ANNEX 2
GUIDANCE ON MANAGING WORLD BANK TRUST FUNDS FOR RESULTS

Trust Funds & Partner Relations
Development Finance

WORLD BANK GROUP

Abbreviations and Acronyms

AA   Administration Agreement

ASA   Advisory Services and Analytics

BE   Bank-executed

CRIs   Corporate Results Indicators

DAC   Development Assistance Committee

DFi   Development Finance Vice-Presidency

DO   Development Objective

DP   Development Partner

FCS   Fragile Conflict States

GP   Global Practice

GT   Global Theme

IDA RMS   IDA Results Management System

IPF   Investment Project Financing

ICR   Implementation Completion and Results Report

IEG   Independent Evaluation Group

ISR   Implementation Status and Results Report

MDTF   Multi-Donor Trust Fund

M&E   Monitoring and Evaluation

OPCS   Operations Policy and Country Services

PDO   Program Development Objective

PM&A   Program Management and Administration

RE   Recipient-executed

RF   Results Framework

SDGs   Sustainable Development Goals

SMART   Specific, Measurable, Adequate, Realistic, Targeted

ToC   Theory of Change

TF   Trust Fund

TTL   Task Team Leader

WFA   World Bank Group Finance and Accounting

GUIDANCE ON MANAGING WORLD BANK TRUST FUNDS FOR RESULTS
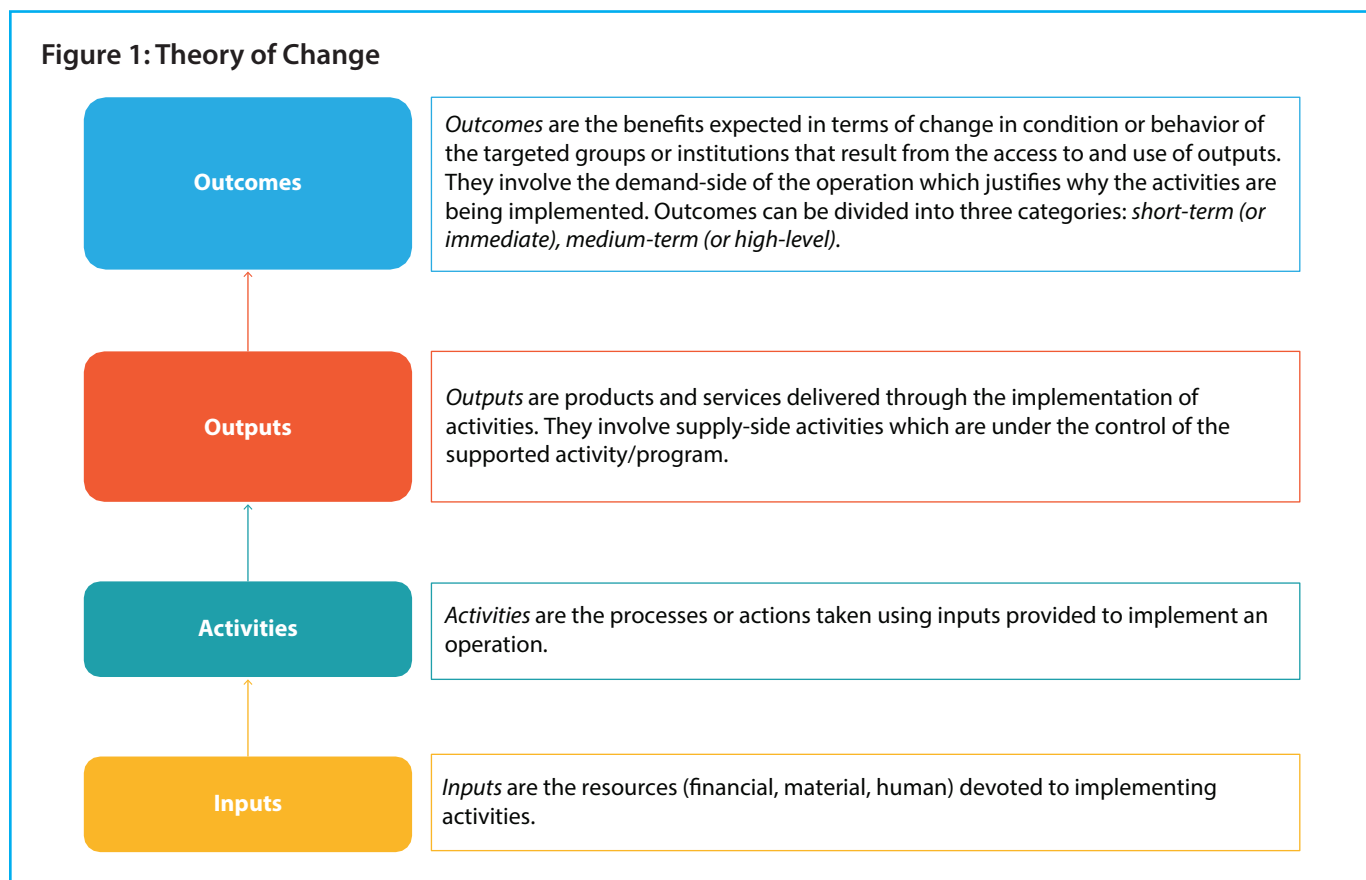
A. General Considerations

1. The Bank aims to maximize its development effectiveness by mobilizing resources to achieve better development outcomes in support of its goals of ending extreme poverty and promoting shared prosperity by 2030, and to supporting the 2030 agenda for achieving the Sustainable Development Goals (SDGs). Development effectiveness is measured in terms of how the use of resources leads to the achievement of expected results. Monitoring and Evaluation (M&E) processes are essential to understanding and reporting on that linkage.

2. Results-based management through M&E enables verification of progress towards achievement of results, learning from experience, and promoting accountability for results. All Bank lending and non-lending operations, regardless of the source of financing, are designed to achieve specific development outcomes and are implemented and monitored using a results-based management approach. At the core of results-based management is the Results Framework (RF) that provides the basis for M&E.

3. All trustee-level TFs are required to have an indicative RF aligned with relevant Bank country strategies and strategies at the corporate, regional and Global Practice/Global Themes (GP/GT) level. The anticipated results and development outcomes that a TF seeks to achieve are an integral part of the preparation of a Concept Note that precedes the establishment of the TF. Views of the Donors that wish to participate in the TF on these anticipated results and development outcomes inform the preparation of the Concept Note. The anticipated outcomes and the pathways to be used to achieve them form the basis of the RF of a TF.

4. Development of the RF is a collaborative process involving the Donors contributing to the TF and representatives of client countries in which the TF resources are to be used, as relevant. The RF (for Anchor, Associated TFs in Umbrella Programs or for Standalone TFs) is viewed as a dynamic tool and subject to reasonable changes[1] as circumstances evolve and as experience through implementation of the trust-funded activities is gained. Early discussion with Donors about what will be monitored and evaluated, and when, and how monitoring and evaluation will take place, is useful in creating a shared understanding of what and when data will be available. With this knowledge, Donors develop a good sense of the information they can expect to receive, in particular, in annual progress and completion reports.

B. Overview of Results Frameworks

5. RFs are management tools used to monitor and report on the different levels of results expected from delivery of specific activities or programs. A well-constructed RF defines the overall Development Objective(s) (DO) or outcomes anticipated by the activities or projects financed by a TF; indicates how progress towards achieving those objectives or outcomes will be measured; and identifies outputs that will enable the achievement of these outcomes along with targets by which achievement can be assessed. This allows stakeholders (clients, Donors and implementors of the program) to monitor progress during implementation, make adjustments as necessary, and assess achievements at completion.

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1 - Modifications to the RF are made in consultation with the Donors; if changes were made during the reporting period, they need to be identified and explained in the Annual Progress Report to Donors.

6. The RF is underpinned by a Theory of Change (ToC), sometimes referred to as a results chain or logic model, that details the logical steps required to achieve the desired development outcomes. The ToC outlines the activities that will generate outputs that in turn will lead to the intermediate outcomes that contribute to the achievement of the overall DO, illustrating the causal relationship between each step. Importantly, the ToC describes the critical assumptions, in terms of critical conditions necessary but outside the scope of the project/activity, for achievement of the outcomes. As part of the ToC, task teams identify the risks to achieving outcomes if the expected critical conditions do not occur and what may be done to adjust for unanticipated conditions. The ToC shows how the various activities to be funded relate to one another and how they contribute collectively towards higher level objectives/outcomes. The Theory of Change is shown in *Figure 1*.

