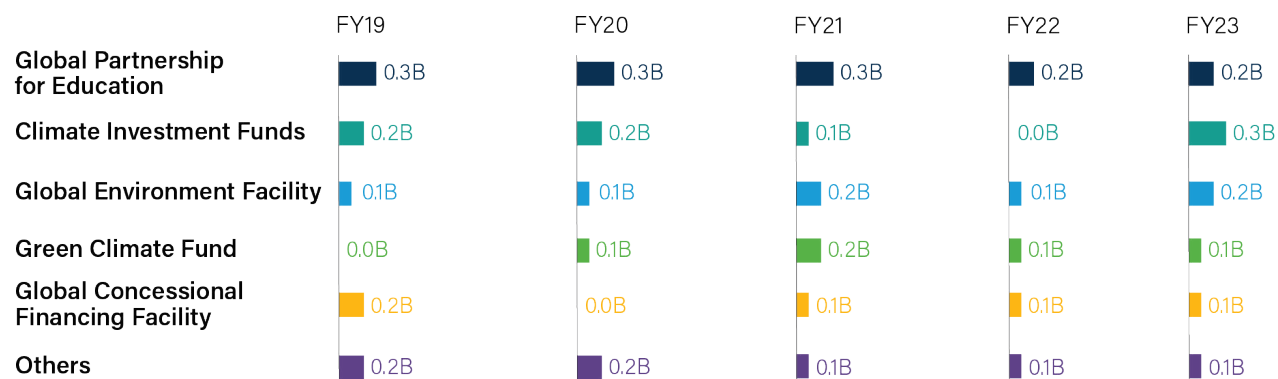
Figure 6.2. Top 10 Development Partner Contributions to Trust Funds and FIFs, Fiscal 2019–23 (\$ Billions)



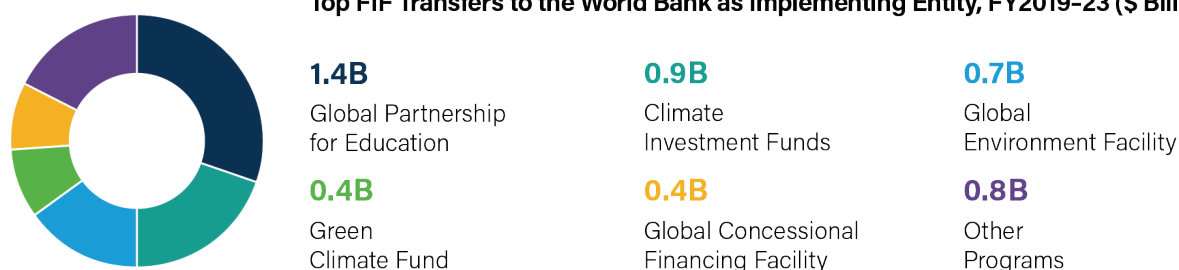
The United States, Germany, and the United Kingdom continue to be the top development partners for World Bank trust funds and FIFs. For IBRD/IDA trust funds, the United States was the largest development partner with cumulative cash contributions of \$21.6 billion, followed by the United Kingdom at \$2.3 billion during fiscal 2019–23.

For FIFs, the top 10 sovereign development partners contributed \$23.2 billion during fiscal 2019–23, which accounted for 48 percent of cumulative cash contributions (\$48.3 billion). The largest contributor was Germany, with contributions of \$4.3 billion, followed closely by the United States (\$3.7 billion).

Figure 6.3. Annual FIF Transfers to IBRD, IDA, and IFC as Implementing Entities, Fiscal 2019–23 (\$ Billions)



Top FIF Transfers to the World Bank as Implementing Entity, FY2019–23 (\$ Billions)



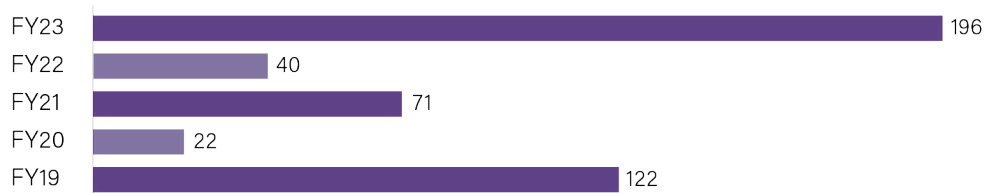
FIFs remain an important funding source for World Bank trust funds. Transfers from FIFs to projects implemented by the IBRD, IDA, and IFC increased to \$1 billion in fiscal 2023 from \$0.7 billion in fiscal 2022. In fiscal 2023, the top three transfers were made from the Climate Investment Funds (CIF) at \$0.3 billion, followed by the Global Partnership for Education (GPE) and the Global Environment Facility (GEF) at \$0.2 billion each.

On a cumulative basis spanning fiscal 2019–23, the largest transfers to IBRD, IDA, and IFC as implementing entities were received from GPE (\$1.4 billion), followed by CIF (\$0.9 billion) and the GEF (\$0.7 billion).

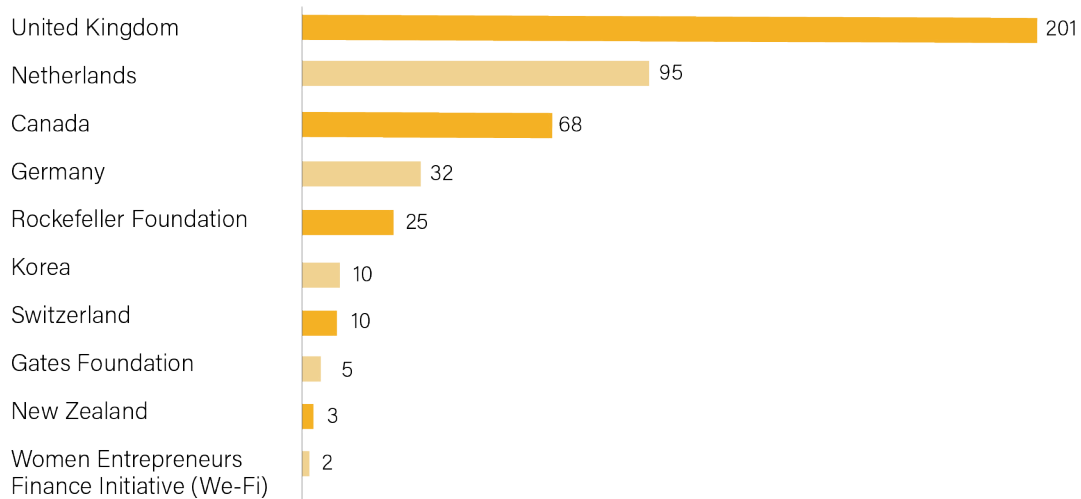
³² Transfers to implementing entities include transfers for project preparation, supervision fees, project implementation, and special agreement transfers for programs for heavily indebted poor countries (HIPC) and Advanced Market Commitments (AMC). However, in the case of the Global Fund, there is a lump sum transfer to the secretariat, and the use of the transferred funds is determined by the Global Fund.

