

A GUIDE FOR DEVELOPMENT PARTNERS

# PARTNERING WITH THE WORLD BANK THROUGH TRUST FUNDS AND UMBRELLA 2.0 PROGRAMS

Trust Funds & Partner Relations  
October 2023



## About the World Bank

The World Bank,<sup>1</sup> comprising the International Bank for Reconstruction and Development (IBRD), which lends to governments of middle-income and creditworthy low-income countries, and the International Development Association (IDA), which provides financing on highly concessional terms to governments of the poorest countries, is one of the largest sources of development finance and expertise globally. Working in almost all thematic and sectoral international development areas, it made commitments of US\$72.8 billion in its fiscal year 2023 (FY2023) from July 2022 to June 2023.

The World Bank is headquartered in Washington, D.C., USA and operates in more than 140 countries worldwide. In FY2023, it employed nearly 13,100 full-time staff (53.2 percent of them women) and about 6,000 full-time equivalent short-term consultants/temporaries.

The World Bank's organizational structure is designed to support delivery of its strategy and programs. Technical staff are organized into four Practice Groups and seven Regional Vice Presidencies. The Practice Groups—Human Development; Equitable Growth, Finance and Institutions; Sustainable Development; and Infrastructure—house Global Practice units (technical areas of expertise), while the Regional Vice Presidencies—Eastern and Southern Africa; Western and Central Africa; East Asia and the Pacific; Europe and Central Asia; Latin American and the Caribbean, Middle East and North Africa, and South Asia—house Country Management Units. Technical staff are professionally mapped to Practice Groups and organizationally assigned to Regional Vice Presidencies. Units delivering corporate services and functions support these units. As of June 2023, 98 percent of Country Directors/ Country Managers and 49 percent of staff are based in seven geographic regions.

## Mission

To end extreme poverty and boost shared prosperity on a livable planet.

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1 - Throughout the report, the term World Bank and the abbreviated Bank refer only to the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA); the term World Bank Group and the abbreviated Bank Group refer to the five institutions: IBRD, IDA, the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID).

## About this Guide

This Guide provides a brief overview of World Bank Trust Funds<sup>2</sup>—what they are, what they fund, and the operating environment in which they are managed. It also describes the Umbrella 2.0 Program, an approach to organizing and managing trust funds for greater development impact.

This Guide highlights and provides links to key policies underpinning implementation of activities carried out by the World Bank or by recipients of its funds—policies that apply equally to activities funded by trust fund contributions.

## Table of Contents

About the World Bank	i
About this Guide	ii
▶ ● 1. Introduction	1
▶ ● 2. Trust Funds, The Basics	2
▶ ● 3. Umbrella 2.0 Programs	8
▶ ● 4. Standalone Trust Funds	12
▶ ● 5. The Trust Fund Lifecycle	13
▶ ● 6. Other Financing Arrangements	18
Appendix 1: Umbrella 2.0 Programs by World Bank Practice Group/Business Unit as of October 31, 2023	20
Appendix 2: Providing Oversight and Accountability	23
<a href="#">Annex 1: Guidance on Governance in World Bank Trust Funds</a>	
<a href="#">Annex 2: Guidance on Managing World Bank Trust Funds for Results</a>	
<a href="#">Annex 3: Guidance on World Bank Trust Fund Reporting to Donors</a>	
<a href="#">Annex 4: Guidance on Managing Targeted Funding for Umbrella 2.0 Programs</a>	

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## Other Resources

[2023 World Bank Annual Report](#)

[2022 Trust Fund Annual Report](#)

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2 - This Guide does not address management and administration of Financial Intermediary Funds (FIFs), or trust funds managed by the International Finance Corporation (IFC). FIFs and IFC Trust Funds are administered using their respective policy frameworks.

# 1. Introduction

The complexity and urgency of the world’s challenges require meaningful collaboration among members of the development community and other stakeholders if the goals of ending extreme poverty and boosting shared prosperity on a livable planet are to be realized.

The World Bank works with a growing number of development partners from around the world to deliver on its strategy and to contribute to the achievement of the [Sustainable Development Goals](#). From the international coalition of donors and clients that constitute IDA, through engagement with United Nations agencies, international nongovernmental organizations, foundations, and civil society, to an increasing focus on engaging private capital, the World Bank recognizes the transformative power of partnership when new ideas, perspectives, and experiences are combined with the necessary financial resources.

## Partnerships through Trust Funds

Partnering with the World Bank is enabled through a variety of financial instruments and coordination mechanisms. The appropriate partnering mechanism is selected based on the objectives of the initiative, the nature of the activities to be supported, and the roles of the World Bank and its development partners.

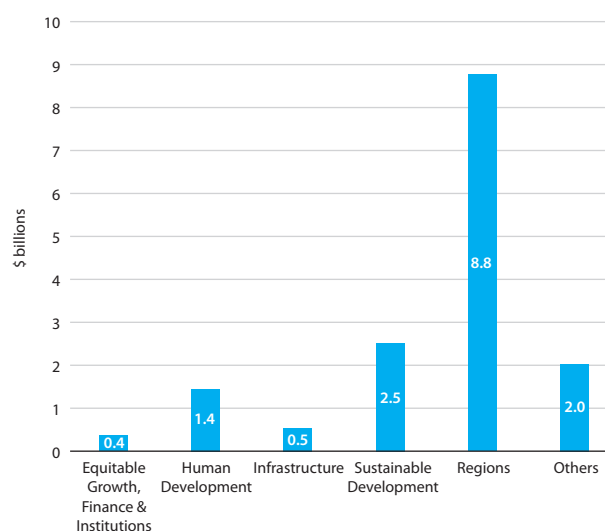
Trust funds, and the Umbrella 2.0 Programs through which they can be organized, are the most commonly used mechanisms for partnerships in which the World Bank, donors, clients, and other stakeholders work together to address a specific development challenge or find new ways to approach problems at the global, regional, or country level.

Trust funds are essential to a stronger, better, more agile World Bank. Trust fund resources complement World Bank operations, expanding their scope and reach and supporting their quality. They promote increased development effectiveness and enable the World Bank to provide assistance when its ability to lend is limited, including in fragile and emergency situations, and to countries in arrears and non-member countries. Trust funds also contribute to the World Bank’s knowledge agenda by financing close to two-thirds of its advisory services and analytics products, as well as technical advisory services for clients. Trust funds attract new sources of finance and promote innovative financial solutions in support of the global public goods agenda, including combating climate change and addressing the challenges of fragility, conflict, violence, forced displacement, and pandemics.

In FY2023, cash contributions to World Bank trust funds totaled US\$22.3 billion, and disbursements were US\$20.7 billion. Funds held in trust were US\$12.9 billion, of which 16 percent (US\$2.5 billion) were for activities in Sustainable Development (see Figure 1).

Trust funds as a partnering mechanism have been in place for decades and have been important complements to both IBRD and IDA resources. As a part of recent Trust Fund reform efforts aimed at enhancing the efficiency, effectiveness, and strategic alignment of activities funded, the Umbrella 2.0

**Figure 1: Funds Held in Trust in \$ billions: by World Bank Units as of end-FY2023**





Program was introduced to consolidate and optimize the trust fund portfolio.

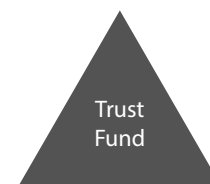
A trust fund portfolio based in Umbrella 2.0 Programs promotes strategic alignment of donor preferences and development goals with World Bank priorities and resources and elevates the dialogue between and among donors and the World Bank on shared priorities. For clients, Umbrella 2.0 Programs offer streamlined alignment of trust-funded activities with country priorities and greater complementarity with IBRD and IDA operations—maximizing the impact of both. See Box 1 for more on trust fund process improvements and reforms and pages 8–12 for more on Umbrella 2.0 Programs.

As part of the overall partnership universe, the World Bank also manages global funds and Financial Intermediary Funds (FIFs) for which the World Bank provides a specific set of administrative, financial and/or operational services. For more on FIFs, see page 18.

## 2. Trust Funds, The Basics

### What is a Trust Fund?

A trust fund is a financing arrangement that the World Bank establishes with contributions from one or more donors and, in some cases, from the World Bank itself.



Consistent with the overall purposes of IBRD and IDA as set out in the [Articles of Agreement](#), the World Bank establishes and administers trust funds as a complement to IBRD and IDA financing to promote development and aid effectiveness by leveraging its capacity and development knowledge. In administering a trust fund and holding the trust fund resources, the World Bank acts in a fiduciary capacity in accordance only with the provisions of the agreement concerning the trust fund.

#### Box 1: Continuous Improvement through Reform

Since the early 1960s, trust funds have been used to enhance the financial support available to clients by providing co-financing for IBRD and IDA operations and for direct funding of technical assistance. Over the last few decades, the role and volume of trust funds have increased dramatically, and the World Bank has undertaken initiatives and reforms to promote continuous improvement in the efficiency, strategic alignment, and robust oversight of trust fund resources and the activities they support. Significant progress has been made in transitioning management, implementation, and oversight of trust funds into the World Bank's operational, financial, and administrative control environment. The trust fund fiduciary framework is now fully mainstreamed into regular World Bank business processes. Successive reforms have improved the integration of trust-funded activities into World Bank operational and administrative processes, with the aim of reducing costs and better managing risks.

Designed to address the persistent challenge of a large, fragmented trust fund portfolio—many small trust funds with highly customized features—the Umbrella 2.0 Program was introduced in January 2020. Umbrella 2.0 Programs strengthen the link between funding and the strategic priorities of the World Bank and its clients and donors and promote impact at scale. A trust fund portfolio grounded in Umbrella 2.0 Programs means fewer, larger, more strategically aligned funding initiatives. The design of the Umbrella 2.0 Program built on a piloting phase involving diverse units in the World Bank experienced in managing trust fund resources. It was informed by lessons from existing programs as well as from the previous Umbrella model (1.0) and benefited from active donor support and engagement through a series of consultations that the World Bank organized over 3 years.