7. RFs have three main elements:

- **Development Objective:** A clear statement of the intended measurable outcome(s), of the activities to be financed.

- **Results Indicators:** A set of indicators measuring progress towards achieving outcomes at the DO level and for measuring intermediate results (outputs or short-term outcomes) at the level of the program's results areas/pillars/components.

- **Monitoring and Evaluation Plan:** The M&E arrangements specifying how indicators will be measured (units of measurement; methodology for data collection; baseline values, data sources, and targets, as relevant), and responsibility for data collection and reporting.

Figure 1: Theory of Change

Outcomes	*Outcomes* are the benefits expected in terms of change in condition or behavior of the targeted groups or institutions that result from the access to and use of outputs. They involve the demand-side of the operation which justifies why the activities are being implemented. Outcomes can be divided into three categories: *short-term (or immediate), medium-term (or high-level).*
Outputs	*Outputs* are products and services delivered through the implementation of activities. They involve supply-side activities which are under the control of the supported activity/program.
Activities	*Activities* are the processes or actions taken using inputs provided to implement an operation.
Inputs	*Inputs* are the resources (financial, material, human) devoted to implementing activities.

8. Development literature shows a correlation between well-defined RFs and achievement of desired development outcomes. When programs have unclear theories of change, poorly articulated objectives, and weak RFs, it is often hard to explain how activities funded were relevant or linked to achievements and identify successes or show whether the intended outcomes have been achieved.

C. Results Frameworks for Umbrella Programs

Results Architecture for an Umbrella Program

9. An Umbrella Program has a common RF aligned with the Business Unit's priorities, to help ensure that activities financed by the Umbrella Program are relevant to such priorities and will bring about significant change. The overarching DO of the Anchor MDTF is the same as the DO of the Umbrella Program, and Associated TFs contribute to this DO. The Umbrella Program also establishes common annual progress reporting based on the agreed RF thereby eliminating or minimizing the need for individual, customized reports for a multitude of TFs.

10. Because the scope of the Anchor MDTF is expected to be broad and likely include more than one type of intervention or area of focus, the anticipated outcomes of the Anchor MDTF as set out in its RF are typically organized by Pillars representing, for example specific sector, theme or geographic focus or type of intervention, to facilitate results and narrative reporting. The RF of the Anchor MDTF reflects, as relevant, the priorities from targeted contributions (including any preferenced contributions or Associated TFs) to specific sectors, themes and/or geographic areas. When such targeted contributions are received during the life of an Umbrella, the Anchor's RF may be adjusted to indicate the increased ambition or fine tuning of existing results and indicators.

11. The results measurement architecture of the Anchor MDTF consists of an overarching DO and Pillars that support the achievement of the overarching DO, with a RF for each Pillar. The Pillar RF includes a DO (aligned and contributing with the DO of the Anchor MDTF), shows the logical flow of activities, outputs, and outcomes, and includes indicators with baselines and targets to measure the achievement of the Pillar's DO. These are all underpinned by a ToC that demonstrates the causal relationships between activities funded under each Pillar and how these contribute to the achievement of the Anchor MDTF DO.

12. Projects or activities funded under each Pillar (e.g., Investment Project Financing (IPF), Advisory Services and Analytics (ASA), Internal Products) have their own objectives and RFs underpinned by theories of change which are set up by the teams managing disbursing/activity-level allocations. In all cases, the Pillar-level DOs and the underlying disbursing/activity-level DOs are expected to support or contribute to the overarching Anchor MDTF DO. This flexibility enables the Umbrella Program to match needs and opportunities with responsive and well-conceived project/activities that have a clear link to the overall program DO.[2]

13. The above guidance mainly addresses how to set up a RF for a typical Umbrella Program. Where a different approach to development of a RF is necessary, for example, in emergency contexts, the Umbrella Program Manager consults with DFi and Operations Policy and Country Services (OPCS) on how best to structure the RF. *Annex 1* provides a Template for a RF for an Umbrella Program.

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2 - See OECD's Guiding Principles for *Managing for Sustainable Development Results* for additional detail on results- based management approaches.

Results Frameworks for Associated Trust Funds

14. All Associated TFs within an Umbrella Program are expected to have a DO and an indicative results framework at the time of their establishment. The DO for an Associated TF should be clearly defined and fall within the agreed thematic, sectoral, and geographic scope of the Anchor MDTF.

15. The RF for an Associated TF feeds into the RF of the overall anchor MDTF, whose scope encompasses that of the Associated TF. The RF of an Associated TF should clearly articulate its contribution to one or more Pillars or components of the MDTF's DO, and should aim, to the extent possible, to use existing outcomes and common indicators as that of the Anchor MDTF to support aggregation of results at the MDTF level. All individual projects or activities funded under an Associated TF support the attainment of the development objective and results and outcomes envisaged under the RF for the Associated TF.

16. The RF for an Associated TF follows the same structure as the RF for the Anchor MDTF, focusing only on the relevant pillars it is contributing to. This logic and clarity of alignment are necessary to ensure that projects/ activities financed by the Associated TF are relevant and that their contributions to the Pillar and to the Anchor MDTF DO are captured in the overall results.

## The Anchor MDTF Development Objective

17. The DO for an Anchor MDTF (Umbrella Program) is broad and overarching because potential activities to be financed are not typically identified at the time of establishment of the Program. For an Anchor MDTF, funds are allocated to activities in a two-stage process. In the first stage, Donors finance a program of activities supporting the DO of the Anchor MDTF, not knowing the specific activities that will be funded. The Anchor MDTF's resources are only allocated at the project/activity level as a part of the second stage, following the fund's governance arrangements and consistent with its Pillars and Anchor MDTF's DOs. Allocations to the project/activity level take place over the life of the Anchor MDTF. It is even more important, therefore, that the DO for the Anchor MDTF is clear, and that Pillars are established with intended outcomes that logically contribute to the overall Anchor MDTF DO (the ToC). This logic and clarity are necessary to identify relevant activities supported under the Anchor MDTF and ensure that they contribute to the intended outcomes that the Umbrella Program seeks to support.

18. The DO for the Umbrella Program is agreed with the Donors when structuring the Anchor MDTF for the Umbrella. The Anchor MDTF's DO is expected to be broad in nature and the overall goals are expected to be simultaneously supported in multiple ways. The Anchor MDTF DO is therefore a high-level statement of the development area or problem that the Umbrella will target and provides adequate flexibility to accommodate multiple Pillars. An Anchor MDTF's overall DOs may be linked to complex issues such as the overall health and sustainability of the global marine environment or helping ensure that the global population has access to a basic level of education.

The Anchor MDTF Theory of Change

19. The Anchor MDTF's ToC is the logic articulating how the DO (or desired change) is expected to be achieved. The ToC identifies the intended outcomes that an Anchor MDTF is trying to achieve, the factors (and assumptions) that are necessary for the outcomes to occur within a particular context and how these are related to one another causally. It helps the Bank and Donors contributing to the Anchor MDTF to:

   - focus the DOs and anticipated results at the appropriate level and agree on Pillars that contribute logically towards achieving the DOs;

- develop a common understanding about what is achievable given the duration and funding available; and,

- align the M&E framework for tracking implementation and measuring progress towards achieving results.

20. A draft ToC is developed in the inception of the Anchor MDTF and is refined as the design is completed. The ToC may be adjusted during implementation and is used at the closing of the TF to assess the causality of trust-funded activities and outcomes achieved.

21. The ToC may be presented in various forms. It is typically presented graphically with clear linkages between different steps to achieve the desired outcome. A simplified example is shown in *Figure 2*. The ToC is viewed as dynamic and subject to change as new circumstances arise and experience is gained. The identified pathways and critical assumptions are monitored throughout implementation and may be adjusted as necessary. The ToC highlights any synergies or dependencies between and among the Pillars of the Anchor MDTF where they exist.