Since fiscal 2019, signed contributions for IFC blended finance trust funds average \$90 million a year. The United Kingdom was the largest sovereign development partner to IFC blended finance trust funds during fiscal 2019–23, accounting for 38 percent of total cumulative signed contributions (\$201 million), followed by the Netherlands (21 percent, \$95 million) and Canada (15 percent, \$68 million).

Figure 6.4. Signed Contributions to IFC Blended Finance Trust Funds, Fiscal 2019–23 (\$ Millions)

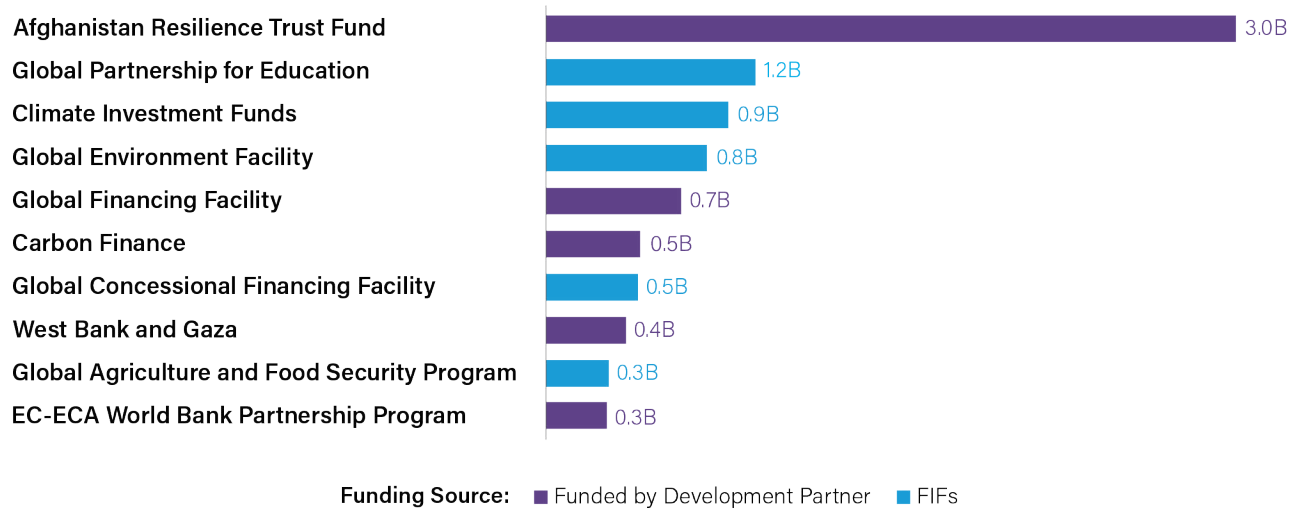


Signed Contributions to IFC Blended Finance Trust Funds by Donor, Fiscal 2019–23 (\$ Millions)



6.2 Outflows

Figure 6.5. IBRD/IDA Trust Fund Disbursements by Top 10 Programs, Fiscal 2019-23 (\$ Billions)



The top 10 trust fund programs accounted for 23 percent of total IBRD/IDA trust fund disbursements (\$37 billion) during fiscal 2019–23. The largest disbursement was made from the Afghanistan Resilience Trust Fund (\$3.0 billion), followed by other disbursements made by the World Bank as the implementing entity for FIFs, like the GPE (\$1.2 billion), CIF (\$0.9 billion), and the GEF (\$0.8 billion). FIF programs accounted for 11 percent (\$4.0 billion) of IBRD/IDA trust fund disbursements with the World Bank acting as the implementing entity.

Figure 6.6. IBRD/IDA Trust Fund Disbursements, by Top Five Standalone Trust Funds, Fiscal 2019–23 (\$ Billions)



The World Bank works closely with countries dealing with various development challenges, including climate change, inflation, conflict, and food insecurity. Standalone trust funds offer fast-disbursing, targeted support. In the last quarter of fiscal 2023, the World Bank trust funds disbursed \$3.7 billion to Ukraine.

Figure 6.7. IBRD/IDA Trust Fund Disbursements for Recipient-Executed Activities by Funding Source, Fiscal 2019–23 (\$ Billions)



Excluding trust fund disbursements to Ukraine, in fiscal 2023, FIFs financed 27 percent of total trust fund disbursements to RE activities supervised by IBRD as the implementing entity. **The share of the FIF funding to RE activities has fluctuated during the last five years** from \$0.8 billion (31 percent) in fiscal 2019 to \$0.5 billion (12 percent) in fiscal 2022 to \$0.7 billion (3 percent) in fiscal 2023 including support for Ukraine. During fiscal 2019–23, FIFs financed 10 percent (\$3.2 billion) of total RE disbursements. Almost one-third of FIF funding during fiscal 2019–23 was from the GPE (\$0.9 billion) followed by CIF (\$0.8 billion) and the GEF (\$0.5 billion).

Figure 6.8. IBRD/IDA Trust Fund Disbursements for Recipient-Executed Activities by FIFs, Fiscal 2019–23 (\$ Billions)