Learn more about Trust Fund Reform [here](#).

The World Bank promotes trust funds that draw on its operational role, reinforce country capacity and ownership, foster harmonization and alignment of aid modalities, and include contributions from more than one donor.

## What are the Criteria for accepting Contributions to Trust Funds?

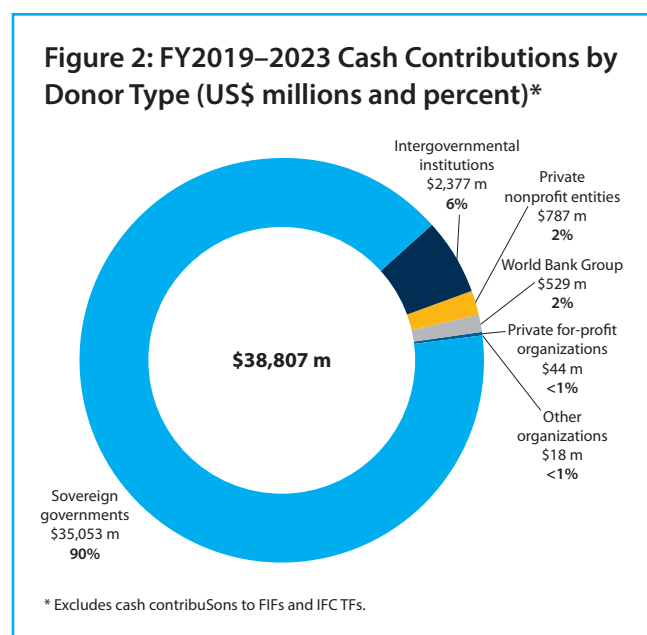
The World Bank accepts contributions to trust funds provided that the donor meets the criteria set out in the World Bank Board–approved [Policy on Trust Funds](#) and that the trust funds do not extend any benefits or unfair advantages to the donor. For each intended trust fund, the World Bank decides whether to accept the roles or responsibilities proposed based on the following criteria:

- **Consistency with the World Bank’s Purposes and Mandate.** Activities financed from the trust fund are in keeping with the [Articles of Agreement](#).
- **Strategic Relevance.** Activities financed from the trust fund are aligned with the World Bank’s priorities.
- **Risk Management and Controls.** The risks arising from the trust fund, including those arising from any conflicts of interest or any restrictions on its use, are explicitly considered and are judged to be acceptable and manageable by the World Bank.
- **Governance.** The World Bank has decision-making authority on the use of the funds adequate to fulfill its roles in administering the specific type of trust fund.
- **Nationality Restrictions on Procurement.** The World Bank does not accept any contribution to a trust fund that imposes nationality restrictions on procurement.
- **Operational Efficiency and Sustainability.** Trust funds are of a sufficient size and scope as determined by management from time to time to ensure efficient administration and portfolio consolidation. The World Bank recovers the costs of performing agreed roles in administering trust funds, taking into account benefits associated with such funding.

## Who contributes to Trust Funds?

More than 150 donors partner with the World Bank through trust funds. Most are sovereign entities. Others include multinational agencies, foundations, non-governmental organizations (NGOs), and private organizations. In a few rare cases, the World Bank contributes to trust funds from its own budget or from the IBRD’s surplus or net income.

Figure 2 shows the share of cash contributions in FY2019–2023 by Donor type and Figure 3 shows cash contributions of the top 10 donors for FY2019–2022, and 2023.

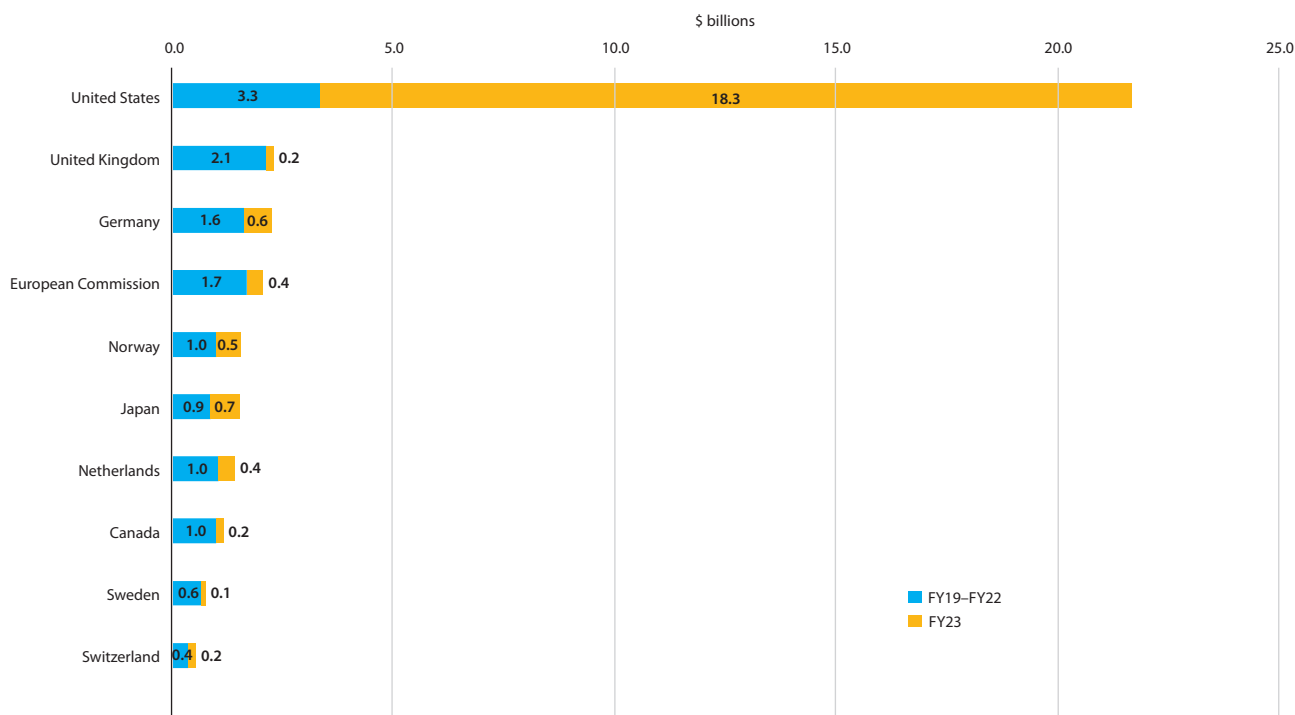


## Who may contribute to a World Bank Trust Fund?

As noted above, the World Bank accepts contributions to its trust funds from a wide range of donors. World Bank staff perform a due diligence review of prospective donors to identify and assess the World Bank’s exposure to risks that may arise when a new donor (sovereign or non-sovereign) wishes to contribute to a trust fund.

Any proposed contribution to a trust fund from a private donor, especially one that is, or is closely affiliated with, a corporation or other for-profit entity, is subject to enhanced scrutiny. Such review considers the specific context of the contribution and gives special consideration to potential, actual, or perceived benefit,

**Figure 3: Cumulative Cash Contributions by Top 10 Donors, FY2019–2022, FY2023**



unfair advantage, and/or conflict of interest, including in governance of the trust fund and in planning and implementation of trust-funded activities.

Natural persons may not contribute to World Bank trust funds.

### Why do Donors contribute to World Bank Trust Funds?

Trust funds provide a platform for financial, knowledge, technical, and other forms of collaboration among donors, client countries, and other stakeholders at the global, regional, and country levels.

Donors work with the World Bank through trust funds to:

- **Catalyze funding support and align it with funding from other development partners within agreed-upon strategic frameworks**, including for global public goods.
- **Draw on the World Bank’s convening power** at the international and country levels to maximize coordinated action and achieve impact at scale.

- **Benefit from the World Bank’s extensive technical expertise, country experience, supervision capacity**, financial control framework, and ability to monitor and report on results.
- **Provide grant funding** in fragile, conflict-affected, and other complex situations, enabling the World Bank to engage and provide critical assistance where traditional instruments are not well suited or are unavailable.
- **Support innovative or emerging policy areas** that partners view as a priority.

### How are Trust Funds Classified?

Each World Bank trust fund is identified with the following classification:

#### Geographic Scope

- A trust fund that supports activities within or for the benefit of a single country is a *Single Country Trust Fund*.

- A trust fund that supports activities within or for the benefit of more than one country within a single region is a *Regional Trust Fund*.
- A trust fund that supports activities within or for the benefit of several countries across more than one region is a *Global Trust Fund*.

### Whether contributions are from one or more than one Donor

- A trust fund that involves contributions from more than one donor is a *Multi-Donor Trust Fund (MDTF)*.
- A trust fund that involves contributions from one donor exclusively is a *Single Donor Trust Fund (SDTF)*.



A MDTF may be established with a contribution from only one donor if it is planned that other donors will contribute to the trust fund. A SDTF cannot be converted to a MDTF after establishment.

### Activities funded

- A trust fund that is used exclusively to augment the World Bank's administrative budget for its own development activities (bank-executed activities, see page 6) is a *Bank-executed trust fund*.
- A trust fund that supports bank-executed activities and provides grant(s) to a recipient or recipients for the purpose of financing projects and programs (recipient-executed activities, see page 6) is a *Hybrid trust fund*.