Figure 2: Theory of Change for an Umbrella Program/Anchor MDTF
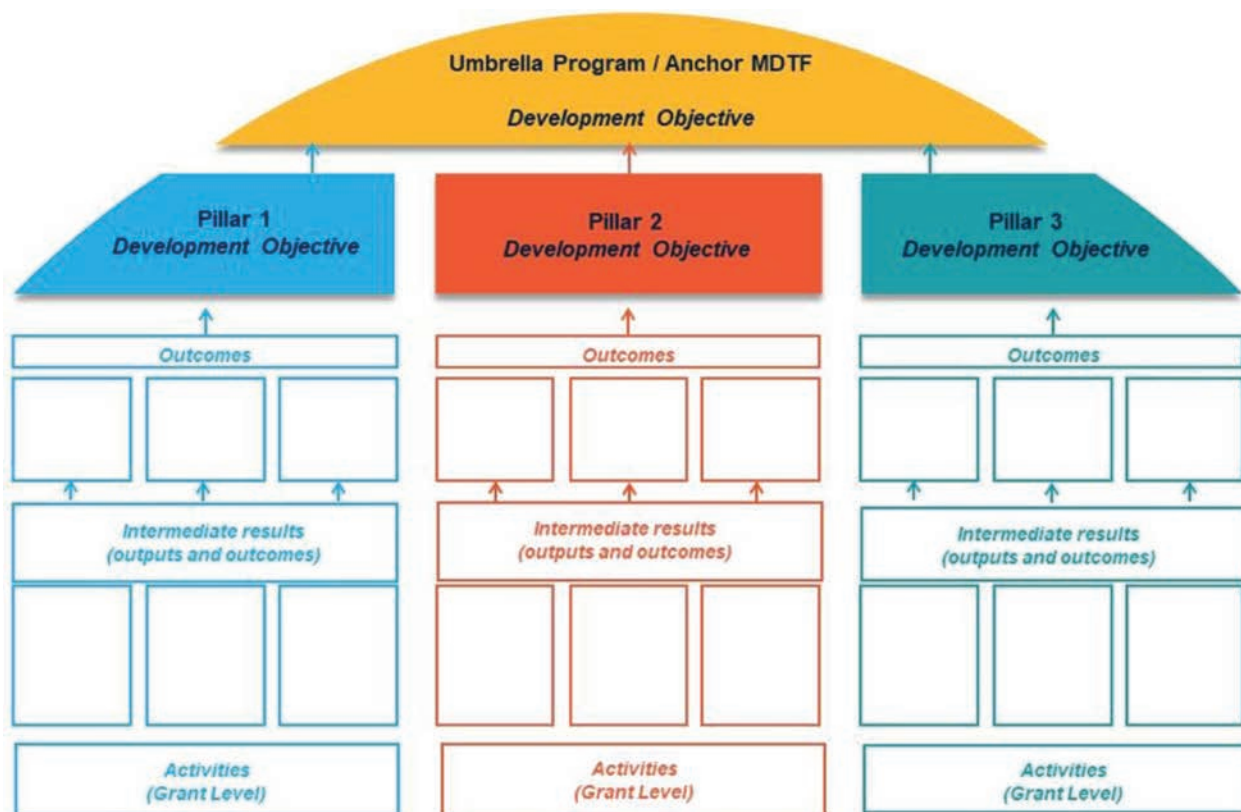

Outcome indicators for an Anchor MDTF

22. Typically, DOs are measured by way of outcome indicators that show whether and to what extent the intended outcomes of programs were achieved. However, the broader the DO of an Anchor MDTF, the harder it usually is to identify a limited set of outcome indicators that capture the collective outcomes of all the Pillars under the Umbrella Program. As such, specific measurable outcome indicators for the Anchor MDTF DO are optional . In these cases, the Pillar level outcomes de facto reflect the achievement of the Anchor MDTF level outcomes. Where the breadth of coverage of the Anchor MDTF is narrower, it may be possible to identify outcome indicators, in which case, these are included in the RF.

Pillar-Level Results Framework

23. The level of detail that is expected in a Pillar-level RF depends on the level of specificity that exists at the time the Anchor MDTF is established. A Pillar's RF consists of the DO of the Pillar, intended outcomes (DO-level), and intermediate results (outputs and outcomes) that show progress towards achievement of the Pillar's DO-level outcomes. The Pillar RF is underpinned by its own ToC which reflects the causal linkages between the inputs, activities to be financed through projects/activities and the associated outputs that will lead to the intended outcomes. The sequencing of these steps is supported by a series of assumptions about conditions necessary to move from one stage to the next. An example of a ToC for a Pillar is shown in *Figure 3*.