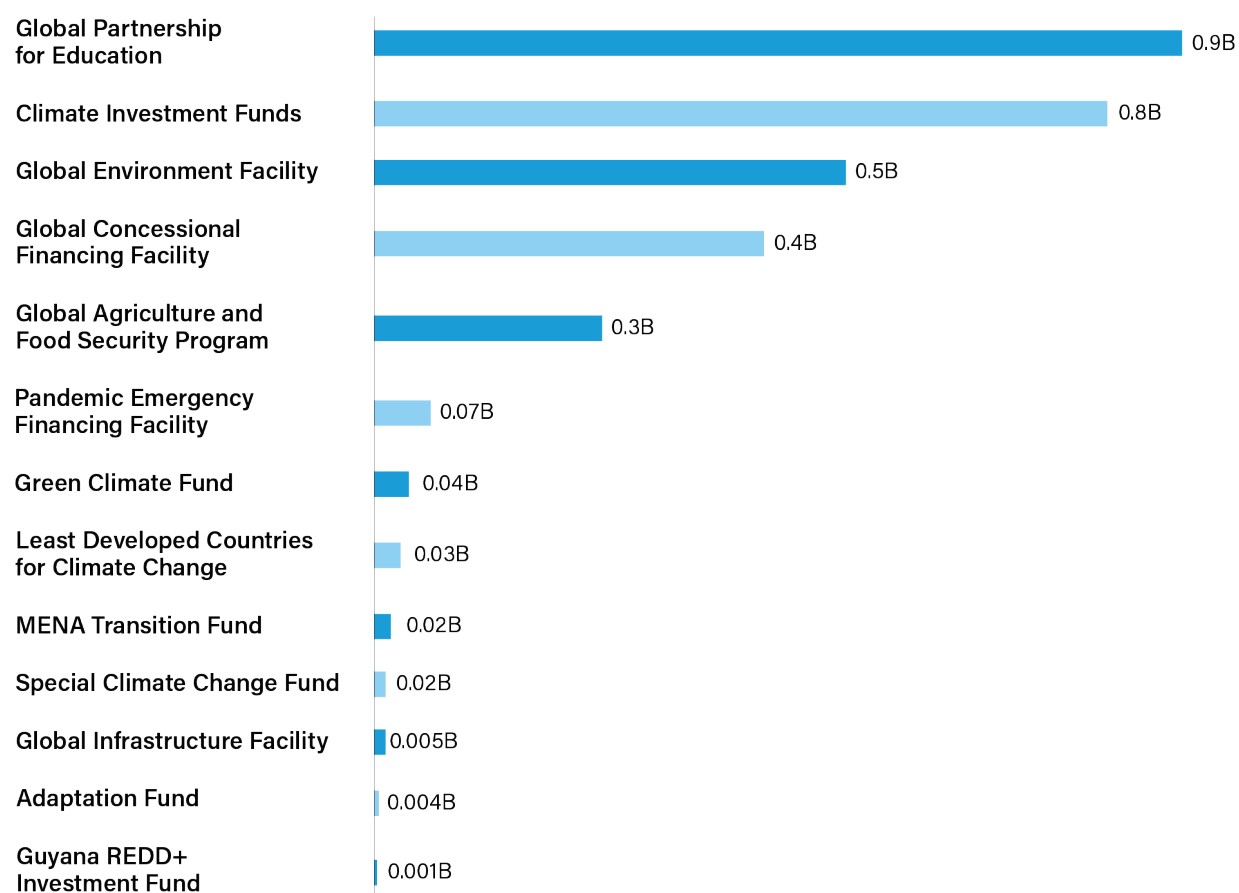
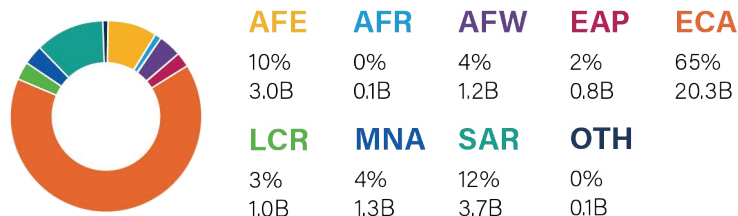
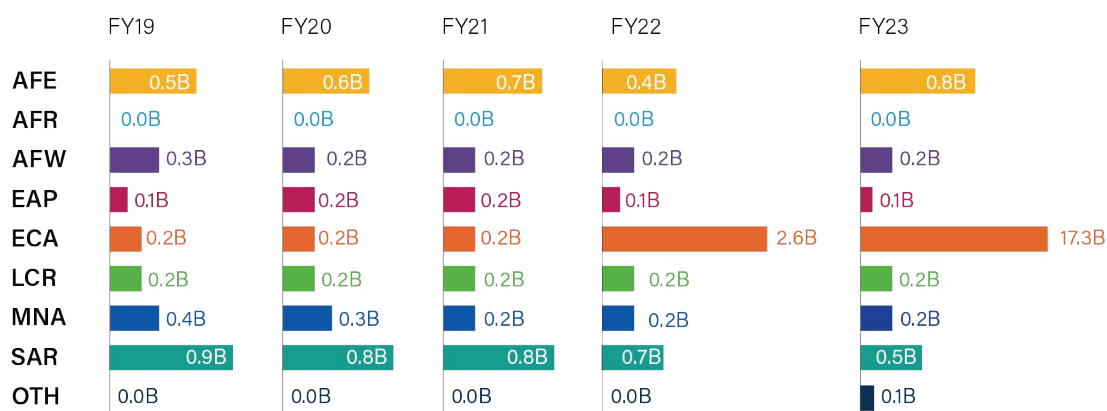
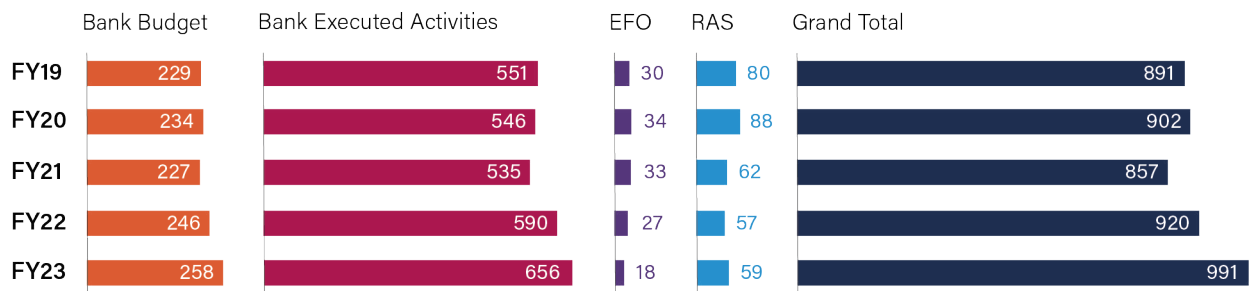


Figure 6.9. IBRD/IDA Trust Fund Disbursements for Recipient-Executed Activities by Region, Fiscal 2019–23 (\$ Billions)



During fiscal 2019–23, the **Europe, and Central Asia (ECA)** region was the largest beneficiary of trust fund disbursements for RE activities (\$20.3 billion), mainly due to support for Ukraine. The South Asia Region (SAR) was the second largest beneficiary at \$3.7 billion, mostly due to disbursements to Afghanistan.

Figure 6.10. Advisory Services and Analytics (ASA) Costs, Fiscal 2019–23 (\$ Millions)



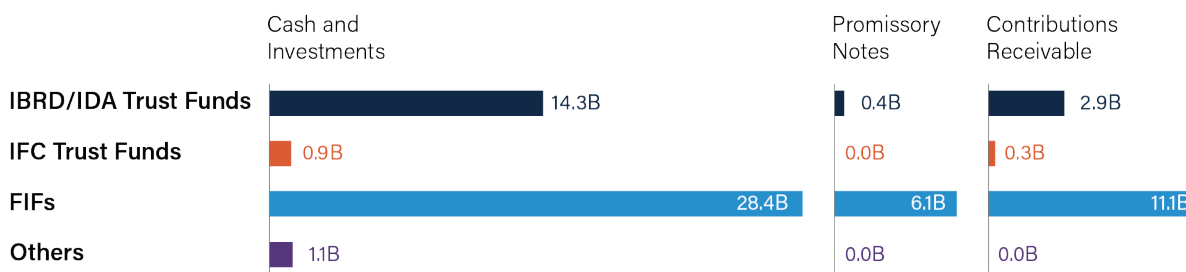
Note: EFO refers to externally financed outputs and RAS refers to reimbursable advisory services.

Trust fund financing for BE activities represents a significant share of the World Bank’s expenditures on ASA, at 66 percent in fiscal 2023. This large share of externally financed ASA provides opportunities to work with development partners on the knowledge agenda but also introduces challenges to the Bank’s ability to plan and align its work to its strategic priorities.

6.3 Assets

Trust fund assets consist of funds held in trust (FHIT)—cash, investments, promissory notes—and contributions receivable. These assets are managed and reported separately for IBRD/IDA trust funds, IFC trust funds, and FIFs following established reporting protocols.

Figure 6.11. Distribution of Assets for IBRD/IDA Trust Funds, IFC Trust Funds, and FIFs, End of Fiscal 2023 (\$ Billions)



The amount of assets held for World Bank trust funds and FIFs amounted to \$65.4 billion at the end of fiscal 2023. The assets held consist of FIFs (\$45.6 billion, 70 percent), IBRD/IDA trust funds (\$17.6 billion, 27 percent), IFC trust funds (\$1.1 billion, 2 percent), and other trust funds (\$1.1 billion, 2 percent).