### Whether it is part of an Umbrella 2.0 Program

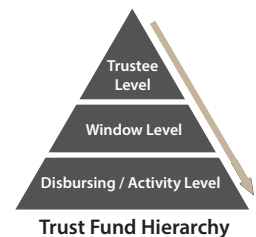
- An Umbrella 2.0 Program Trust Fund is either:

- an *Anchor Trust Fund*. A Multi-Donor Trust Fund that serves as the primary (and sometimes sole) funding arrangement for an Umbrella 2.0 Program (see pages 8–9).
- an *Associated Trust Fund*. A Multi-Donor or Single Donor Trust Fund that finances specific activities, sectors, themes, or geographic areas within the overall scope of the Anchor Trust Fund of an Umbrella 2.0 Program (see page 9).

- A trust fund that is not part of an Umbrella 2.0 Program is a *Standalone Trust Fund* (see page 12.)

### How does the World Bank administer Trust Funds?

A World Bank-administered trust fund has a three-level structure or hierarchy.



- At the *Trustee level*, donor funds are contributed based on the provisions of a trust fund's Administration Agreement or Administration Arrangement (Box 2). The World Bank, as trustee, receives, holds, invests, allocates, and reports on these funds. Each trust fund has one Trustee-level account, which is identified by a trust fund number.
- At the *Window level*, funds are allocated for activities or projects. For trust funds with a broad sector, thematic, and/or geographic scope, multiple Windows may be established to facilitate allocation of funds, work plan and budget monitoring, and results management. Each trust fund has at least one Window.
- At the *Disbursing or Activity level*, funds are disbursed or transferred. Disbursing- or activity-level allocations can be for recipient-executed activities, administered under grant agreements (see page 15), or for bank-executed activities.



## Box 2: Legal Agreements/Arrangements for Bank Administered Trust Funds

There are three types of legal agreements/arrangements in the context of Bank administered Trust Funds:

An **Administration Agreement and Administration Arrangement** is the legal agreement between the Bank, as administrator of a Trust Fund, and a Donor, setting forth the terms for the receipt, administration and use of a contribution for a Trust Fund.

The Administration Agreement/Arrangement describes, among other things, the trust fund's Development Objective, types of activities to be funded, governance arrangements (if any), and the End-Disbursement Date (EDD)—the date after which no expenditures can be charged to the trust fund and all financial closure procedures are completed.

The Administration Agreement/Arrangement is signed by the authorized representative of the World Bank and is countersigned by the authorized representative of the donor. Signed Administration Agreements/Arrangements are made available to the public according to the World Bank's Access to Information policy.

**Promissory Notes** are nonnegotiable, noninterest-bearing and legally binding demand notes pursuant to which cash is paid into a Trust Fund by a Donor in accordance with agreed schedules specified in the Administration Agreement/Arrangement.

A **Transfer Agreement** is a legal agreement between the Bank, as trustee, and an eligible entity for the transfer of Trust Fund funds by the trustee to such entity.<sup>3</sup>

## What do Trust Funds Finance?

World Bank trust funds provide support—typically on a grant basis—to activities that complement IBRD and/or IDA programs, are consistent with the World

Bank's strategy, and are developed through World Bank [Products and Services](#). Activities are recipient-executed or bank-executed depending on the role that the World Bank plays in delivery of the activity (see footnote 3).

**Recipient-executed activities** are projects or programs implemented by a third-party recipient, typically a government, for which the World Bank provides trust fund resources to the recipient under a Grant Agreement (see page 15). Recipient-executed activities support World Bank [Financing Instruments](#) aimed at achieving country Development Objectives, and policy and institutional reforms of national and subnational governments by providing budget financing and global expertise. Recipient-executed activities also support public projects to build physical and social infrastructure and to develop institutional capacity.

The World Bank appraises and provides implementation support for recipient-executed activities.

**Bank-executed activities** are development activities that the World Bank performs as part of its regular work program. Bank-executed activities support World Bank [Advice and Analytics](#) to inform country, regional, and global development agenda through knowledge dissemination, technical assistance, impact evaluation, research activities, and other knowledge products. Bank-executed activities also include project identification and appraisal, and project implementation support related to recipient-executed activities. Program Management and Administration (see page 12) is also a bank-executed activity.

*The majority of trust fund resources finance recipient-executed activities, including co-financing of IBRD and IDA operations. In FY2023, recipient-executed activities accounted for around 94 percent (US\$19.5 billion) of total disbursements from World Bank trust funds. Bank-executed activities represented the balance of 6 percent (US\$1.3 billion).*

3 - In addition to recipient-executed and bank-executed activities, the World Bank may in exceptional circumstances allow for use of a Transfer Out, an arrangement through which the World Bank acts at the request of all donors to a multi-donor trust fund to transfer trust fund resources to another entity (the Transferee) under a Transfer Agreement. Under the Transfer Agreement, the World Bank has no responsibility for the funds transferred and does not perform a supervisory role with respect to the funds transferred or the activities that these funds finance. The Bank's operational policies and procedures do not apply to the activities that the Transferee carries out; rather it is the policies and procedures of the Transferee that apply.

## How does the World Bank recover Indirect Costs associated with Trust Funds (Cost Recovery)?

While costs directly associated with implementation, supervision, and management and administration of a trust fund (e.g., personnel and travel costs) are charged directly to the trust fund, the World Bank recovers a share of trust fund–related indirect costs, such as information technology, human resources, legal services, and accounting, through the application of a common Cost Recovery Framework.

The Cost Recovery Framework itself is subject to periodic review and may change from time to time based on analysis of actual costs of establishing and administering trust funds. The current Cost Recovery Framework can be found [here](#).

## How can a Donor track its portfolio of Trust Fund contributions and activities?

The [Development Partner Center \(DPC\)](#) is a secure single-stop portal for donors to access their World Bank Group financing portfolios, including World Bank trust funds, International Finance Corporation trust funds, Financial Intermediary Funds, Externally Financed Outputs, and IDA.

Through the DPC, donors can access a range of reports, documents, and daily updated financial data on active and closed trust funds and Umbrella 2.0 Programs to which they contributed. Reports and documents include the Donor Portfolio at a Glance, signed Administration Agreements, Results Frameworks, Indicative Budgets, Implementation Status Reports, and Implementation Completion Reports, among others. For donors to Umbrella 2.0

Programs, the DPC enables a comprehensive view of Umbrella 2.0 Program trust funds (Anchor and Associated) and activities supported, organized by Window to reflect the agreed-upon results reporting structure. The DPC’s analytical tools allow donors to slice-and-dice financial information in a customizable and downloadable format. Additional features aimed at enhancing analytics in support of Umbrella 2.0 Program monitoring are under development.

*Note: Financial reports available for donors in the DPC are organized by relevant accounting expense categories, rather than by trust fund activity or component.*

Other information available in the DPC includes Summary of Contributions to the World Bank (donor view), IBRD and IDA country lending summaries, disbursement details of recipient- and bank-executed activities; and country-specific World Bank documents. In addition, the Trust Fund Refunds feature allows tracking of the return of donors’ unspent funds upon closure of a trust fund.

The DPC can be accessed [here](#). Contact [dpcqueries@worldbank.org](mailto:dpcqueries@worldbank.org) for specific questions related to the DPC.

## Is Trust Fund Information Public?

The World Bank’s [Access to Information Policy](#), effective July 1, 2010, applies equally to trust fund–related information as to all other World Bank information.

Underlying the Policy is the principle that the World Bank will disclose any information in its possession that is not on its [list of exceptions](#). Trust fund–related documents such as fully executed Administration Agreements and approved implementation and completion reports are publicly disclosable.

### 3. Umbrella 2.0 Programs

The Umbrella 2.0 Program is a program supported by one or more trustee level trust funds designed to provide scale and efficiency for enhanced development impact and effectiveness. It is the primary way for donors to partner with the World Bank through trust funds.

Umbrella 2.0 Programs promote:

- A strategic way to partner with the World Bank and finance mutual priorities.
- Access to the World Bank’s senior management in the context of high-level policy and strategy dialogue.
- Opportunities to collectively address global and local development challenges and achieve meaningful results at scale.
- Improved narrative and results reporting and greater attention to communications and visibility for donors.
- Greater access to knowledge-sharing opportunities on key development issues.

Key elements of the Umbrella 2.0 Program principles and structure are described in the following sections and summarized in Figure 4. Box 3 provides examples of active Umbrella 2.0 Programs. Appendix 1 shows all Active and Proposed Umbrella 2.0 Programs by World Bank Practice Group/Business Unit as of October 31, 2023.

#### Umbrella 2.0 Program Principles

Umbrella 2.0 Programs are designed based on the following guiding principles:

- A **single Governance arrangement** for all trust funds within the Umbrella 2.0 Program—led by a Partnership Council, comprising all donors to the Umbrella 2.0 Program trust funds (Anchor and Associated) and the World Bank as Chair. The Partnership Council provides strategic guidance and direction on implementation of all activities supported by the Umbrella 2.0 Program. For

more on Umbrella 2.0 Program governance, see [Annex 1: Guidance on Governance in World Bank Trust Funds](#).

- **Options for donors to manage preferences** for a specific sector, theme, or geographic area. For more on donor options, see [Annex 4: Guidance on Managing Targeted Funding for Umbrella 2.0 Programs](#).
- A **common Results Framework**, developed in consultation with donors, for all trust funds within the Umbrella 2.0 Program. The Results Framework enables monitoring and assessment of the contributions of individual activities to achievement of the overall Development Objective of the Umbrella 2.0 Program. For more on Results Frameworks, see [Annex 2: Guidance on Managing World Bank Trust Funds for Results](#).
- A **consolidated progress report** for all trust funds within the Umbrella 2.0 Program developed in reference to the common Results Framework for the Program. For more on reporting, see [Annex 3: Guidance on World Bank Trust Fund Reporting to Donors](#).
- A **strategic Communication and Visibility Plan** defining the communications objectives and high-level communications activities of the Umbrella 2.0 Program and how the Umbrella 2.0 Program, the World Bank, and participating donors will be represented on Umbrella 2.0 Program assets, outputs, and events. Among other things, the Communication and Visibility Plan covers the target audiences of communications activities, how success will be measured, branding protocols and identifiers, and the resources that will be devoted to communications and visibility. For more information see [Guidance: Communications and Visibility in Umbrella 2.0 Programs](#).