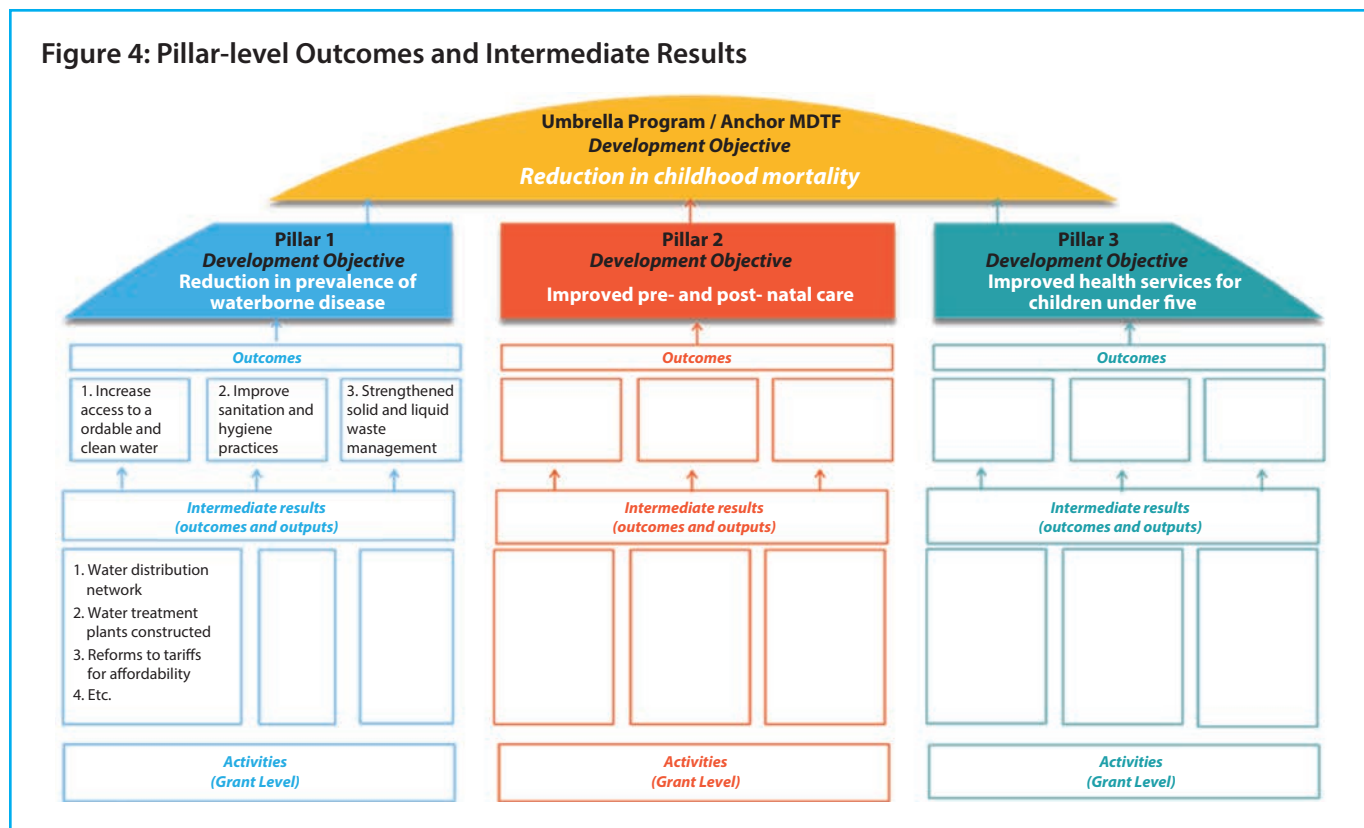

Figure 3: Theory of Change for Pillar Level
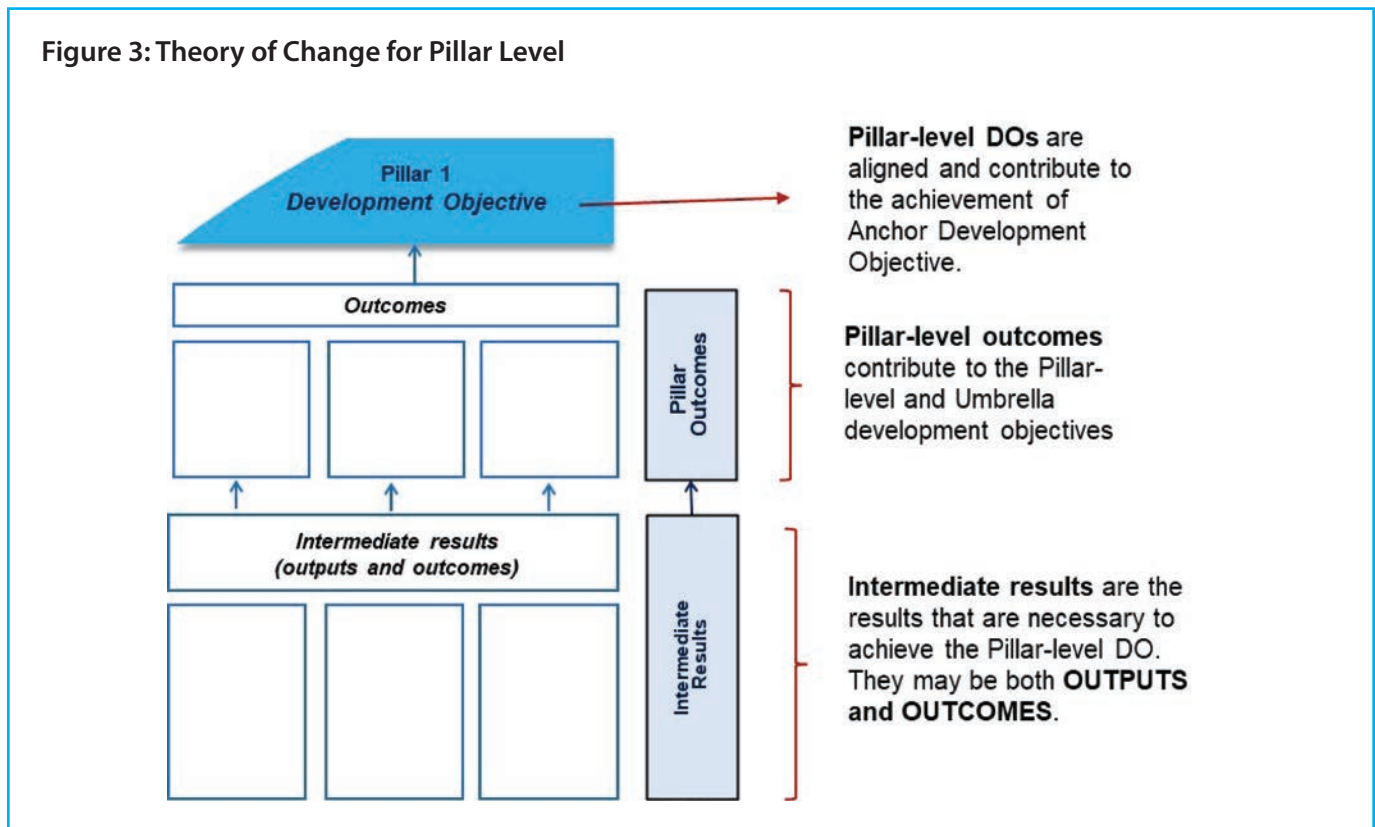
Pillar-level Development Objectives and Outcomes

24. The Pillar-level DOs are expressed as **outcomes** which are the benefits expected in terms of change in condition or behavior of the targeted groups or institutions that result from the access to and use of outputs produced through TF financing. Outcomes are the demand-side of the program which justify why the activities are being implemented. Achievement of an outcome often depends on the cooperation of other people or institutions beyond the control (but not necessarily the influence) of those implementing a TF's activities. Most important, the intended outcomes determine what outputs and activities will be funded through the TF. For example, for an Anchor MDTF with a DO defined as *Reduction of Childhood Mortality*, we may consider three separate pillars contributing to this high-level objective with the following **Pillar level DOs** (Figure 4):

- Reduction in prevalence of waterborne disease

- Improved pre- and post-natal care, and,

- Improved health services for children under five

Figure 4: Pillar-level Outcomes and Intermediate Results

Umbrella Program / Anchor MDTF
Development Objective
Reduction in childhood mortality

| **Pillar 1** *Development Objective* **Reduction in prevalence of waterborne disease**	**Pillar 2** *Development Objective* **Improved pre- and post- natal care**	**Pillar 3** *Development Objective* **Improved health services for children under five**
Outcomes	*Outcomes*	*Outcomes*
1. Increase access to affordable and clean water	2. Improve sanitation and hygiene practices	3. Strengthened solid and liquid waste management						
Intermediate results (outcomes and outputs)	*Intermediate results (outcomes and outputs)*	*Intermediate results (outcomes and outputs)*
1. Water distribution network 2. Water treatment plants constructed 3. Reforms to tariffs for affordability 4. Etc.								
Activities (Grant Level)	*Activities (Grant Level)*	*Activities (Grant Level)*

25. The Pillar DOs contribute to the Anchor MDTF DO and are explained in the ToC for the Umbrella Program as a whole. Unlike the Anchor MDTF DO, the Pillar DO is typically more specific as it addresses one aspect (thematic, geographic, etc.) of the Anchor MDTF DO. However, the Pillar DO is still flexible enough to accommodate activities that may only be selected at a later stage of implementation. In the above example, for the first Pillar which DO is the *"reduction in prevalence of waterborne diseases,"* Pillar-level outcomes contributing to achieving this DO may be:

- Increased access to affordable and clean water

- Improved sanitation and hygiene practices

- Strengthened solid and liquid waste management

26. The Pillar-level outcomes are measurable through corresponding **outcome indicators** (these may include a qualitative narrative). Teams should select indicators which best measure the intended outcome(s) of their individual activities/projects. These should align with the ToC and contribute to advancing the Pillar-level outcome(s) and DO. To illustrate, if a Pillar level outcome seeks *to increase access to affordable and clean water*, one or more corresponding outcome indicators need to demonstrate the changes in behaviors or practice that support this outcome such as *kilometers of water distribution network built,* and *number of household connections made*. Similarly, if another Pillar-level outcome is to improve sanitation and hygiene practices, one or more corresponding outcome indicators needs to demonstrate progress towards changes in sanitation and hygiene practices; for example, *increased handwashing of target population*. Measurement of change requires comparison with a baseline situation, and measurement of success requires establishment of a target (either quantitative or qualitative).

Intermediate Results

27. **Intermediate results** are results that are necessary to achieve the Pillar level-outcome. Intermediate results may include outputs and outcomes, as shown in *Figure 5*.

Figure 5: Pillar-level Intermediate Results
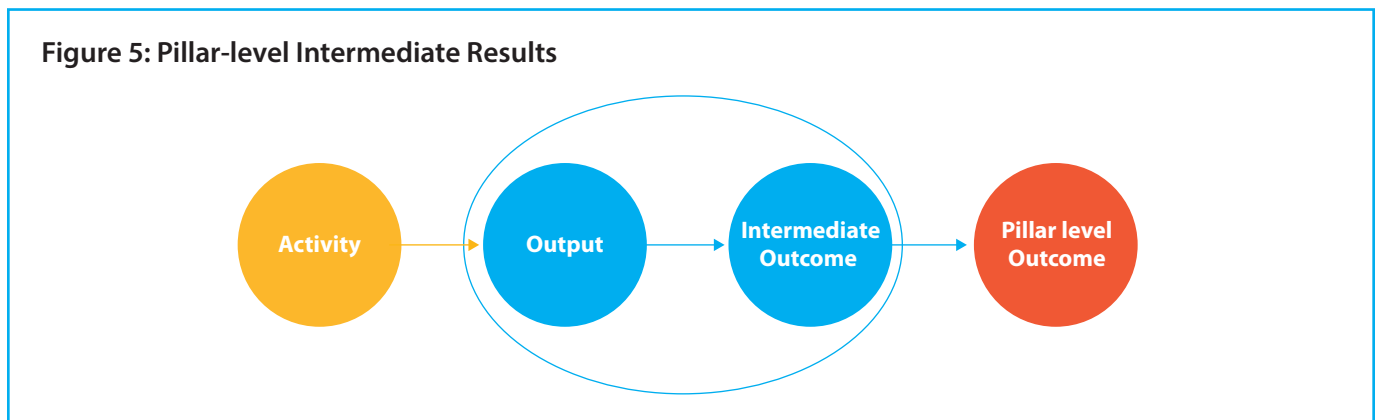
28. Outputs represent supply-side deliverables such as an event, a product, or a service. Examples of outputs include a study or report, a website, a knowledge product, policy notes, physical infrastructure (a road, school, power plant etc.). Outputs are usually within the control of those implementing an activity, are budgeted with resources from the TF, and follow the completion of an activity. The assumption is that one or more outputs (or intermediate results) are preconditions to achieve the desired outcomes included in a TF's DO. For example, a new school curriculum (an output) is an achievement, but its benefits occur when teachers use the new curriculum (an intermediate outcome), and student performance improves (a DO-level outcome). In the above example, an output associated with outcome of Increased access to affordable and clean water under Pillar 1, may be a *water distribution network* or a *water treatment plant*.