The share of cash and investments amounted to 68 percent of total assets, and the share of contributions receivable and promissory notes receivable was 22 percent and 10 percent, respectively.



Photo: Dominic Chavez / World Bank

INVESTMENT MANAGEMENT

The World Bank manages the liquid assets of trust funds and FIFs in a single, commingled investment pool that provides the following benefits to its participants:

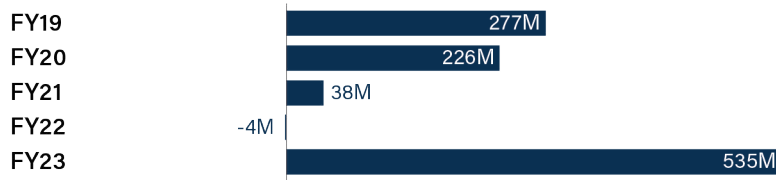
- A selection of sub-portfolios or model portfolios to accommodate varying liquidity needs and risk preferences of different funds managed within a comprehensive risk management framework
- Access to a wide variety of investment products and longer terms of maturity to enhance investment returns over time
- Regular review of liquidity needs across funds to optimize investments over the longer term
- Standard and customized environmental, social, and governance (ESG) investment solutions and product offerings to cater to various sustainable responsible investing (SRI) aspirations of individual funds

These investments earn income based on the trust fund's share of interest income, realized gains or losses from the sale of securities, and unrealized gains or losses resulting from changes in the asset value held by the pool at fair value.

During fiscal 2019–23, investment income on trust fund and FIF assets totaled \$3.1 billion, with a peak in fiscal 2023 at \$1.5 billion.

Figure 6.12. Investment Income for IBRD/IDA Trust Funds, IFC Trust Funds, and FIFs, Fiscal 2019–23 (\$ Million)

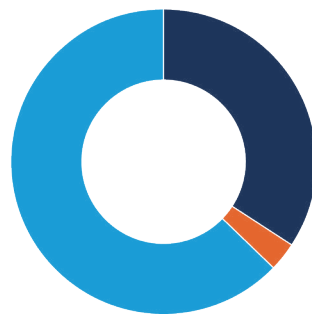
IBRD/IDA Trust Funds



IFC Trust Funds



FIFs



1,072M/34%
IBRD/IDA Trust Funds

95M/3%
IFC Trust Funds

1,957M/63%
FIFs

ASSET MIX OF TRUST FUNDS INVESTMENT PORTFOLIO

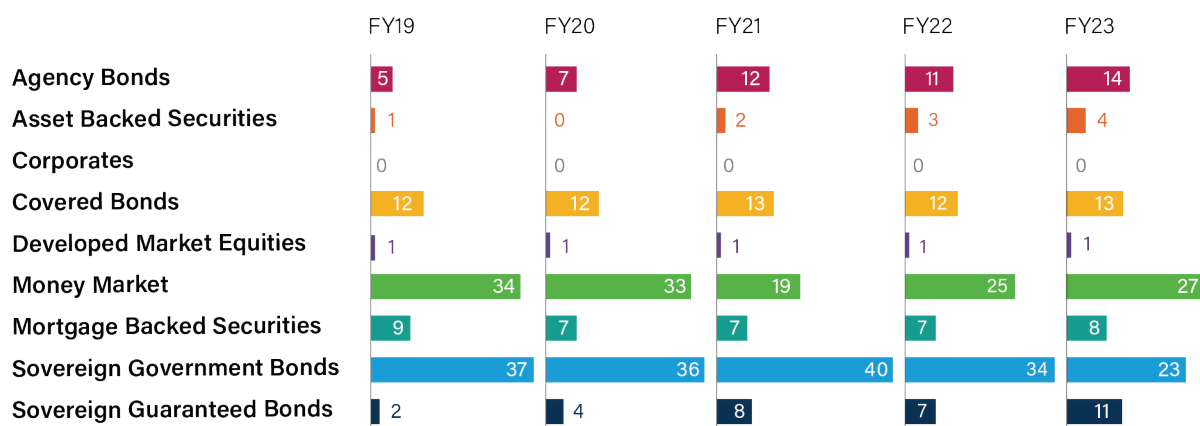
Upon receipt of development partner contributions to a trust fund, the World Bank invests these resources in the international capital markets until they are disbursed to final recipients. Trust fund assets are managed with the primary investment objective of capital preservation and liquidity on demand.

The provisions of the World Bank's General Investment Authorizations for IBRD and IDA also apply to the investment of trust fund assets. Accordingly, these assets are managed within conservative overall risk tolerance parameters and invested in high-quality securities, which include securities issued by sovereign governments, government agencies, and multilateral and other official institutions, asset-backed and agency-guaranteed mortgage-backed securities, as well as swaps and a range of derivatives in support of securities investments. Subject to the primary investment objective, the asset mix among the investment products authorized by the General Investment Authorizations is based on market opportunities available within the applicable risk limits. As part of monitoring and financial and risk management oversight, a regular rebalancing of assets is performed to ensure that enough liquidity is available to meet disbursement needs.

[The Investment Management of World Bank Trust Fund](#) offers more details about how the World Bank manages and invests development partner financial resources.

The portfolio asset allocation as of end of fiscal 2023 reflects a conservative investment approach and defensive positioning to maintain the portfolio within the policy risk tolerance. The portfolio includes a large allocation of 27 percent in cash and money market instruments, followed by 23 percent invested in sovereign government bonds, 14 percent in agencies bonds, and 13 percent in covered bonds. The rest of the portfolio is invested in sovereign guaranteed, mortgage-backed and asset-backed securities, and a small allocation to equities.

Figure 6.13. Asset Mix of the World Bank Trust Funds Investment Portfolio, Fiscal 2019–23