#### Umbrella 2.0 Program Structure

An Umbrella 2.0 Program is made up of one or more trust funds. It always has an *Anchor MDTF* with a broad sector, thematic, and/or geographic scope. In many cases, the Umbrella 2.0 Program will consist only of

the Anchor MDTF, the overarching Development Objective of which is the Development Objective of the Umbrella 2.0 Program. An Umbrella 2.0 Program can be global, regional, or single country in scope and can support one or more priority areas of a Global Practice or Region, as set out in its business plan.

## Managing Targeted Donor Funding for Umbrella 2.0 Programs

Optimally, all donors are encouraged to provide their contributions to TFs with as much flexibility in their use as possible. Having such flexibility enables the Bank to use donor funding most effectively in line with client demands. At the same time, individual donors often have more targeted areas of interest, whether thematic or geographic.

The flexibility to target donor contributions that are aligned with the overall Umbrella objectives and country demand is an important feature of the Umbrella Program. Where appropriate, the donor's specific sector, theme and/or geographic area of interest for their contribution can be formally expressed through "preferencing." In specific cases where a donor, or group of donors, is unable to pool their contributions with other donors in an Anchor MDTF of an Umbrella Program due to internal budgeting constraints or legislative requirements, there may be an option for them to contribute to the program through an "Associated Trust Fund," which enables dedicated financial tracking and reporting of their contributions.

However, preferencing and the use of Associated Trust Funds needs to be managed carefully and should only be used when required to avoid fragmentation within the Umbrella Program.

**Preferencing within an Anchor MDTF of an Umbrella Program:** Preferencing within a MDTF is when a donor expresses a non-binding preference to finance a specific sector, theme and/or geographic area within the overall scope of the TF. The preference is non-binding as the contribution is co-mingled with that of other donors, so the use of funds cannot be formally attributed to specific donors in the MDTF, either in financial or activity planning or in reporting. The preference is stated in the cover letter of the Administration Agreement. This has been a long-standing approach to managing different donor areas of particular interest in MDTFs.

Preferencing is not accepted for a specific project or activity, type of execution (bank-executed or recipient-executed), or type of expenditure (staff costs, consultants, etc.). Donors cannot express negative preferences (activities, themes, or geographic areas to not fund). No monetary value or percentage is attached to the expressed preference (a donor cannot express preference that X percent of their contribution goes to theme A and Y percent goes to theme B).

Expressed preferences should be for a specific sector, theme and/or geographic area that are already within the scope of the Umbrella Program, as expressed in the Anchor MDTF's Administration Agreement. Expanding the scope and/or types of activities of the Anchor MDTF would require amending the Administration Agreement of all donors to the MDTF.

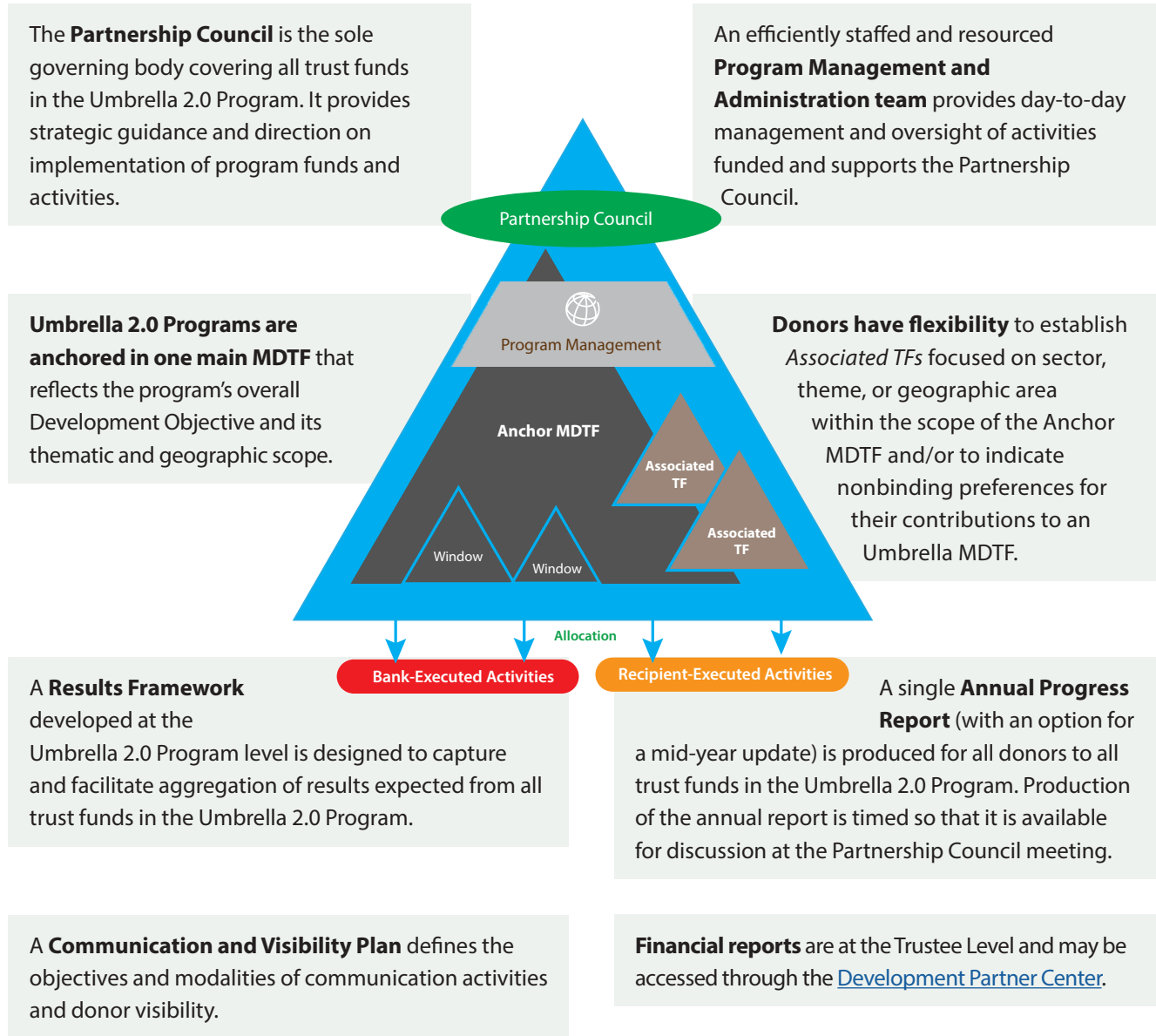
It is important to note that all donors to a MDTF contribute to the Program Management and Administration costs. Donor preferences are not considered when calculating the donor's share of any remaining balance at the MDTF's closing or refunds from the MDTF. These are calculated based on the pro-rata share of paid-in contribution amounts, based on total contributions to the MDTF by all donors.

**Associated Trust Funds in an Umbrella Program:** Activities financed by an Associated Trust Fund must align with the Umbrella Program's development objective and fall within the agreed sectoral, thematic, and geographic scope of the Umbrella Program. Should the scope of the Associated Trust Fund result in an expansion of the Umbrella Program's scope, as expressed in the Anchor MDTF's Administration Agreement, into new sectors, themes, and/or geographic areas, the donors would first need to approve this expansion and the Administration Agreements would need to be amended.

A new trustee level TF is established in accordance with the Bank's internal policies and procedures. The Umbrella Program Manager informs the Partnership Council of any TFs that will be associated to the Umbrella Program, and a new Administration Agreement is signed with the donor(s) contributing to the new Associated Trust Fund. The results framework of the Umbrella Program may also need to be updated.

Go [here](#) to learn more about managing targeted funding for Umbrella 2.0 Programs.

**Figure 4: Umbrella 2.0 Program at a Glance**





### Box 3: Spotlight on Selected Umbrella 2.0 Programs

#### **Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund (URTF)**

In December 2022, the World Bank established the [Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund \(URTF\)](#), a coordinated financing and support mechanism to assist the Government of Ukraine in (i) sustaining its administrative and service delivery capacity and conducting relief efforts; and (ii) planning and implementing recovery, resilient reconstruction, and reform agenda. URTF is supporting Framework Projects – emergency operations that mobilize partner resources through an innovative and flexible design. They reflect Ukraine’s relief needs as outlined in the updated Rapid Damage and Needs Assessment (RDNA) and are designed to be adaptable to events on the ground, to be able to integrate additional financing from multiple sources, and to rapidly make an impact. Contributors to the URTF to date include Austria, Canada, Iceland, Japan, Latvia, Lithuania, the Netherlands, Norway, Sweden, and Switzerland, with total contributions exceeding US\$1.1 billion.

The URTF operates under the Multi-Donor Resources for Institutions and Infrastructure (MRII) for Ukraine Facility established by the World Bank to support Ukraine in a coordinated way by the IBRD, IFC, and MIGA. All MRII initiatives allow donors to support Ukraine in addressing its immediate needs to sustain key public services, encourage the private sector, and help in the wider recovery and reconstruction efforts as identified in the RDNA.

#### **Umbrella Facility for Poverty and Equity (UFPE)**

The [Umbrella Facility for Poverty and Equity \(UFPE\)](#) is the first trust fund to support the cross-cutting poverty and equity agenda. It is designed to inform and support the design, implementation, and monitoring and evaluation of policies and programs to reduce poverty and promote equity. Founding donors to the UFPE include the Bill and Melinda Gates Foundation, Germany, Ireland, Sweden, the United Kingdom, and the William and Flora Hewlett Foundation. Total contributions to date are over US\$14 million.