29. Intermediate results can also be **outcomes**. They are called intermediate outcomes if the results chain leading from output to the DO-level outcome involves a number of steps. For example, *reforms to tariffs for affordability* is considered an intermediate outcome (or intermediate result), but for the purposes of a TF where the DO-level outcome is *"reduction in prevalence of waterborne diseases"*, increased access to affordable and clean water is considered an intermediate outcome (or intermediate result)—a necessary condition to achieve the next desired level of outcome of *increased access to affordable and clean water*.

30. It is not always possible to establish **baselines and targets for intermediate results** at the Pillar level because the activities to be funded (including their nature or number) are not known at the time the Umbrella Program is established. In order to be able to show progress towards achieving the DO, Umbrella Program Management Teams develop a menu of applicable and measurable indicators for the Umbrella Program's intermediate results for each Pillar. Umbrella Program Management Teams then require that the trust-funded activities use one or more of the predefined indicators that are best suited for the funded activity/project. The TTL for the disbursing/activity-level allocation reports the results achieved for each of the selected indicators. In turn, the annual progress reports to Donors discuss the cumulative intermediate and DO-level results achieved for the Umbrella Program as a whole. Umbrella Program Management Teams may use other indicators if relevant activities are proposed that contribute to the DO and were not foreseen or considered at the time of the Anchor MDTF establishment.

31. To the extent possible, Umbrella Program Management Teams are encouraged to keep track of targets set at the disbursing/activity level and aggregate these targets (where possible) in progress reports. Over time, as these projects/activities are implemented, Umbrella Program Management Teams can report on progress

against aggregated targets for intermediate results indicators derived from the approved activities. For example, if five grants are approved and each proposes to train 500 people, the aggregated target for the five grants is 2,500 people trained, and the Umbrella Program Management Teams may report on progress against that target. The aggregated targets evolve over time as additional grants are approved and implemented.

32. At the disbursing/activity level, all trust-funded projects/activities follow the respective instrument-specific guidelines for results management.

Defining DO and Indicators for Trust-funded projects or activities

33. All trust-funded projects are required to follow the respective instrument-specific guidelines for developing the results framework, defining the DO (or PDO), selecting S.M.A.R.T. (Specific, Measurable, Adequate, Realistic, Targeted) results indicators, and describing M&E arrangements.

Predefined Indicators

34. The Bank has identified standardized Corporate Results Indicators (CRIs) to be used at the disbursing/activity level when applicable. These indicators are intended to rationalize and improve the process of tracking results for corporate reporting and help to demonstrate how individual projects contribute to the Bank's strategic directions in measurable terms. With only a limited number of such indicators, however, many trust-funded activities will not have applicable CRIs. When CRIs are applicable, they are expected to be used in the RFs for the TF. All Hybrid TFs are required to use the indicators that are relevant to their interventions and are encouraged to use CRIs for recipient-executed and Bank-executed activities, when applicable. TF teams may also consider using relevant indicators used in the World Bank Corporate Scorecards, or the IDA Results Measurement System (IDA RMS) where applicable, and SDG indicators (for country-based Umbrella Programs in particular), as appropriate.

35. Donors contributing to the TF may also have pre-defined indicators for specific issues that they want to see monitored. Task teams are encouraged to accommodate Donor indicators where possible. Ultimately, the most appropriate indicators are selected taking into consideration the availability of data and the cost of monitoring the indicator. In any event, teams ensure that there is adequate consultation with the Donors and that RFs are shared with all the Donors for feedback prior to finalizing.

36. TF teams need to ensure that results architecture remains manageable, and results can be aggregated. The use of CRIs, standard indicators (for which an agreed definition, collection and calculation methodology established are available) or existing Pillar-level indicators is strongly encouraged when feasible and applicable to ensure as much aggregation of results as possible. Proliferation of indicators add complexity to the collection, aggregation and reporting of results.

Indicators for Training and Capacity Building

37. TFs are frequently used to support training and capacity building. However, both activities pose challenges to results-based management. Though training contributes to capacity building, training itself is not a measure of increased capacity. Results-based management recommends that there be one or more measurable outcomes associated with training and capacity building (i.e., the number of people trained is an output, not an outcome). It is critical therefore that when training and capacity building are being financed under a TF, it is clear what kind of skills the training is expected to enhance and what specific capacity is being targeted for strengthening.

38. A training event may be considered a success because the participants have rated it favorably in end-of-workshop assessments, but the desired outcome is reflected in changes in behavior, improved job performance, increased proficiency or productivity, acquisition and application of a new skills, or other changes in the target population, which may include individuals as well as institutions. To facilitate assessment of the effectiveness of trust-funded training and its delivery, trainers identify learning objectives and specify what the participants will be able to do better or differently after the completion of the training.

39. Trustee-level TTLs and Window Managers guide TTLs of disbursing/activity-level allocations on identifying results to be achieved through training. For example, they may compile a list of participants and then survey a sample of all trainees participating in the trust-funded training several months after a training event to assess whether the training objectives were achieved, how the participants are applying what they learned during the training, and how the training benefitted their organizations. A single questionnaire may be used to collect data from participants in different training events. Other training-related indicators include demonstrations of proficiency using criterion-referenced tests, formal certification by a third party, changes in behavior or performance, the demonstrated ability to apply a new skill, and participant-provided examples of the training's outcomes.

40. Capacity building represents a situation similar to training. Enhancing, improving, developing, or strengthening capacity implies a change in an existing situation with respect to an individual's or organization's performance. To know whether a capacity-building initiative has been a success and whether the desired changes occurred, a baseline assessment of existing capacity assets and needs is necessary. This step need not be lengthy or exhaustive and is made manageable by identifying what capacity is targeted for change. For example, organizational capacity has at least the following dimensions: Governance; Administration; Human resources; Financial management; Organizational management; Program management; and Performance management.

41. For TFs that seek to strengthen capacity, an important step is to decide which dimension of capacity will receive attention. In turn, the objectives of capacity development and their related indicators reflect a clear vision of success. Judgments about success are based on evidence of actual changes and measurable outcomes with targets. Anecdotes or narratives about the completion of training activities, the availability of new tools or methods, or hiring more staff should be avoided. Measurement approaches and targets are adjusted when working in fragile, conflict, or violence-affected areas.

42. To address the challenges associated with training and capacity building, Umbrella Program Management Teams work closely with TTLs of disbursing/activity-level allocations to: (a) agree on the objectives of the training and capacity-building activities; (b) construct a way to assess whether the objectives were achieved; and (c) identify what data are to be collected, how, and by whom to permit this assessment, including considering how results may be aggregated for multiple training and capacity-building activities implemented by different Recipients. The objectives are to identify what trainees or organizations will be able to do better or differently in the months or years after the trust-funded interventions related to training and capacity building are completed. In turn, the Umbrella Program Management Team decides how they will determine whether the trust-funded training and capacity-building activities have collectively contributed to the TF's outcomes at the Pillar and Anchor MDTF level.