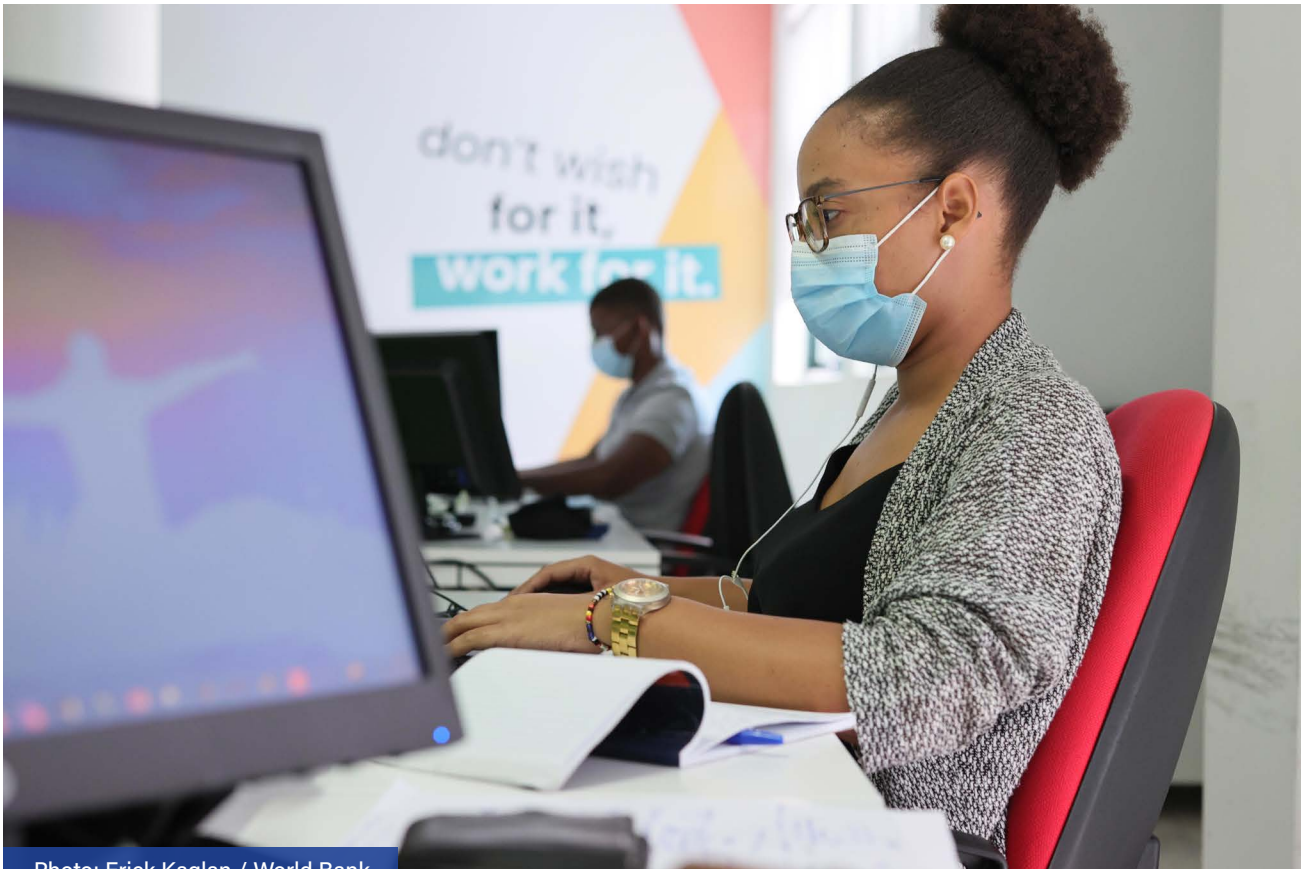


Photo: Erick Kaglan / World Bank

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CONSIDERATIONS

Keeping pace with the rapid shift in the global asset management industry toward sustainable and responsible investing (SRI), the World Bank is committed to integrating sustainability-related themes in all operational activities, including the investment management function entrusted to it by its clients.

Since July 2019, the Bank Treasury has applied ESG integration as the default SRI approach to the trust fund pooled assets under management within the purview of the IBRD/IDA General Investment Authorizations and clients' investment guidelines as stipulated in the Investment Management Agreements. ESG integration is an extension of traditional financial analysis that explicitly considers ESG factors in investments.

Further, in response to growing demand from some FIFs for more mission-driven thematic SRI investment strategies with sustainable development impacts, the World Bank rolled out the Sustainable Bond Strategy in fiscal 2021. It followed a gradual and phased approach, starting with the Sovereign, Supranational, and Agency (SSA) universe permissible under the existing Investment Authorizations. As of June 30, 2023, the market value of the portfolio invested in the strategy was \$440 million, with 94 percent of the portfolio invested in 32 impact bonds issued by 21 SSA issuers. The Bank published its first [Sustainable Fixed-Income Strategy Impact Report](#) in 2023 to highlight specific issuers and holdings, SDG-aligned impact metrics, and project stories (Figure 6.14).

Through a tiered offering of SRI investment approaches, the World Bank, as the trustee for trust funds and FIFs, intends to achieve the overarching objective of capital preservation and liquidity on demand. The World Bank will continue to explore additional SRI strategies in line with current market practices to meet the evolving SRI aspirations and development objectives of development partners.

Figure 6.14. Topline Impact Numbers from the Sustainable Fixed-Income Strategy Impact Report, World Bank 2023

Topline Impact Numbers

The strategy uses issuer information for each bond to calculate the impact at the issuance level, as well as at the holdings level, using a prorating approach. The topline impact numbers to the right show prorated impact attributed to the holdings of the strategy as of June 30, 2022.¹ This is a very simplified representation of the impact that aligns to the methodology used by other investors. It provides an indication of the scope of impact, yet underestimates the actual support since only part of the results is reported.

¹ Assuming one year of holding in 2021.

Note on units:

MWh - megowatt hour

tCO2e - tonnes of carbon dioxide equivalent; issuers use different methodologies to calculate emissions reductions