Early achievements are promising, including important results at the country and global levels. At the country level, UFPE has filled key data gaps, strengthened country systems for data use in policymaking, produced timely and relevant analytics on the drivers and constraints to poverty reduction, equity and inclusive growth, informed program focus and design for World Bank operations, and influenced policy decisions. At the global level, UFPE has contributed to global public goods, such as the COVID-19 Household Monitoring Dashboard and the global harmonized database. These were key inputs for the World Bank’s COVID-19 operational response, two World Bank Flagship Reports (Global Economic Prospects Report: June 2022 and Poverty and Shared Prosperity 2022: Correcting Course), and many other knowledge products.

#### **Sustainable Urban and Regional Development (SURGE)**

[SURGE](#) is a global Umbrella Program that supports projects in developing countries focused on green, resilient, and inclusive urban and regional development. Its overarching development objective is to enable cities and regions in developing countries to function as drivers of sustainable and inclusive economic development. Started in 2020, SURGE is a multi-donor trust fund with funding from Austria, Korea, and Switzerland (as founding donor) and its budget stands at close to US\$50 million.

SURGE is funding activities through global, regional, and country programs. Active in 27 countries, SURGE enables World Bank teams to support local and national governments in developing countries through analytical work and/or technical assistance feeding into policy reform, institutional strengthening, new laws and regulations, strategy formulation, investment planning and prioritization, etc. This work helps countries towards the creation of an enabling environment for improved urban and regional development and investments. Early results show that SURGE strengthens capacity and creates knowledge that helps city leaders and stakeholders in their urban policy and investment decision-making.

## Umbrella 2.0 Program Management and Administration

An Umbrella Program Management team supports an Umbrella 2.0 Program in the World Bank. An Umbrella Program Manager leads the team, which comprises World Bank technical and administrative staff and consultants, all of whom are subject to the World Bank's policies and procedures. Umbrella 2.0 Program Management and Administration expenses are charged to the Anchor MDTF and to Associated Trust Funds, if any.

## 4. Standalone Trust Funds

In some limited instances, the World Bank may establish a Standalone Trust Fund—a trust fund that is not part of an Umbrella 2.0 Program. A Standalone Trust Fund can be multi-donor or single donor.

Some Standalone Trust Funds have governance arrangements, and others do not. A Standalone Trust Fund may finance a set of pre-identified activities that are agreed upon with the donors at the time of trust fund establishment, in which case there is no need for a governing body. Alternatively, a Standalone Trust Fund may finance a program of activities supporting a specific Development Objective, with individual activities identified over time. When the Standalone Trust Fund supports a program of activities for which guidance on activity selection and resource allocation will be required, a Steering Committee is typically established made up of donors to the Standalone Trust Fund, with the World Bank as Chair. For more on governance in Standalone Trust Funds see [Annex 1: Guidance on Governance in World Bank Trust Funds](#).

The most common use of a Standalone Trust Fund is to provide co-financing to an IBRD or IDA operation. A Standalone Co-financing trust fund typically finances one recipient-executed grant that co-finances an IBRD or IDA operation; associated project appraisal, supervision, management, and administration costs; and advisory services and analytics activities and products that are directly linked to the co-financed operation, if relevant. Standalone Co-financing trust funds do not have separate governance arrangements. *Note that some Global and Regional Umbrella 2.0*

*Programs are also designed to support co-financing of IBRD and/or IDA operations.*

When a Standalone Trust Fund is established for a purpose other than to co-finance an IBRD or IDA operation—for example, to finance activities that cannot be accommodated in an existing Global, Regional or Country Umbrella or for activities that do not contribute to the World Bank's highest strategic priorities but are of medium-term interest—it may lead to increased fragmentation of the trust fund portfolio.

Box 4 provides a brief description of an active Standalone Co-financing Trust Fund.

### Box 4: Co-financing Trust Fund: School Sector Development Program (SSDP) in Nepal

The development objective of Nepal's School Sector Development Program (SSDP) was to enhance quality, equitable access, and efficiency in basic and secondary education by supporting the Government's SSDP. The Bank's Program for Results (PforR) instrument had two aims: to focus on accountability for results and outcomes, incentivizing government ownership and implementation of vital reforms and policies in the education sector, and to reinforce the use of country systems for program implementation, fiduciary, environmental, and social systems, and monitoring arrangements in a sector-wide approach. The PforR operation was funded by the Government of Nepal (US\$5.7 billion), IDA (US\$185 million), and the Global Partnership for Education (US\$10.85 million). The project was further co-financed by nine joint financing partners including the World Bank, Asian Development Bank, European Union, Finland, Japan International Cooperation Agency, Norway, Results in Education for All Children Multi-Donor Trust Fund, UNICEF, and USAID in the amount of US\$326.3 million. The program resulted in a 75 percent success rate for disadvantaged students attaining a GPA of 1.6 in Grade 10 exams. It introduced targeted scholarships, which helped girls and vulnerable children stay in school and strengthened assessment systems. The program also reduced the number of out-of-school children by 6.76 percent, surpassing the 5.6 percent target.

## 5. The Trust Fund Lifecycle



The section highlights the major stages in the Trust Fund Lifecycle. World Bank units charged with managing trust fund resources and activities they support are responsible for observing internal management controls and for following procedures to ensure that trust-funded programs and activities they finance are supervised, audited, and evaluated and that reporting requirements are met. They also ensure that trust funds they manage are aligned with regional and country strategies and are included in reviews of their operations portfolio. In addition, they ensure that: (a) adequate management and control structures are maintained for proper implementation and oversight of trust-funded activities; (b) there is sufficient administrative and budgetary support for these tasks; (c) all trust funded activities are included in the budget and work plans of the managing unit to ensure full transparency; and (d) trust fund resources are used only for expenditures and purposes agreed upon with the donor.

The World Bank has a fiduciary responsibility to ensure that funds received are used in accordance with the Administration Agreement(s)/Arrangement(s) for the trust fund and with World Bank policies and procedures. Resources provided through trust funds and activities they fund are subject to the same oversight and accountability principles as other World Bank resources. In addition, the administration of trust funds is subject to real-time compliance and quality reviews through trust fund-specific controls and quality assurance exercises.

World Bank staff assigned to manage trust funds must be accredited to do so.

### Planning

World Bank business units define their medium-term work program priorities annually, including priorities for external fundraising and plans for the portfolio of trust funds under their management. These plans collectively form the basis for mobilization and use of all external funds, including through Umbrella 2.0 Programs.

### Engaging

To facilitate transparency and coordination of fundraising efforts, World Bank Business Units share information with Business Units across the World Bank on their pipeline of active fundraising initiatives. This process promotes early collaboration among Business Units, facilitates consolidated fundraising, and minimizes establishment of small, overlapping trust funds for related topics.

### Designing

Once a decision is made to move forward with establishment of a trust fund, World Bank staff prepare a Concept Note for internal World Bank review and endorsement. The Concept Note typically reflects discussions held with prospective donors and goes through a formal internal review and decision process, wherein guidance and agreement are sought on issues and approach, scope, activities to be financed, risks and potential mitigation measures, resource estimates, and schedule. Once the Business Unit decision-maker signs off, World Bank staff coordinate with prospective donors and other relevant stakeholders, including prospective recipients and beneficiaries.

### Establishing

After World Bank management approves the concept and design of the trust fund and after discussion with prospective donors, the trust fund is established through the execution of an Administration Agreement/Arrangement (Box 2).

In the case of a multi-donor trust fund, the World Bank enters into an Administration Agreement/Arrangement with each donor separately concerning the trust fund. Administration Agreements/Arrangements for all donors to a multi-donor trust fund must contain the

same terms and conditions for use of the trust fund and for the World Bank's and the donors' rights and obligations in relation to establishment of the trust fund and its administration and management.

**Trust Fund Activation and Call of Funds:** Upon receipt of a fully executed (signed and countersigned) Administration Agreement/Arrangement, the World Bank activates the trust fund, which allows donors to remit contributions according to the schedule set out in the Administration Agreement/Arrangement.

Contributions are paid-in based on a Call of Funds, which World Bank staff initiate and send to the donor. The Call of Funds package includes the official invoice with all the depository banking details necessary for the donor to remit the contribution, along with the amount required in the currency set out in the Administration Agreement/Arrangement.

To provide assurance as to the authenticity of a Call of Funds request, an electronic copy of the package is provided as an "alert" in the donor's secure account on the World Bank's [Development Partner Center](#) (see page 7).

*The World Bank does not request funds from donors via manual invoices or share banking information outside of the Call of Funds system. Donors should not attempt to deposit funds in advance of receipt of a Call of Funds package.*

**Treatment of Contributions Received:** The World Bank converts trust fund contributions received from donors into the Holding Currency of the trust fund as set out in the Administration Agreement/Arrangement, after which they are commingled with other contributions from donors to the respective trust fund. Funds on deposit are invested and reinvested pending their disbursement. They may be freely exchanged into other currencies to facilitate their disbursement for eligible expenses.

**Basis of Commitment (BoC) of Funds:** Once the trust fund has been established and funds have been received, the World Bank starts making financing commitments in order to implement the planned activities. In the case of recipient-executed activities, this involves signing Grant Agreements, and in the case of bank-executed activities, it involves hiring

consultants and staff, booking travel, and committing other expenses.