Disaggregation of Indicators

43. Indicators should be disaggregated by sex, by Fragile and Conflict-affected Situations (FCS), or by other attributes such as age and disability where possible and applicable. Under specific circumstances and when it makes sense, it is also possible to disaggregate results data from the consolidated Umbrella Program results framework for specific countries, themes, or key areas of support. This would be reflected in the Umbrella Program's consolidated annual progress report. However, results data cannot be disaggregated for individual Donors.

D. Results Frameworks for Standalone Trust Funds

44. The RF for a Standalone TF is structured in much the same way as one for a Pillar of an Umbrella Program. *Annex 2* provides a Template for a RF for a Standalone TF.

45. All the necessary components of a RF included in paragraphs 18–42 above are applicable and required for Standalone TFs. However, there are some subtle differences based on the type of Standalone TF for which the RFs are prepared.

46. For Standalone TFs established to support a pre-defined set of activities, where the DO and the related trust-funded activities are agreed in advance of the TF's establishment, the RF specifies DO-level outcomes with SMART indicators and measurable baselines and targets. Since the list of specific activities/projects are known at the time the TF is established, the RFs also include baselines and targets for intermediate results indicators. The RF at the disbursing/activity level includes indicators that link directly to the DO-level outcomes in the RF at the trustee level.

47. *Co-financing Standalone Trust Funds:* The RF for the related investment project is used as the RF for the trustee-level TF for Standalone Co-financing TFs. The RF indicates the specific contribution of the TF to the total project, so that it is understood that the entire project's results are not attributable to the TF. If one Standalone TF co-finances several investment projects, a separate RF is prepared to reflect the Trustee-level TF's overall DO following the guidance provided in paragraph 18–42 above. Since activities are known at the time of TF establishment, baseline and targets for intermediate outcome indicators are included. At the disbursing/activity level, each uses the RF for the associated investment project, and all RFs are aggregated at the trustee level for purposes of reporting results to Donors. Many Standalone TFs support activities in association with an investment project but not in the form of co-financing, such as feasibility studies, institutional capacity assessments, or other technical assistance. In such cases, a separate RF at the trustee level is prepared for the trust-funded activities following the guidance in provided in paragraphs 18–42 above with the inclusion of baseline and targets for intermediate outcome indicators.

48. *Programmatic Standalone Trust Funds:* A broad DO is agreed with the Donors, and the selection of trust-funded activities is determined during program implementation for programmatic Standalone TFs. In such cases, RFs include a DO, DO-level outcomes and corresponding indicators with, where possible, measurable baselines and targets for these indicators. Trustee-level TTLs in consultation with the Donors carefully define the DO-level outcomes to allow flexibility to finance projects/activities based on the evolving circumstances, latest innovation, and/or research (see paragraphs 18–42). Since activities to be funded are not known at the time the TF is established, it is often not possible to establish baseline and targets for intermediate results. Similar to Umbrella Program RFs for Pillars, disbursing/activity level TTLs are required to use one or more of the predefined indicators for their activities developed for trustee-level TF (see paragraphs 33–35). TTLs of disbursing/activity-level allocations may use other indicators if relevant activities are proposed that were not foreseen or considered at the time the TF was established but that contribute to the DO.

49. For Programmatic Standalone TFs that have multiple components, a separate RF with DO- level outcomes and intermediate results for each component is appropriate. Separate RFs may also be of value in instances in which TF resources are allocated to different Regions and the intermediate results and DO-level outcomes may vary from one Region to another. Similar to an Anchor MDTF in an Umbrella Program, when multiple RFs are created for a single Standalone TF, the outcomes for each component contribute directly to the DO at the trustee level. The intermediate results in each RF are linked to the corresponding DO-level outcomes in that RF. Whereas the activities associated with each RF may be considerably different, all trust-funded activities have a plausible linkage and are necessary to achieve the DO at the trustee level. The integrity of the causal linkage between a TF's overall DO at the trustee level and the multiple activities, outputs, intermediate results, and DO-level outcomes is assured.

50. *WB-IFC Implemented Programmatic Standalone TFs:* For jointly implemented programmatic Standalone TFs for which the Bank and the IFC are responsible for their own activities, the RF is at the trustee level.[3] Results related to the Bank and IFC are separately managed and are aggregated for purposes of reporting.

51. There may be instances in which exceptions or different approaches are necessary, such as in emergencies in which expected or reasonable outcomes cannot be identified in advance or with any certainty. Trustee-level TTLs consult with DFi and with OPCS about how best to accommodate the need for a suitable RF and indicators that identify expected DO-level outcomes and intermediate results in such situations.

E. Setting Up a Results Framework at the Disbursing/Activity Level

52. The relevant operational policies or procedures applicable to the trust-funded projects/activities determine whether RFs are required at the disbursing/activity level. Grants from TFs finance Investment Project Financing, Development Policy Financing, Program-for-Results projects and Advisory and Analytical Services. The Bank Policy and Bank Directive, Investment Project Financing, governs grants that finance investment projects. Such projects are required to have RFs as are programmatic ASA[4].

53. There may be instances in which having a separate RF at the disbursing/activity level has little meaning or value and therefore may not be required. These instances include small, one-off activities such as a single training or workshop, a single conference, a technical-assistance mission of limited duration, etc. Even in these instances, the activity contributes to the relevant DOs. A RF is not required for the portion of a TF that supports project preparation and implementation support (supervision) and program management and administration activities.

F. Monitoring and Evaluation of Trust Funds

54. Effective M&E are fundamental components of results- based management and required for all TFs.

Monitoring Implementation and Revising the Results Framework

55. Although ToCs assume a logical relationship among activities, outputs, and outcomes, development is not always linear or predictable. Achieving development goals depends on a number of exogenous factors including local leadership, the quality of relationships, and other social, economic, and political events that may be beyond the control or influence of those responsible for the implementation of development activities, including those financed by Umbrella Programs and Standalone TFs. Umbrella Program Management Teams and Standalone TF TTLs therefore identify and assess the validity of the assumptions they make during the design of new TFs and continuously monitor these assumptions throughout the life of a TF. If these assumptions do not hold, or new risks arise, measures to mitigate the risks and enhance the sustainability of a TF's results will need to be considered and a revision of the RF may be necessary.

56. Results-based monitoring includes the regular collection of information on how effectively projects/activities financed by TFs are performing. Discussion with Donors about what will be monitored, and when and how monitoring will happen, creates a shared understanding of what data will be available to them and when. These are captured in the RF(s) for the TF and in the reporting arrangements. With this knowledge, Donors develop a good sense of what information they can expect to receive and what will be available in annual progress and completion reports.

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3 - This also applies to Anchor or Associated TFs in an Umbrella Program.
4 - The Umbrella Program Manager or Trustee-level TTL of a Standalone TF may require other ASAs funded by the TF to also have indicators for results.

57. An initial and indicative RF is viewed as dynamic and subject to reasonable changes as circumstances change and as experience with a TF is gained. There may be instances in which it is necessary to revise a RF including its targets, such as when a Donor's contributions to a TF are increased, delayed, or perhaps even cancelled or a new Donor joins an existing TF or when a fund's duration is extended. A RF might also need to be adjusted to accommodate unanticipated events such as natural disasters, political unrest, or changes in demand (or even lack of demand) for access to resources of TFs (for example, in response to calls for proposals). TFs designed to pilot innovative ideas or TFs that support fragile or conflict-affected areas (where capacity building, for instance, is more challenging to achieve) are other cases where revisions of the RF are expected after a few years of operation. In some instances, revisions may be necessary when it becomes apparent that an expected outcome is no longer feasible or when assumptions in a ToC are found to be invalid. Changing a RF for good reasons is a positive sign of adaptation, not a mistake or a failure.

58. Revisions to RFs are possible at any time during the life of a TF, but they are made for the right reasons and at an appropriate point in the TF's timeline, such as after a midterm review. Regardless of when any change is made, the Umbrella Program Management Team or Standalone TF TTL consults the Donors anytime a DO at the Umbrella and/or Pillar level and/or Associated TF level, or at the Trustee-level for a Standalone TF, are modified. Once changes are made in a RF, the revised RF is uploaded to the Development Partner Center. Please consult DFi for more information.