m2 - square meters

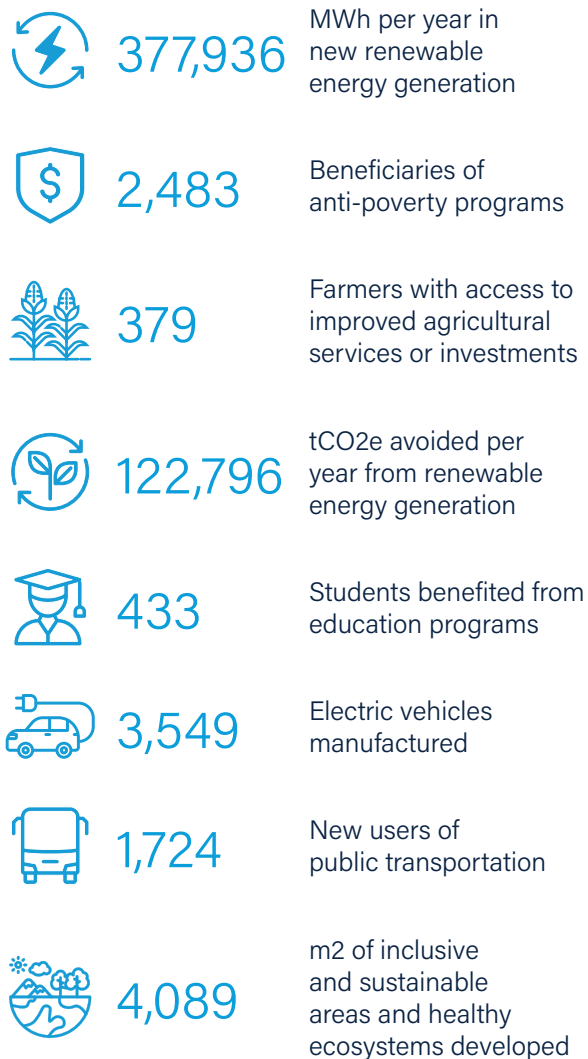




Photo: Hendri Lombard / World Bank

Annexes



Photo: Mulugeta Wolde / IFC

Annex A. Abbreviations and Acronyms

ASA	Advisory services and analytics	MDB	Multilateral development bank
BE	Bank-executed activities	MDTF	Multi-donor trust fund
COVID-19	Coronavirus disease 2019	MENA	Middle East and North Africa Region
DPO	Development policy operation	MIGA	Multilateral Investment Guarantee Agency
ECA	Europe and Central Asia Region	MSME	Micro, small and medium-size enterprises
ERPA	Emission Reductions Purchase Agreement	NDC	Nationally Determined Contribution
ESG	Environmental, social, and governance	NGO	Non-governmental organization
FCV	Fragility, conflict, and violence	PPE	Personal protection equipment
FHIT	Funds held in trust	RE	Recipient-executed activities
FIF	Financial intermediary fund	REDD+	Reducing emissions from deforestation and forest degradation
FY	Fiscal year	SAR	South Asia Region
GHG	Greenhouse gas	SDG	Sustainable Development Goal
G20	Group of Twenty (world's largest economies)	SIDS	Small island developing states
G7	Group of Seven (world's largest advanced economies and liberal democracies)	SME	Small and medium-size enterprise
IBRD	International Bank for Reconstruction and Development	SRI	Sustainable and responsible investing
ICSID	International Center for Settlement of Investment Disputes	UN	United Nations
IDA	International Development Association	UNHCR	UN Refugee Agency
IFC	International Finance Corporation	UNICEF	United Nations Children's Fund
ILO	International Labour Organization	USAID	United States Agency for International Development
IMF	International Monetary Fund	WHO	World Health Organisation

The World Bank's fiscal year runs from July 1 to June 30. Unless otherwise specified, "\$" represents U.S. dollars throughout the report.

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Annex C. List of Umbrella 2.0 Programs as of June 30, 2023

Practice Group / Business Units	No	Umbrella 2.0 Program
Equitable Growth, Finance and Institutions Practice Group	1	Competitiveness for Jobs and Economic Transformation (C-JET) ✓
	2	Consultative Group to Assist the Poor (CGAP) ✓
	3	Debt Management Facility (DMF) ✓
	4	Finance for Development (F4D) ✓
	5	Financial Management Umbrella Program (FMUP) ✓
	6	Financial Sector Reform and Strengthening Initiative (FIRST 2.0) ✓
	7	Fiscal Policy and Sustainable Growth ✓
	8	Global Tax Program (GTP) ✓
	9	Governance and Institutions (G&I) ✓
	10	Procurement for Development (P4D)
	11	Risk Finance ✓
	12	Umbrella Facility for Poverty and Equity (UFPE) ✓
	13	Umbrella Facility for Trade (UFT) ✓
Human Development Practice Group	14	Foundational Learning Compact (FLC) ✓
	15	Global Financing Facility for Women, Children and Adolescents (GFF) ✓
	16	Health Emergency Preparedness and Response Umbrella Program (HEPR) ✓
	17	Healthy Lives, Nutrition and Population (HLNP) ✓
	18	Health Systems Resiliency Fund

Practice Group / Business Units	No	Umbrella 2.0 Program
Human Development Practice Group (Cont.)	19	Human Capital Umbrella ✓
	20	JOBS Umbrella Partnership ✓
	21	KNOMAD – Migration Umbrella ✓
	22	Rapid Social Response–Adaptive and Dynamic Social Protection (RSR-ADSP) ✓
	23	Tertiary Education and Skills Training (TEST) Umbrella ✓
	24	Umbrella Facility for Gender Equality (UFGE) ✓
Infrastructure Practice Group	25	Digital Development Partnership (DDP) ✓
	26	Energy Sector Management Assistance Program (ESMAP) ✓
	27	Extractives Global Programmatic Support 2 (EGPS-2) ✓
	28	Global Facility to Decarbonize Transport ✓
	29	Global Road Safety Facility (GRSF) 2.0 ✓
	30	Identification for Development (ID4D) ✓
Sustainable Development Practice Group	31	Public-Private Infrastructure Advisory Facility (PPIAF) ✓
	32	Climate Support Facility ✓
	33	Food Systems 2030 ✓
	34	Global Facility for Disaster Reduction and Recovery (GFDRR) ✓
	35	Global Partnership on Results-Based Approaches (GPRBA) ✓
	36	Global Program on Sustainability (GPS) ✓
	37	Global Water Security and Sanitation Partnership (GWSP) ✓
	38	Human Rights, Inclusion and Empowerment (HRIE) ✓
	39	Land 2030 Global Partnership ✓
	40	Partnership for Market Implementation Facility (PMIF) ✓
	41	PROBLUE ✓
	42	PROCLEAN

Practice Group / Business Units	No	Umbrella 2.0 Program
Sustainable Development Practice Group (Cont.)	43	PROGREEN ✓
	44	Social Sustainability Initiative for All (SSI4ALL) ✓
	45	Stepping up Climate Action by Lowering Emissions (SCALE)
	46	Sustainable Urban and Regional Development (SURGE) ✓
Fragility, Conflict and Violence	47	State and Peacebuilding Fund (SPF)
Development Economics (DEC)	48	Global Data Facility ✓
	49	Impact Evaluation to Development Impact (i2i) ✓
	50	Knowledge for Change Program (KCP) ✓
Eastern and Southern Africa Region (AFE)	51	Africa Regional Integration Umbrella
	52	Horn of Africa Umbrella ✓
	53	Somalia Country Engagement Program ✓
	54	South Sudan Multi-Donor Transition Trust Fund
	55	Sudan Transition and Recovery Support (STARS) ✓
	56	Zimbabwe Socio-Economic Transformation Fund ✓
Western and Central Africa Region (AFW)	57	AFW Regional Umbrella
	58	Liberia Reconstruction ✓
East Asia and the Pacific Region	59	Myanmar Strategic Partnership (MSP) ✓
	60	Papua New Guinea and the Pacific Islands Umbrella Facility (PPIUF) ✓
	61	Timor-Leste Strategic Partnership (TLSP)
Europe and Central Asia Region	62	Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund (URTF) ✓

Practice Group / Business Units	No	Umbrella 2.0 Program
Middle East and North Africa Region	63	Lebanon Financing Facility ✓
	64	Libya Development Trust Fund
	65	MNA Region Umbrella ✓
	66	Palestinian Umbrella for Resilience Support to the Economy ✓
	67	Tunisia Economic Resilience and Inclusion (TERI) ✓
	68	Yemen Resilience, Recovery and Reconstruction Umbrella Program ✓
South Asia Region	69	Afghanistan Resilience Trust Fund (ARTF) ✓
	70	India Country Umbrella ✓
	71	Pakistan100 Trust fund ✓
	72	South Asia Regional Integration, Cooperation, and Engagement Umbrella ✓

✓ Check mark indicates that the program has been formally established.

Note: Any changes to proposed Umbrella 2.0 Programs made after June 30, 2023 are not reflected in this table.