The BoC is the criterion that the World Bank uses to determine the amount of donor funding available for entering into financing commitments. For all World Bank trust funds, the standard BoC is "Cash only"—meaning that the World Bank makes commitments based only on cash received from donors. This ensures that funds will be available for disbursement when needed and avoids exposure of the World Bank to potential financial, currency, and reputational risks. Such risks could arise if donors provide funding in amounts less than what is set out in their Administration Agreement/Arrangement, or they delay their funding. The "Cash only" BoC is calculated as the total amount of unqualified cash contributions received plus investment income credited to the trust fund to date minus applicable cost recovery fees.

In exceptional circumstances, the World Bank may decide to apply a non-standard BoC. Non-standard options include: (a) cash plus promissory notes held but not yet encashed; and (b) cash, promissory notes, plus unqualified future donor receivables.

**Partnership Document:** An Umbrella 2.0 Program Management team may prepare a Partnership Document—typically soon after the Umbrella Anchor Trust Fund has received funds from donor(s) and is operational—which the donors have preferably agreed upon by the time of the first Partnership Council meeting. The Partnership Document describes the principles and procedures for the day-to-day management and operation of an Umbrella Program, including operational arrangements related to the Partnership Council meetings, technical engagement, program management and administration, work plan and budget, result framework, reporting and evaluation, and communications and visibility.

The Partnership Document is not intended to summarize or reproduce World Bank policies and procedures governing trust funds. It does not expand, supplement, or otherwise modify the provisions of the Administration Agreement/Arrangement for the trust fund. In the event of any conflict between the content of the Partnership Document and provisions of the Administration Agreement/Arrangement, the provisions of the Administration Agreement/Arrangement prevail.



## Implementing and Supervising Activities that Trust Funds Finance

Once a trust fund is established, and activities to be funded are selected, World Bank staff implement bank-executed activities or provide implementation support for recipient-executed activities.

**Implementing Bank-executed Activities:** The responsible World Bank Business Unit implements bank-executed activities that are selected and approved for financing through trust funds as part of its regular portfolio of activities. Each trust-funded bank-executed activity is identified along with its funding source(s) and is included in the Business Unit's resource and work program planning, budgeting, and performance exercises. Bank-executed activities are administered in accordance with the World Bank's administrative, planning, budgeting, performance, and human resources policies, directives, and procedures, which also apply to use of the World Bank administrative budget. For bank-executed activities that are [Advice and Analytics](#) products, policies and procedures for those products and services apply.

**Providing Implementation Support for Recipient-executed Activities:** When trust fund resources will be used to provide a grant to a third-party recipient (typically a government) for the purpose of financing a [development project or program](#), the World Bank appraises and provides implementation support for the activities that the grant finances. The World Bank enters into a Grant Agreement with the recipient to extend such a grant.

*A Grant Agreement is a written legal instrument between the World Bank and a recipient for the purpose of providing a grant to assist with financing a project or program. It describes the project or program and its objective and sets out the terms of the financing and the recipient's obligations in relation to the project or program.*

Implementation Support to Recipient-executed trust funded activities applies the same policy framework as that of World Bank-financed operations. The World Bank [Operations Manual](#) sets out the operations policies that detail the roles and responsibilities of the World Bank and its borrowers or, in the case of

trust funds, recipients of trust fund resources through grants. These include:

- **An Environmental and Social Framework (ESF)** applies to the management of environmental and social impacts and risks in IPF operations. The ESF covers a range of environmental and social risks and impacts. It enhances development outcomes by strengthening protections for people and the environment and making important advances in areas such as labor, inclusion and non-discrimination, gender, climate change, biodiversity, community health and safety, and stakeholder engagement. It promotes enhanced transparency and stakeholder engagement through timely information disclosure, meaningful and ongoing consultations throughout the project life cycle, and responsive grievance mechanisms to facilitate resolution of concerns and grievances of project-affected parties. Go [here](#) for details on the Environment and Social Framework and the 10 Environmental and Social Standards.
  - **Procurement Framework** promotes tailored procurement approaches that emphasize choice, quality, and value for public spending while enabling adaptation to country contexts. It allows projects to respond quickly to emerging needs and helps client countries determine the best value for money to ensure quality outcomes and sustainability over the life of a project. By focusing on market research, needs analysis, and project-specific risks, including environmental and social issues, the World Bank helps countries develop procurement strategies and plans that meet their needs and facilitate successful implementation.
- The Framework approach includes four key points to help clients and businesses: a Project Procurement Strategy for development in which the needs and risks of a project are analyzed, a focus on Value for Money; an approach to resolving procurement-related complaints, and involvement of World Bank staff in management of contracts with high value and high risk. Go [here](#) for information on procurement for projects and programs.
- **Financial Management**, through which borrowing countries and trust fund grant



## Box 5: Managing Environmental and Social Risks and Impacts

The Environmental and Social Framework's (ESF) Environmental and Social Standards (ESSs) set out the requirements for Borrowers relating to the identification and assessment of environmental and social risks and impacts associated with projects supported by the World Bank. The ESF supports green, resilient, and inclusive development by strengthening protections for people and the environment and making important advances in areas such as labor, inclusion and non-discrimination, gender, climate change, biodiversity, community health and safety, and stakeholder engagement. It uses a risk-based and proportionate approach that applies increased oversight and resources to complex projects and allows for greater responsiveness to changes in project circumstances through adaptive risk management and stakeholder engagement. It thus promotes integrated environmental and social risk management.

The ESF places an emphasis on strengthening national environmental and social management systems and institutions and supporting Borrower capacity building. It promotes enhanced transparency and stakeholder engagement through timely information disclosure, meaningful and ongoing consultations throughout the project life cycle, and responsive grievance mechanisms to facilitate resolution of concerns and grievances of project-affected parties.

Gender-based violence, sexual exploitation and abuse and sexual harassment (SEA/SH), threats to human security, and impacts on the health, safety, and well-being of workers and project-affected communities are some of the risks addressed through the ESF. The World Bank uses specific guidance and tools, including a gender-based violence risk screening and risk rating tool to help staff identify SEA/SH risks during project preparation. Two Good Practice Notes: [Addressing Sexual Exploitation and Abuse and Sexual Harassment in Investment Project Financing Involving Major Civil Works](#) and [Addressing Sexual Exploitation and Abuse and Sexual Harassment \(SEA/SH\) in Human Development Operations](#) have been developed. Given that child survivors require specific protection measures and can often trigger mandatory reporting laws, the World Bank Group has also issued specific guidance on how to assess, prevent, and respond to SEA/SH involving child survivors.

While the ESF itself does not explicitly mention SEA/SH, various ESSs are useful for addressing SEA/SH, including:

- ESS1: Assessment and Management of Environmental and Social Risks and Impacts.
- ESS2: Labor and Working Conditions.
- ESS4: Community Health and Safety; and
- ESS10: Stakeholder Engagement and Information Disclosure.

recipients are supported in improving their financial management performance and capacity, while encouraging transparency, and providing assurance on the use of World Bank financing and trust fund resources. In accordance with the World Bank's operational policies and procedures, Financial Management specialists work with countries to design financial management and disbursement arrangements and to supervise and support the performance of World Bank- and trust fund-financed operations.

Recipients of trust fund financing under Grant Agreements are required to maintain adequate financial management systems, prepare

annual financial statements in accordance with accounting standards acceptable to the World Bank, and have independent auditors acceptable to the World Bank audit these statements. Recipients are also required to submit interim financial reports acceptable to the World Bank. Each recipient-executed operation involves a World Bank Financial Management Specialist who assesses financial management risk and performance and reviews the recipient's financial management compliance. Go [here](#) for more on financial management in World Bank operations.

- **Risk Framework.** The World Bank's Risk Framework contains a set of institutional systems to help

manage risk in World Bank operations, including trust-funded recipient- executed activities. The Risk Framework pillars include the Systematic Operations Risk-Rating Tool (SORT), which rates eight dimensions of risk (environmental and social, fiduciary, institutional capacity, macroeconomic, political and governance, sector strategies and policies, stakeholders, technical design) on a 4-point scale (high, substantial, moderate, low) depending on the likelihood that risk will materialize and the expected severity of its impact if it does.

The following are applicable to all recipient-executed and bank-executed activities under implementation.

- **Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT).** The World Bank has an obligation to follow decisions of the Security Council under Articles 41 and 42 of the United Nations Charter in making payments and disbursing funds. The World Bank is also required to avoid doing business with entities or individuals that have been debarred or suspended under the World Bank sanctions system (Appendix 2). Suppliers under World Bank-financed projects, investee companies in IFC projects, Multilateral Investment Guarantee Agency guarantee holders, corporate vendors, commercial banks for transferring funds, as well as payments to beneficiaries are screened against external sanctions lists and internal debarment and suspension lists. The anti-money laundering, countering financing of terrorism, and sanctions screening processes and procedures of World Bank Group entities define the types of entities and persons subject to screening and additional relevant details.
- **Anti-Corruption: Investigations, Sanctions, Prevention, and Compliance:** The Anti-Corruption Guidelines and applicable World Bank procurement regulations provide that the World Bank may impose administrative sanctions on firms and individuals found to have engaged in corrupt, fraudulent, coercive, collusive, or obstructive practices in connection with use of trust fund grant proceeds, including (but not limited to) in the course of procurement or selection of consultants or in execution of contracts financed by the trust fund grant. There are five possible administrative sanctions: Debarment, Debarment with Conditional Release, Conditional Non-Debarment, Public Letter of Reprimand, and Restitution. If the World Bank determines that there are credible allegations of fraud, corruption, collusion, or coercion in relation to recipient-executed or bank-executed activities financed by the trust fund, the World Bank will investigate such allegations and, in accordance with its applicable policies and procedures, take appropriate steps to address such allegations, convey information to donors confidentially, take action to recover funds as appropriate, and refund funds depending on the investigation's outcome. For more information, refer to the World Bank [Anti-Corruption Guidelines](#) and the [World Bank Group's Sanctions System](#).
- **Results Monitoring and Reporting:** The World Bank's fiduciary responsibility for activities funded by trust funds includes monitoring and evaluation of activities, outputs, and outcomes. The process begins with a results-oriented design of the trust fund or Umbrella 2.0 Program, which is reflected in a Results Framework developed in consultation with donors. It continues with regular monitoring and evaluation to assess progress toward achieving the Developing Objective(s) of the trust fund or Umbrella 2.0 Program and the activities and projects that they fund and to confirm that the funds are being used in conformity with the Administration Agreement/Arrangement and, if applicable, with any Grant Agreements. A consolidated annual progress report is prepared at the Umbrella Program level and in reference to the Program's Results Framework.
- **Financial Reporting and Audits:** The World Bank provides donors with up-to-date trust fund financial information through its secure [Development Partner Center](#). The World Bank also provides donors within 6 months following the end of each World Bank fiscal year an Annual Single Audit Report in respect of all modified cash basis Trust Funds (except those for which the donors have not yet confirmed the inclusion in the report). The single audit provides trust fund donors with assurance that the World Bank's overall control framework surrounding trust funds provides reliable combined financial reports in place of individual externally audited trust fund financial statements. The single audit report comprises