Aggregating Results

59. In annual progress reports to Donors, TF teams are expected to discuss the aggregated intermediate results (and their related achievements) from all trust-funded activities. Aggregation may be challenging with an Umbrella Program in which activities are decided after the TF's creation and are organized in separate Pillars. For Umbrella Programs, early attention to the relationship between the indicators in the RF at the program-level and at the Pillar- and/or Associated TF-level is essential.

60. Trustee-level TTLs or Umbrella Program Managers facilitate aggregation of activity-level results by requiring TTLs of disbursing/activity-level allocations to have a clearly defined DO, well- articulated deliverables, and indicators of results, all of which are linked to the TF's DO (Anchor MDTF or Standalone Trustee-level TF). TTLs of disbursing/activity-level allocations are encouraged to select from among the list of predefined indicators and include these indicators in the operational documents such as Project Appraisal Document for financing instruments and Concept Note of ASA that support the grant-funding requests.

61. Results from all trust funded activities are aggregated at the Pillar level, in the case of an Umbrella Program, and at the trustee level in the case of a Standalone TF. Such aggregation requires the use of the same indicators across similar trust-funded activities and identical or comparable means of measurement. By applying the S.M.A.R.T. approach, teams ensure that the indicators selected are measurable and can be aggregated. In the case of quantitative indicators where identical indicators across similar trust-funded activities are selected, aggregation simply requires adding the data at the trustee level. In the case of qualitative indicators, aggregation requires the data to be summarized at the trustee level and may be used to inform the overall DO of either the Pillar or Umbrella Program. In some circumstances, a TF's RF uses the Bank's CRIs. Doing so facilitates the aggregation of results from multiple projects or TFs.

Independent Evaluation of Trust Funds

62. An independent evaluation is a systematic assessment of a TF, including its design, implementation, and results, especially its intended outcomes. Evaluation is intended to promote accountability to Donors and stakeholders for delivering results and to provide learning, feedback, and knowledge sharing on lessons to improve

performance and results. The credibility and quality of evaluation depends on: (a) the degree of independence of the evaluation process; (b) the degree of transparency of the evaluation process; (c) appropriate participation and consultation with relevant stakeholders throughout the evaluation process; (d) the objectivity, expertise and experience of the evaluators; (e) an appropriately defined scope and methodology; (f) clearly defined principles for assessment; and (g) a clear and efficient quality assurance process. Broad dissemination and adequate follow up of evaluations by the TF's management unit are important for accountability and learning; and where applicable, follow-up plans should be developed, monitored, and discussed with stakeholders.

63. The Bank's fiduciary responsibility for TFs includes evaluation of activities and outputs as well as outcomes resulting from these. The Bank is responsible for an objective assessment of the ongoing or completed programs, projects, and activities that TFs finance.

64. Depending on when an independent evaluation occurs, its purpose is either formative or summative. Formative evaluations are similar to midterm evaluations and seek to generate evidence about what works in different contexts to improve the design and implementation of an existing TF, provide recommendations for midcourse corrections and evidence of the validity of a TF's Theory of Change. The conclusions, recommendations and key findings of the evaluation will be used for reflection, learning, and strategic adaptation of the program for future business cycles/plans Summative evaluations, typically completed near the completion of a TF, provide information about the effectiveness of a TF and inform decision makers about whether to continue, replicate, or scale up what the TF has achieved.

65. Recipients of recipient-executed allocations also bear responsibility for M&E, in accordance with the Standard Conditions for Grant Financing Made by the Bank out of Trust Funds (2019). When developing a Concept Note for a Hybrid TF, the Umbrella Program Manager or Trustee-level TTL consider how they and the TF's recipient(s) will operationalize these M&E requirements. This process includes an assessment of the recipient's institutional capacity to perform the functions and identification of who will perform them. If weaknesses are identified in a recipient's capacity and ability to monitor and evaluate a grant, the Umbrella Program Manager or Trustee-level TTL identifies what measures will be required to strengthen capacity, especially because the Bank depends on the information that recipients provide to complete ISR and ICR reports. Independent Evaluation Group (IEG) assesses the quality of all ICRs, including their attention to M&E. IEG's assessment considers the design, implementation, and utilization of a TF's M&E systems.

Evaluation of Umbrella Programs

66. Umbrella Programs are evaluated at least every five years. In some cases, the Bank and the Donors may agree to conduct evaluations earlier than five years (i.e. every three years).

67. The evaluation covers all TFs within the Umbrella Program. Any Associated TFs are not evaluated separately or on an individual basis. Such evaluations cover both the program and activity levels and are conducted in accordance with the Principles and Standards of IEG. The timing, frequency and scope of the evaluation is discussed with Donors early in the life of the Umbrella Program, with a view to meet the Bank's and the Donors' requirements and estimate budget for M&E. The Terms of Reference for the evaluation is also developed in consultation with the Donors and may include attention to specific areas or countries of interest as part of the Umbrella program level evaluation.

Evaluation of Standalone Trust Funds

68. The Bank arranges an independent evaluation for a Standalone TF when: (a) total contributions to a Standalone TF are greater than or equal to US$20 million; and/or (b) duration of the Standalone TF is more than five years—for which, the Bank arranges evaluation at least every five years. Co-financing Standalone TFs need not be evaluated if an evaluation of the operation has included attention to the trust-funded activities.

Considering the Use of Evaluation

69. Independent evaluations of TFs assess the relevance of the fund's DO, coherence, efficiency, effectiveness, and, when possible, its impact and sustainability. These six criteria, commonly referred to as the DAC criteria, are widely used to evaluate development interventions. In addition, the Bank encourages TFs that reinforce country capacity and ownership and promote harmonization and alignment of Donor aid modalities. Depending on a TF's purposes, each of these objectives may also be issues to be evaluated. Trustee Level TTLs or Umbrella Program Managers ensure adequate consultation with Donors during the proposal or concept stage to discuss possible or likely criteria and scope for an evaluation, its timing, and procedures consistent with the governance arrangements. This discussion may also include consideration of what issues, approaches, or evaluation methods might be used. Clarity and meaningful discussion in concept notes about M&E of the TF are also desirable. These concerns further suggest the desirability of a close relationship between a TF's RF and the evaluation of the TF. The framework identifies the expected outcomes and thus a means to assess the fund's relevance and effectiveness in achieving the outcomes. In turn, this suggests that the framework is designed with evaluation in mind. In addition, Umbrella Program Managers are encouraged to engage early with Donors about issues that receive attention during an evaluation. Most Donors are likely to encourage or even require use of the six DAC criteria, but the information to address some of them (for example, efficiency and sustainability) is not usually included in a RF. Early engagement with Donors will allow teams to ensure the routine and ongoing collection of additional data that would permit the Donors' questions or concerns to be addressed in the evaluation.

70. Concept Notes for TFs describe whether and when evaluations will occur, what will be evaluated and by whom, and what kind of evaluation it will be. If attention to evaluation is delayed until a TF is nearly completed, Umbrella Program Managers or Trustee-level TTLs will have foreclosed the opportunity to use rigorous evaluation designs. A TF's resources fund evaluations where there is an agreement with the Donors that an evaluation will be carried out. An indicative evaluation plan may be included in the Concept Note, including: (a) consideration of which evaluations might occur and when; (b) the methods to be used and their data requirements; (c) a strategy to ensure use and communication of evaluation(s); and (d) a projected budget for implementation of the evaluation plan. Early consideration of an evaluation plan provides opportunities to employ rigorous methods of evaluation (such as use of a counterfactual) and will demonstrate to Donors the Bank's commitment to results-based management of TFs.

Evaluations or reviews initiated by Donors

71. In addition to evaluations of TFs that the Bank initiates as part of its commitment to results-based management, the standard provisions in the AA also permit Donors to initiate reviews or evaluations of trust-funded activities (including any associated trust fund supporting a specific country under an Umbrella Program) at any time up to closure of a TF. In such cases, the Bank and the Donor(s) agree on the scope and conduct of such a review or evaluation and the Bank is required to provide all relevant information within the limits of its policies and procedures. If a Donor wishes to initiate such an evaluation of a TF in accordance with the AA, it directly handles all arrangements, including any contracting and related costs, and is required to bear all of the costs, including those the Bank incurs (this is done outside of the TF resources through separate arrangements with the Bank). These reviews or evaluations do not include a financial, compliance, or other audit of a TF. Teams need to raise awareness (at the corporate level) that reviews are being requested by contacting DFi and WFA prior to committing to undertake such reviews or evaluations, to ensure consistency with these principles, and to seek any additional information. IEG does not have a role in this kind of evaluation. Please consult DFi and WFA prior to responding to a request for such an evaluation to ensure consistency with the TF's AA.