Annex D. List of Trust Funds and FIFs Referenced in this Report

IBRD/IDA Trust Funds		
Program	Name	Weblink
ARTF	Afghanistan Resilience Trust Fund	https://www.wb-artf.org/
ISFL	BioCarbon Fund Initiative for Sustainable Forest Landscapes	https://www.biocarbonfund-isfl.org/
Carbon-Assist	Carbon Finance Assist Fund	
CCRF	Canada-Caribbean Resilience Facility	https://www.gfdr.org/en/crf
CCRIF	Caribbean Catastrophe Risk Insurance Facility	https://www.ccrif.org/
CIWA	Cooperation in International Waters in Africa	https://www.ciwaprogram.org/
CPF	Carbon Partnership Facility	
CSF	Climate Support Facility	https://www.worldbank.org/en/programs/climate-support-facility
DDP	Digital Development Partnership	https://www.worldbank.org/en/programs/digital-development-partnership
EnABLE	Enhancing Access to Benefits while Lowering Emissions	https://www.worldbank.org/en/topic/climatechange/brief/enable-enhancing-access-to-benefits-while-lowering-emission
EEPP	European Commission (EC)–World Bank Partnership on Europe and Central Asia	
EU2020	EU2020 Knowledge and Advisory Services	
FCPF	Forest Carbon Partnership Facility	https://www.forestcarbonpartnership.org/
FDTF	Forced Displacement Trust Fund	
FINC	Financial Inclusion Trust Fund	

Program	Name	Weblink
FREE	Ukraine Financing of Recovery of Economic Emergency MDTF	
FS2030	Food Systems 2030	https://www.worldbank.org/en/programs/food-systems-2030
GFDRR	Global Facility for Disaster Reduction and Recovery	https://www.gfdr.org/en
GFDT	Global Facility to Decarbonize Transport	https://www.worldbank.org/en/programs/global-facility-to-decarbonize-transport
GFF	Global Financing Facility for Women, Children, and Adolescents	https://www.globalfinancingfacility.org/
GSFF	Global Shield Financing Facility, formerly the Global Risk Financing Facility	https://globalriskfinancing.org/
GTP	Global Tax Program	https://www.worldbank.org/en/programs/the-global-tax-program
GWSP	Global Water Security and Sanitation Partnership	https://www.worldbank.org/en/programs/global-water-security-sanitation-partnership
HEPR	Health Emergency Preparedness and Response Umbrella Program	https://www.healthemergencies.org/
HOAUTF	Horn of Africa Initiative Umbrella Trust Fund	https://www.hoainitiative.org/multi-donor-trust-fund/
I3RF	Iraq Reform, Recovery and Reconstruction Trust Fund	
ILM MDTF	Multi-donor Trust Fund for Integrated Landscape Management in Mozambique	https://www.worldbank.org/en/programs/mozambiques-integrated-forest-and-landscape-management-portfolio
JSDF	Japan Social Development Fund	https://www.worldbank.org/en/programs/japan-social-development-fund
KGTF	Korea Green Growth Trust Fund	https://www.wbgkggtf.org/
KWPF	Korea–World Bank Partnership Facility	https://www.worldbank.org/en/programs/korea-world-bank-group-partnership-facility

Program	Name	Weblink
LSCTF	Lebanon Syrian Crisis Trust Fund	
	MDTF for Co-financing of the Moldova Development Policy Program	
	MNA Region Umbrella	
PARCC	Program for Asia Resilience to Climate Change	https://www.worldbank.org/en/programs/south-asia-regional-integration/brief/program-for-asia-resilience-to-climate-change
PCRAFI	Pacific Catastrophe Risk Assessment and Financing Initiative	https://www.gfdr.org/en/pacific-catastrophe-risk-assessment-and-financing-initiative-phase-3
PEACE	Ukraine Public Expenditures for Administrative Capacity Endurance MDTF	
PMIF	Partnership for Market Implementation Facility	https://pmiclimate.org/pmif
PROBLUE	Global Program for the Blue Economy	https://www.worldbank.org/en/programs/problue
PURSE	Palestinian Umbrella for Resilience Support to the Economy	https://www.worldbank.org/en/programs/purse_multi_donor_trust_fund
PYMT	Payment Systems and Remittances Trust Fund	
REACH	Results in Education for All Children Trust Fund	https://www.worldbank.org/en/programs/reach
SFLAC	Spanish Fund for Latin America and the Caribbean	
SMPF	Somalia Country Engagement Program, formerly the Somalia Multi-Partner Fund	
SPF	State and Peacebuilding Fund	https://www.worldbank.org/en/programs/state-and-peace-building-fund

Program	Name	Weblink
UFGE	Umbrella Facility for Gender Equity	https://www.worldbank.org/en/programs/umbrellafacilityforgenderequality
UFT	Umbrella Facility for Trade	https://www.worldbank.org/en/programs/umbrella-facility-for-trade#5
URTF	Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund	https://www.worldbank.org/en/programs/urtf
	Ukraine Second Power Transmission Project Single Donor Trust Fund	
WBGBK	IBRD-funded West Bank and Gaza Trust Fund	
ZISET	Zimbabwe Socio-Economic Transformation Fund, formerly the Zimbabwe Reconstruction Fund (ZIMREF)	https://www.worldbank.org/en/programs/zimbabwe-reconstruction-fund

Note: Information on all IBRD/IDA trust funds can be accessed at <https://www.worldbank.org/en/trust-funds-and-programs/home>

IFC Trust Funds

Trust Fund	Name
TF073556	30 By 30 Zero Program (Germany)
TF070562	Bangladesh Investment Climate Fund I (BICF I) (United Kingdom, European Commission)
TF072625	Bangladesh Investment Climate Fund II (BICF II) (United Kingdom)
TFC-16-A	Canada-IFC Renewable Energy Program for Africa (Blended Finance)
TF073356	Comprehensive Japan Trust Fund
TF071889	Department of Foreign Affairs and Trade (DFAT) - IFC Global Advisory Services Trust Fund SDIP II contribution Advancing Multilateral Partnerships for Economic Development in The Philippines (AMPED) / DFAT AMPED-Cities (Australia)
TF073339	DFID Good Governance Fund (GGF)-IFC Advisory Services Trust Fund (United Kingdom)
TF073659	FACILITY FOR INVESTMENT CLIMATE ADVISORY SERVICES (FIAS) (FY22-26 Strategy Cycle) (Austria, Canada, Ireland, Luxembourg, Netherlands, Sweden)
TF073113	Finland-IFC Blended Finance for Climate Program (Advisory)
TFC-20-A	Finland-IFC Blended Finance for Climate Program (Blended Finance)
TF025040	Former Comprehensive Japan Trust Fund TICAD-5 Window
TF073385	Fragility & Conflict-affected Situations(FCS) Initiative for Sub-Saharan Africa and Yemen Multi-Donor Trust Fund (Africa Fragility Initiative (AFI)) (Norway, Ireland)
TF072748	GAFSP (Advisory Activities) Private Sector Window (United Kingdom)
TF073056	Green Bond Technical Assistance Program (Supporting Emerging Green One- Amundi Planet SICAV-SIF) (Luxembourg)
TF073090	IFC Europe and Central Asia (ECA) Advisory Services Trust Fund (Austria Umbrella) / Europe and Central Asia (ECA) Cities Platform II (Austria)
TF073554	IFC Global Advisory Project on Personal Protective Equipment (United Kingdom)
TF073231	IFC Green Bond Technical Assistance Program (Supporting Emerging Green One-Amundi Planet SICAV-SIF) (Sweden)
TF072979	IFC Support for G-20 Compact with Africa Initiative (ISCA) (Norway, Netherlands, Germany)