a management report together with an audit opinion from the World Bank's external auditors concerning the adequacy of internal controls over modified cash basis financial reporting for all modified cash basis trust funds as a whole and a combined financial statement for all modified cash basis trust funds together with the World Bank's external auditor's opinion thereon. Go [here](#) for the most recent Annual Single Audit Report.

## Restructuring and Cancelling

**Restructuring:** Once established, a trust fund may be restructured to modify its Development Objective or activity description, extend its End-Disbursement Date, modify governance arrangements (if any), or modify other terms such as changes to reporting arrangements or eligible expense categories.

The restructuring of a trust fund requires approval from World Bank management and is accomplished by amending the Administration Agreement(s)/Arrangement(s) between the World Bank and the trust fund donors.

*Restructuring of a multi-donor trust fund requires agreement of all donors to the trust fund. The Administration Agreement/Arrangement for the multi-donor trust fund is amended only after written agreement of acceptance by all contributing donors is received, and the amendment to the multi-donor trust fund becomes effective once all donors sign their amendment. If a donor does not wish to sign an amendment, the donor reserves the right to exit from the multi-donor trust fund according to the terms and conditions of the Administration Agreement/Arrangement, allowing other donors to proceed with the amendment.*

**Cancelling a Donor Contribution:** With 3 months prior written notice, a donor or the World Bank can cancel all or part of a donor's pro-rata share of any contribution to a trust fund (paid and not yet paid) that is not committed pursuant to any agreement or contract between the World Bank and any consultants and/or other third parties, including any Grant Agreements, before receipt of such notice. In the event of a cancellation, the World Bank returns the donor's pro-rata share in the holding currency, unless otherwise agreed to between the World Bank and the donor.

## Closing a Trust Fund

**Completion Report:** Within 6 months from the trust fund's End-Disbursement Date, World Bank staff prepare a completion report for donors that summarizes the achievements of the trust fund's or Umbrella 2.0 Program's Development Objective(s), aggregates results and outcomes attained, and describes lessons learned. The completion report also describes risks and challenges encountered during implementation and how they were managed and mitigated and any major deviations in the work plan or budget during the life of the trust fund or the Umbrella 2.0 Program.

**Donor Balance Accounts:** A Donor Balance Account is an administrative pass-through account that the World Bank establishes on behalf of a donor agency to hold funds temporarily pending transfer to another trust fund account, return to the donor, or use for purposes as agreed to with the donor. Once the trust fund account has been closed, unless otherwise agreed upon in writing between a donor and the World Bank, the World Bank will transfer the remaining fund balance to the donor's Balance Account pending notification from the donor on how they want to process refunds. In the case of funds in a multi-donor trust fund, funds are transferred on a pro-rata basis according to the donor's cumulative paid-in contributions.

## 6. Other Financing Arrangements

### Financial Intermediary Funds

A Financial Intermediary Fund (FIF) is a type of trust fund that the World Bank supports through tailored administrative, financial, legal, and/or operational services. FIFs are important tools in the development finance toolbox, offering customized financing platforms for partnership programs and special financing mechanisms. They can catalyze a variety of public and private resources in support of international initiatives. Most often launched at high-level multilateral forums, FIFs enable the international community to provide a direct, coordinated response to global priorities by providing mostly independently governed multi-contributor collaboration platforms focused on supporting global public goods such as preventing

communicable diseases, responding to climate change, and supporting food security. For more on FIFs, see the [FIF Trustee website](#).

## Externally Financed Outputs

The Externally Financed Output (EFO) is a streamlined instrument used to finance, in part or in full, a bank-executed activity or output of a bank-executed activity. The maximum contribution to an EFO is US\$2 million. The maximum duration of an EFO is 36 months. EFOs use a standard legal agreement and standard, simplified progress and completion reporting. Financial reporting is not provided to the contributor. World Bank corporate procurement and administrative policies and procedures apply, and eligible expenditures are the same as those eligible under the World Bank's budget.

## Direct Co-financing Arrangements

Under direct co-financing arrangements, donors provide financing directly to a recipient to finance activities within the scope of an IBRD or IDA project. No trust fund arrangement is involved. Supporting documentation involves a Project Co-lenders Agreement (between the World Bank and the co-financier) and a Financing/Loan Agreement (between each financier and the recipient). The World Bank has established overarching Co-financing Framework Agreements and/or Procurement Framework Agreements with several co-financing partners that can facilitate expedited agreement on project co-financing arrangements. For more on project co-financing, contact the World Bank's co-financing team: [WB\\_Co-Financing@worldbank.org](mailto:WB_Co-Financing@worldbank.org).

## Appendix 1: Umbrella 2.0 Programs by World Bank Practice Group/ Business Unit as of October 31, 2023

Practice Group/Business Unit	No.	Umbrella 2.0 Program
Equitable Growth, Finance and Institutions	1	<a href="#">Risk Finance Umbrella</a>
	2	<a href="#">Finance for Development (F4D) Umbrella</a>
	3	<a href="#">Umbrella Facility for Trade (UF)</a>
	4	<a href="#">Competitiveness for Jobs and Economic Transformation (C-JET)</a>
	5	<a href="#">Governance and Institutions Umbrella (G&amp;I)</a>
	6	<a href="#">Financial Management Umbrella (FM)</a>
	7	<a href="#">Debt Management Facility (DMF)</a>
	8	<a href="#">Global Tax Program (GTP)</a>
	9	<a href="#">Umbrella Facility for Poverty and Equity (UFPE)</a>
	10	<a href="#">Consultative Group to Assist the Poor (CGAP)</a>
	11	<a href="#">Fiscal Policy and Sustainable Growth</a>
Human Development	12	<a href="#">Foundational Learning Compact (FLC)</a>
	13	<a href="#">Tertiary Education and Skills (TES)</a>
	14	<a href="#">Umbrella Facility for Gender Equality (UFGE)</a>
	15	<a href="#">Human Capital Umbrella (HCP)</a>
	16	<a href="#">Health Emergency Preparedness and Response Umbrella (HEPRF)</a>
	17	<a href="#">Healthy Lives, Nutrition and Population (HLNP)</a>
	18	<a href="#">Global Financing Facility (GFF)</a>
	19	<a href="#">Rapid Social Response (RSR) Umbrella</a>
	20	<a href="#">JOBS Umbrella</a>
	21	<a href="#">KNOMAD-Migration Umbrella</a>

(continues)



Appendix 1: Umbrella 2.0 Programs by World Bank Practice Group/Business Unit as of October 31, 2023  
(continued)

Practice Group/Business Unit	No.	Umbrella 2.0 Program
Infrastructure	22	<a href="#"><u>Digital Development Partnership (DDP 2.0)</u></a>
	23	<a href="#"><u>Identification for Development (ID4D)</u></a>
	24	<a href="#"><u>Extractives Global Programmatic Support (EGPS)</u></a>
	25	<a href="#"><u>Energy Sector Management Assistance Program (ESMAP)</u></a>
	26	<a href="#"><u>Public-Private Infrastructure Advisory Facility (PPIAF)</u></a>
	27	<a href="#"><u>Global Facility to Decarbonize Transport (GFDT)</u></a>
	Sustainable Development	28
29		<a href="#"><u>Climate Support Facility (CSF)</u></a>
30		<a href="#"><u>Partnership for Market Implementation Facility (PMIF)</u></a>
31		<a href="#"><u>Global Facility for Disaster Reduction and Recovery (GFDRR)</u></a>
32		<a href="#"><u>PROBLUE</u></a>
33		<a href="#"><u>PROGREEN</u></a>
34		<a href="#"><u>Global Program for Sustainability (GPS)</u></a>
35		<a href="#"><u>Human Rights, Inclusion and Empowerment</u></a>
36		<a href="#"><u>Social Sustainability Initiative for All (SSI4ALL)</u></a>
37		<a href="#"><u>Sustainable Urban and Regional Development (SURGE)</u></a>
38		<a href="#"><u>Global Partnership on Results-Based Approaches Umbrella (GPRBA)</u></a>
39		<a href="#"><u>Land 2030 Global Partnership (Land 2030)</u></a>
40		<a href="#"><u>Global Water Security and Sanitation Program (GWSP)</u></a>
41		<a href="#"><u>Scaling Climate Action by Lowering Emissions (SCALE)</u></a>
Development Economics	42	<a href="#"><u>Knowledge for Change Program (KCP)</u></a>
	43	<a href="#"><u>Global Data Facility (GDF)</u></a>
	44	<a href="#"><u>Impact Evaluation to Development Impact Umbrella Facility (i2i)</u></a>
Fragility, Conflict and Violence	45	<a href="#"><u>State and Peacebuilding Fund (SPF)</u></a>