IEG Reviews of Trust Fund Activities

72. The Independent Evaluation Group (IEG) reviews Implementation Completion and Results Report (ICRs) as part of its ongoing ICR Reviews of Bank projects. IEG also reviews trust-funded activities as part of its participation in Country Learning Reviews (CLRs) and sectoral/thematic evaluations.

Budgeting for Monitoring and Evaluation

73. When preparing indicative budgets for TFs, Trustee-level TTLs or Umbrella Program Managers include resources for M&E as part of the Umbrella Programs or TF Program Management and Administration costs. These expenses are charged directly to the TF. The amount planned for these costs varies with the size, scope, and duration of the TF, but estimates in the range of 3 to 5 percent of the total contributions to a TF provide a starting point. TFs with contributions over $10–$15 million may reasonably devote a lower percentage to M&E.

74. When deciding on a suitable budget for M&E, task teams consider both these functions and address several important questions. What will it cost to regularly collect the data required to monitor the TF's implementation and to determine whether the expected outcomes have been achieved? Can proxy indicators be used in the place of "ideal" indicators that would require costly data-collections methods? For recipient-executed activities, do recipient governments have the skills required to conduct the necessary M&E or will they require the Bank's assistance for training and capacity building? Do the proposed indicators impose unreasonable financial or administrative burdens on recipients? How much money will be required to provide a credible evaluation that meets a Donor's expectations?

75. Early consideration of the timing, frequency, and scope of an evaluation of a TF, ideally during development of a Concept Note for the TF, is helpful in deciding how much to budget for M&E. To illustrate, task teams consider whether they and their Donors want to know whether: (a) a TF has achieved and contributed to the anticipated outcomes; or (b) an impact evaluation is required to establish whether a TF's interventions have caused and explain the outcomes achieved. The Bank supports the use of impact evaluations when it is desirable to establish or validate a hypothesized linkage between an intervention and the achievement of a desired outcome.

Getting Assistance on Results-based Management and M&E of Trust Funds

76. Trustee-level TTLs or Umbrella Program Managers in need of assistance with the development of RFs as well as the M&E of their TFs seek help from several sources within the Bank. Several Global Practice Groups have M&E specialists who are available to assist Bank staff with their M&E responsibilities. The Bank has also created a Results Management and Evidence Stream, which is a collaborative community of practice with more than 150 members who work on M&E and results management. In addition, a wide range of M&E resources from across the Bank may be accessed by Bank staff via the M&E Gateway. The Bank also maintains a list of more than 1,000 non-Bank M&E practitioners (accessible through the Skill Finder at the Bank's eConsultant2 Resource Center). Inclusion on the list does not reflect the Bank's vetting or endorsement of these practitioners.

77. IEG provides advice and support to operational units engaged in the development of evaluation capacity and has produced several relevant publications. Its website contains considerable useful information, including Writing Terms of Reference for an Evaluation: A How-to Guide, World Bank Evaluation Principles, and Managing Evaluations: A How-to Guide for Managers and Commissioners of Evaluations.

Reporting Results to Donors

78. Partnering with the World Bank through Trust Funds and Umbrella 2.0 Programs, <u>Annex 3, Guidance on World Bank Trust Fund Reporting to Donors</u> details guidance on the content and format of progress reports to the Bank's Donors, which are prepared in reference to the RF agreed with the Donors.

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5 - Each indicator's definition and method of measurement (for both Umbrella Program level outcomes and Pillar level outcomes) is clearly described. This can be done in a separate table or annex.

Annex 1: Template for a Results Framework for an Umbrella Program

Umbrella Program/ Anchor MDTF Level	Trust Fund name: XYZ (overarching) Development Objective: XYZ			
DO-level outcome 1	**Describe Outcome 1:**			
Indicator 1 (if available)	**NOTE 1**: DO-level outcome indicators for an Anchor MDTF at the trustee level are optional. Umbrella Program Managers are expected to report on how the Pillar-level objectives *contribute* to the overarching DO outcomes. Where outcome indicators for the Anchor MDTF are identified, they are included here.			
DO-level outcome 2	**Describe Outcome 2:**			
Pillar Level (Results Framework prepared for each Pillar)	**Pillar 1: XYZ Development objective: XYZ**			
Pillar-level outcome 1	**Describe Outcome 1:**			
	Unit of Measure	**Baseline**	**End Target**	**NOTE 2: Use this section to explain, clarify or provide details on indicators used, unit of measure, baseline and target values**
Outcome 1 indicators				
Indicator 1[5]				**NOTE 3**: Pillar-level DO may have both qualitative and quantitative indicators. **NOTE 4**: Baselines and targets may not be available at the inception of the trust fund and are developed and refined throughout implementation according to projects/activities financed.
Indicator 2, etc.				
Intermediate Results indicators	**Unit of Measure**	**Baseline**	**End Target**	**NOTE 5:** Intermediate results are the results that are necessary to achieve the Pillar-level DO. They may be both OUTPUTS and OUTCOMES.
Indicator 1		**NOTE 5**: The Umbrella Program Manager develops a menu of recommended and measurable indicators to be used for trust-funded activities. These indicators are designed to facilitate aggregation of results at the Umbrella Program level (Anchor MDTF trustee level). Disbursing/activity level TTLs are required to use one or more of the recommended indicators and/or to propose other indicators for grant-funded activities that are causally related to and suitably address the DO-level outcomes. If baselines and targets are not available at the inception of the trust fund, these are developed and refined throughout implementation according to projects/activities financed.		
Indicator 2 etc.				

(continues)

Annex 1: Template for a Results Framework for an Umbrella Program *(continued)*

Pillar-level outcome 2	Describe Outcome 2:			
	Unit of Measure	Baseline	End Target	
Outcome 2 indicators				
Indicator 1				
Indicator 2, etc.				
Intermediate results indicators	Unit of Measure	Baseline	End Target	
Indicator 1				
Indicator 2 etc.				

Annex 2: Template for a Results Framework for a Standalone Trust Fund

<table>
<tr><td colspan="5">Results Framework for a Standalone TF Trust Fund name: XYZ Development objective: XYZ</td></tr>
<tr><td colspan="5">DO-level results indicators</td></tr>
<tr><td>DO-level Outcome 1</td><td colspan="4">Describe Outcome 1:</td></tr>
<tr><td>Outcome 1 indicators</td><td>Unit of Measure</td><td>Baseline</td><td>End Target</td><td></td></tr>
<tr><td>Indicator 1</td><td></td><td colspan="3" rowspan="2">NOTE 1: DO-level outcome indicators at the trustee level may be qualitative and quantitative, and do not require baselines and targets. Trustee-level TTLs are expected to report on how the TF activities contribute to the overarching DO outcomes via the DO-level outcome indicators.</td></tr>
<tr><td>Indicator 2, etc.</td><td></td></tr>
<tr><td>DO-level Outcome 2</td><td colspan="4">Describe Outcome 2:</td></tr>
<tr><td>Outcome 2 indicators</td><td>Unit of Measure</td><td>Baseline</td><td>End Target</td><td></td></tr>
<tr><td>Indicator 1</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Indicator 2, etc.</td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="5">Intermediate results indicators</td></tr>
<tr><td></td><td>Unit of Measure</td><td>Baseline</td><td>End Target</td><td></td></tr>
<tr><td>Indicator 1</td><td></td><td colspan="3" rowspan="2">NOTE 2: Trustee-level TTLs develop a menu of recommended and measurable indicators to be used for trust-funded activities. These indicators are designed to facilitate aggregation of results at the trustee level. Disbursing/activity level TTLs are required to use one or more of the recommended indicators and/or to propose other indicators for projects/ activities that are causally related and suitably address the DO-level outcomes. If baselines and targets are not available at the inception of the trust fund, these are developed and refined throughout implementation according to projects/activities financed. RFs of Standalone trust funds in which activities are known in advance include specific indicators for the intermediate results with corresponding baselines and targets.</td></tr>
<tr><td>Indicator 2 etc.</td><td></td></tr>
</table>