Trust Fund	Name
TF072853	Infrastructure Development Collaboration Partnership Fund (DEVCO) / DevCO 2 SA (United Kingdom)
TF073282	Joint Capital Markets Program (J-CAP) (Luxembourg)
TF073427	Joint Capital Markets Program (J-CAP) Multi-Donor Trust Fund (Switzerland, Germany, Norway, Australia)
TF073403	Kakuma Kalobeyei Challenge Fund - International Finance Corporation (IFC) Executed Trust Fund (Germany, European Commission, Switzerland, United Kingdom)
TF073041	Korea-IFC Partnership Program
TF073184	Market Accelerator for Green Construction Trust Fund (United Kingdom)
TF073346	MENA Private Sector Development (PSD) Program - Advisory Component / Dutch MENA PSD-MAS (Netherlands)
TF073591	Norway-Global Health Platform
TF073234	Partnership for Improving Prospects for Forcibly Displaced Persons(FDP) and Host Communities (PROSPECTS) (Netherlands)
TF070993	Private Enterprise Partnership Africa: Conflict Affected States in Africa Initiative (Netherlands, Norway, Ireland, United Kingdom)
TF071855	Private Sector Window (PSW) of the Global Agriculture and Food Security Program (GAFSP) (Netherlands)
TF073032	Renewable Energy Advisory Services Program for Africa (Canada)
TF072821	SECO-IFC Europe and Central Asia (ECA) Advisory Services Trust Fund (Switzerland)
TF072628	SECO IFC Global Advisory Services Trust Fund SECO-IFC EDGE Green Building Market Transformation Program Sustainable Cities Program ECA (Switzerland)
TF073383	Sustainable Cooling Innovation Programme Trust Fund (United Kingdom)
TF072870	The Financial Support of a Program of Advisory Services Relating to Flat6Labs (UK-FCO-EGYPT-F6L) (United Kingdom)
TFC-23-A	UK-IFC Market Accelerator for Green Construction (MAGC) (Blended Finance)
TF073128	Women Entrepreneurs Financing Initiative Advisory Services (We-Fi)

MIGA Trust Funds

Program	Name
CAFEF	Conflict Affected and Fragile Economies Facility
FAS	Fund for Advancing Sustainability
RECTF	Renewable Energy Catalyst Trust Fund
SURE TF	Support for Ukraine's Reconstruction and Economy Trust Fund
WB&G TF	West Bank and Gaza Trust Fund

Financial Intermediary Funds

FIF	Name	Weblink
AF	Adaptation Fund	https://www.adaptation-fund.org/
AGR	AgResults	https://agresults.org/
CEPI	Coalition for Epidemic Preparedness Innovations	https://cepi.net/
CGIAR	Consultative Group on International Agriculture Research	https://www.cgiar.org/
CIF /1	Climate Investment Funds	https://www.cif.org/
CTF	Clean Technology Fund	https://www.cif.org/cif-funding#clean-technology-fund
SCF	Strategic Climate Fund	https://www.cif.org/cif-funding#strategic-climate-fund
CREWS	Climate Risk and Early Warning Systems Initiative	https://www.crews-initiative.org/en
DRTF	Debt Relief Trust Fund	
Gavi /2	Gavi, the Vaccine Alliance (formerly the Global Alliance for Vaccines and Immunization)	https://www.gavi.org/
IFFIm	International Finance Facility for Immunization	https://iffim.org/

FIF	Name	Weblink
GCCF	Global Concessional Financing Facility	https://globalcff.org/
GEF /3	Global Environment Facility	https://www.thegef.org/
CBIT	Capacity Building Initiative for Transparency	https://www.thegef.org/topics/capacity-building-initiative-transparency-cbit
LDCF	Least Developed Countries Fund for Climate Change	https://www.thegef.org/topics/least-developed-countries-fund-ldcf
NPIF	Nagoya Protocol Implementation Fund	https://www.thegef.org/documents/brochure-nagoya-protocol-implementation-fund
SCCF	Special Climate Change Fund	https://www.thegef.org/topics/special-climate-change-fund-sccf
GAFFSP	Global Agriculture and Food Security Program	https://www.gafspfund.org/
Global Fund	Global Fund to Fight AIDS, Tuberculosis and Malaria	https://www.theglobalfund.org/en/
GIF	Global Infrastructure Facility	https://www.globalinfrastructure.org/
GPE	Global Partnership for Education	https://www.globalpartnership.org/
GCF	Green Climate Fund	https://www.greenclimate.fund/
GRIF	Guyana REDD+ Investment Fund	http://www.guyanareddfund.org/
HRF	Haiti Reconstruction Fund	https://www.haitireconstructionfund.org/
MENATF /4	Middle East and North Africa Transition Fund	
Pandemic Fund	Financial Intermediary Fund for Pandemic Prevention, Preparedness and Response	https://www.worldbank.org/en/programs/financial-intermediary-fund-for-pandemic-prevention-preparedness-and-response-ppr-fif
PAF	Pilot Auction Facility for Methane and Climate Mitigation	https://www.pilotauctionfacility.org/
We-Fi	Women Entrepreneurs Finance Initiative	https://we-fi.org/

1. CTF and SCF are two separate FIFs that support the Climate Investment Funds.
2. Although Gavi is not a FIF, IFFIm is a FIF that provides financial resources for Gavi.
3. CBIT, LDCF, NPIF, and SCCF are four separate FIFs that are managed under the GEF governance framework in addition to the main GEF Fund.
4. MENATF operationally closed in fiscal 2022.

Annex E. World Bank's Roles and Services in FIFs as of June 30, 2023

Bank Services					
	Standard Financial Management Services /a	Additional Financial Management Services /b	Customized Financial Management Services /c	Number of FIFs	
Bank Roles	<ul style="list-style-type: none"> Trustee Implementing Entity Secretariat Independent Evaluation Office 		GEF, LDCF, SCCF, NPIF, CBIT		5
	<ul style="list-style-type: none"> Trustee Implementing Entity Secretariat 	DRTF, GAFSP, HRF, GPE, MENATF, GIF, WE-Fi, Pandemic Fund	CIF (CTF, SCF), GCFF	AF	12
	<ul style="list-style-type: none"> Trustee Secretariat 			PAF	1
	<ul style="list-style-type: none"> Trustee Implementing Entity 	GRIF, GCF, CREWS			3
	<ul style="list-style-type: none"> Trustee 	CGIAR, AgResults, CEPI		Global Fund, IFFIm	5
	Number of FIFs	14	8	4	26

Within each cell of the table, FIFs are listed in chronological order based on their activation date. See Annex D for full FIF names.

- Standard financial management services include managing contributions, holding funds received in trust, investing such funds pending disbursement, and committing and transferring funds to the implementing/supervising entities.
- Additional financial management services include replenishment support, cash flow projections, and reflows/repayment management.
- Customized financial management services include customized treasury management services and reporting, e.g. for Global Fund and IFFIm. This also includes Certified Emission Reductions (CERS) management for AF and managing auctions and bond issuances for PAF.

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1. Partnering through Trust Funds