(continues)

Appendix 1: Umbrella 2.0 Programs by World Bank Practice Group/Business Unit as of October 31, 2023  
(continued)

Practice Group/Business Unit	No.	Umbrella 2.0 Program
Regions	<i>East Africa</i>	
	46	<a href="#">Somalia Country Engagement</a>
	47	<a href="#">Sudan Transition and Recovery Support</a>
	48	<a href="#">South Sudan Multi-Donor Transition Trust Fund</a>
	49	<a href="#">Zimbabwe Country Engagement</a>
	50	<a href="#">Horn of Africa Initiative Umbrella Trust Fund (HOA)</a>
	<i>West Africa</i>	
	51	<a href="#">Liberia Reconstruction</a>
	<i>East Asia and Pacific</i>	
	52	<a href="#">Myanmar Strategic Partnership (MSP)</a>
	53	<a href="#">Papua New Guinea and Pacific Islands Umbrella Facility (PPIUF)</a>
	<i>Middle East and North Africa</i>	
	54	<a href="#">MNA Region Umbrella</a>
	55	<a href="#">Palestinian Umbrella for Resilience Support to the Economy (PURSE)</a>
	56	<a href="#">Lebanon Financing Facility (LFF)</a>
	57	<a href="#">Tunisia Economic Resilience and Inclusion Umbrella (TERI)</a>
	58	<a href="#">Yemen Resilience, Recovery, and Reconstruction Multi-Donor Trust Fund</a>
	<i>South Asia</i>	
	59	<a href="#">South Asia Regional Integration, Cooperation, and Engagement (SARICE)</a>
	60	<a href="#">Afghanistan Reconstruction Trust Fund (ARTF)</a>
	61	<a href="#">India Country Umbrella</a>
	62	<a href="#">Pakistan@100 Partnership Trust Fund</a>
	<i>Europe and Central Asia</i>	
63	<a href="#">Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund (URTF)</a>	

## Appendix 2: Providing Oversight and Accountability

The World Bank Group holds itself accountable through institutional mechanisms—both within and independent of the World Bank Group—that monitor operational performance, manage institutional risks, address grievances, and ensure transparency in our work. They provide guidance and recommendations to ensure maximum development effectiveness and adherence to the highest accountability standards.

### Independent Evaluation Group

The Independent Evaluation Group (IEG) aims to strengthen the Bank Group's development effectiveness through evaluations that assess results and performance and that provide recommendations for improvements. It also validates the Bank Group's self-evaluations of the results of country programs and projects. The evaluations and validations provide evidence of factors influencing success and failure as well as lessons to help inform the Bank Group's directions, policies, programs, and operations.

In FY2023, IEG completed evaluations covering several of the Bank Group's corporate and strategic priorities. These looked at the Bank's engagement in disaster risk reduction and its Low Income Country Debt Sustainability Framework and assessed the effectiveness of the Bank Group's support for demand-side energy efficiency projects. The group also validated management's self-assessments on their implementation of IEG recommendations from FY2018 to FY2021 and evaluated IFC's additionality in middle-income countries. IEG also looked more closely at two aspects of the Bank Group's response to COVID: protection of human capital and addressing economic implications. In line with the Bank Group's country-level outcome focus, IEG completed Country Program Evaluations on Ukraine, Madagascar, Mozambique, and Morocco. IEG was also asked to contribute to the Evolution Roadmap document and drew on its body of evaluative evidence to provide insights on the World Bank Group's country-level development model, convening for global public goods, and outcome orientation.

For more information and IEG's annual report, visit [ieg.worldbankgroup.org](https://ieg.worldbankgroup.org).

### Accountability Mechanism

The World Bank Accountability Mechanism is an independent complaints mechanism for people and communities who believe that they have been or are likely to be adversely affected by a World Bank-funded project. It houses the Inspection Panel and the new Dispute Resolution Service (DRS). The Inspection Panel, which recently celebrated its 30th anniversary, was established in 1993 as the first independent accountability mechanism at an international financial institution and continues to receive and process complaints from affected communities and conduct its independent compliance investigations. The DRS facilitates an independent and voluntary dispute resolution process for complainants and borrowers. The Accountability Mechanism Secretary reports to the Board and operates independently of World Bank management.

The **Inspection Panel** consists of three members, including the Chairperson, who are appointed by and report directly to the Board of Executive Directors and operate independently of World Bank management. In FY2023, the Panel received seven requests for inspection. It registered three cases from Bolivia, Cameroon, and India, and recommended investigations into projects in Bolivia and Cameroon. The investigation for Bolivia is ongoing. The Panel also submitted an investigation report in FY2023 to the World Bank's Board for a case received from Togo. The Board discussed investigation reports on Uganda and India, which were investigated by the Panel in previous fiscal years and approved the Management Action Plans in response to the Panel's investigation findings in each of these cases.

The **Dispute Resolution Service** became operational in October 2021. In FY2023, the Dispute Resolution Service's first-ever cases—one in Nepal and one in Uganda—reached agreement within the time frames allowed by the Board. Additionally, a case in Cameroon entered the dispute resolution process, while another case returned to the Inspection Panel for investigation. The Accountability Mechanism's Operating Procedures were issued in December 2022 after an extensive open consultation.

For more information on the Accountability Mechanism, visit [www.worldbank.org/en/programs/accountability](https://www.worldbank.org/en/programs/accountability).

## Sanctions System

The World Bank's Sanctions System is a multi-tier administrative process designed to address fraud, corruption, collusion, coercion, and obstruction by firms and individuals involved in World Bank operations.

The **Integrity Vice Presidency (INT)** detects, deters, and prevents fraud and corruption in World Bank–financed operations and involving World Bank staff and corporate vendors. It investigates allegations of fraud, corruption, and other sanctionable practices, and, when these are substantiated, pursues sanctions against external entities and provides its findings for human resources decisions on disciplinary measures against staff. INT also works to identify, monitor, and mitigate integrity risks in World Bank operations. In addition, the Integrity Compliance Office (ICO), an independent unit within INT, reviews the compliance posture of entities involved in the sanctions process and engages with those that are working to meet their conditions for release from sanction.

In FY2023, INT convened the fifth [International Corruption Hunters Alliance](#) forum in Abidjan, Côte d'Ivoire, engaging with anticorruption practitioners from around the world on global challenges, with a focus on the nexus between corruption and development. This year's forum built on ongoing efforts to strengthen the network of anticorruption actors in confronting corruption at the local, regional, and global levels.

The **Office of Suspension and Debarment** is led by the World Bank's Chief Suspension and Debarment Officer and provides the first level of adjudication in the World Bank's Sanctions System. All World Bank sanctions cases that are not appealed to the World Bank's Sanctions Board are resolved based on the officer's determinations. The World Bank makes [summaries](#) of these uncontested determinations available to the public.

The **Sanctions Board** consists of seven members who are all external to the World Bank. It serves as the final decision maker in all contested sanctions cases across the World Bank and issues publicly available and fully reasoned [decisions](#), which are not appealable.

In FY2023, the World Bank sanctioned 23 firms and individuals through uncontested determinations of the World Bank's Chief Suspension and Debarment Officer, decisions of the World Bank Sanctions Board, and settlement agreements. It removed 17 entities from sanction and converted the debarment with conditional release of one entity to conditional non-debarment. The World Bank also recognized 44 cross-debarments from other multilateral development banks (MDBs), and 12 World Bank debarments were eligible for recognition by other MDBs.

For more information about the World Bank Group Sanctions System and its annual report, visit [www.worldbank.org/integrity](https://www.worldbank.org/integrity).

To report suspected fraud or corruption in World Bank Group–financed projects, visit [www.worldbank.org/fraudandcorruption](https://www.worldbank.org/fraudandcorruption).

## Group Internal Audit Vice Presidency

The Group Internal Audit Vice Presidency (GIA) is an independent function reporting to the President and under the oversight of the Board's Audit Committee. GIA provides senior management and the Board with reasonable assurance that processes for managing and controlling risks and their overall governance are adequately designed and functioning effectively. GIA's work helps the Bank Group serve its clients more effectively. It delivers two services—assurance and advisory—covering all key institutional areas: strategy, operations, finance, and corporate functions, including IT systems, applications, and processes. In FY2023, verification reviews and insight notes were added, both of which enable faster and more targeted insights and foresights. GIA's work is carried out in accordance with the Institute of Internal Auditors' International Professional Practices Framework. GIA collaborates with risk management and governance functions within management, as well as with the Bank Group's other independent oversight and accountability units.

GIA's work program focuses on institutional and stakeholder priorities and significant risks; it delivers about 30 engagements per year. Key topics in FY2023 included: business continuity management, conflicts of interest, workforce planning, IDA country allocations, Bank-facilitated procurement, technology use in project supervision, Reimbursable Advisory Services, fraud and corruption risk management in Investment Project Financing operations, treasury asset management system consolidation, data privacy policy, IT service continuity, and IFC's upstream approach and its private sector mobilization.

GIA employs a flexible, risk-based delivery model to adjust its focus alongside changes in the Bank Group's business and risk landscape. In addition, FY2023 saw the piloting of a new Country Assurance and Advisory Program to enhance coverage of governance, risk management, and internal controls of in-country processes.

GIA actively partners with internal audit and investigation units in other bilateral, multilateral, and development organizations to enhance collaboration, particularly in risk intelligence and information exchange, and share new approaches, tools, and methodologies to strengthen oversight in challenging contexts, including in countries affected by fragility, conflict, and violence.

For more information and GIA's annual and quarterly reports, visit [www.worldbank.org/internalaudit](http://www.worldbank.org/internalaudit).



