



DEVELOPMENT COMMITTEE
(Joint Ministerial Committee
of the
Boards of Governors of the Bank and the Fund
on the
Transfer of Real Resources to Developing Countries)

DC2015-0009
September 28, 2015

**THE WORLD BANK GROUP SUPPORT FOR THE 2030 AGENDA FOR
SUSTAINABLE DEVELOPMENT**

*[This cover replaces the version distributed on September 28, 2015
which was inadvertently issued with an incorrect number]*

Attached is a document entitled “The World Bank Group Support for the 2030 Agenda for Sustainable Development” prepared by the World Bank Group for the October 10, 2015 Development Committee meeting.

* * *

The World Bank Group Support for the 2030 Agenda for Sustainable Development

Development Committee Discussion Note
2015 Annual Meetings

ABBREVIATIONS AND ACRONYMS

AMC	Asset Management Company
AML	Anti-Money Laundering
CCSA	Cross-Cutting Solutions Area
CCT	Conditional Cash Transfer
CDD	Community Driven Development
CFT	Combating the Financing of Terrorism
CIF	Climate Investment Fund
COP	Conference of Parties
CPF	Country Partnership Framework
CRW	Crisis Response Window
CSO	Civil Society Organization
CTF	Clean Technology Fund
DDO	Deferred Drawdown Option
DIME	Development Impact Evaluation
DLI	Disbursement Linked Indicator
DPO	Development Policy Operation
DSC	Deployable Strategic Capital
DTC	Developing and Transition Countries
E/L	Equity-to-Loans
FCS	Fragile and Conflict Situations
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GEF	Global Environment Facility
GFF	Global Financing Facility
GHG	Greenhouse Gas
GIF	Global Infrastructure Facility
GP	Global Practice
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communication Technology
IDA	International Development Association
IEG	Independent Evaluation Group
IFC	International Finance Corporation
IFF	Illicit Financial Flows
IFFIm	International Finance Facility for Immunization
IMF	International Monetary Fund
INTOSAI	International Organization of Supreme Audit Institutions
ISSAI	International Standards of Supreme Audit Institutions
KDP	Kecamatan Development Program
LIC	Low Income Country
MCPP	Managed Co-Lending Portfolio Program
MDB	Multilateral Development Bank
MDG	Middle Income Country
MIGA	Multilateral Investment Guarantee Agency
MoU	Memorandum of Understanding
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PCRAFI	Pacific Catastrophe Risk Assessment and Financing Initiative
PEF	Pandemic Emergency Financing Facility
PforR	Program for Results
PIM	Public Investment Management
PPP	Public Private Partnership
SCD	Systematic Country Diagnostic
SCI	Special Capital Increase
SDG	Sustainable Development Goal

SDR	Special Drawing Rights
SIEF	Strategic Impact Evaluation Fund
StAR	Stolen Assets Recovery Initiative
TA	Technical Assistance
UN	United Nations
UNODC	UN Office on Drugs and Crime
WB	World Bank
WBG	World Bank Group

TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
A transformational agenda for a changed global context.....	i
The World Bank Group Support for the 2030 Agenda for Sustainable Development.....	ii
Stretching the WBG’s contributions to the 2030 Agenda.....	iv
A. The SDGs: A transformational agenda for a changed global context.....	1
A.1. The changed global context.....	1
A.2. The 2030 development agenda: from the MDGs to the SDGs and the WBG goals.....	3
B. The World Bank Group Support for the 2030 Agenda for Sustainable Development	5
B.1. Helping to secure financing for development	7
Leveraging concessional and non-concessional finance.....	7
Helping to mobilize domestic public resources.....	7
Helping to crowd in private capital.....	8
B.2. Helping to deliver integrated development solutions	10
Customizing country-specific solutions to complex multi-faceted challenges	10
Facilitating coordinated action on regional opportunities and challenges	13
B.3. Working with others: convening, connecting and coordinating	14
Partnering on global initiatives	15
B.4. Complementing core country engagements with global efforts on some critical challenges .	16
Enabling the transition from crisis and fragility to development	17
Meeting the infrastructure needs of the 2030 Agenda	19
Combating climate change.....	20
Catalyzing a “development data revolution”	21
C. Stretching the WBG’s contributions to the 2030 Agenda	22
C.1. A new operating model	23
An enhanced framework for country engagements	23
A new organizational structure.....	24
Working as one WBG	25
C.2. Leveraging and maximizing WBG financial resources.....	25
Increasing capital through own resources	25
Mobilizing resources	26
Optimizing the use of capital.....	26
Enhancing the use of resources through more strategic allocations.....	27
C.3. Accelerating progress	28
Growing demand to meet development challenges.....	28
Stretched capacity	29
D. Conclusion	31
ANNEX 1: The SDGs and the WBG’s global practices and CCSAs	32

LIST OF BOXES AND FIGURES

Box 1: The SDGs	3
Box 2: Applying behavioral insights to improve tax compliance.....	7
Box 3: Transforming lives in the Senegal River Basin	11
Box 4: Inclusive growth and safety nets for India's excluded	13
Box 5: The Great Lakes initiative	14
Box 6: Global Financing Facility in support of Every Woman Every Child.....	16
Box 7: Syrian refugee crisis.....	17
Box 8: Crisis-responsive social protection systems	18
Box 9: IDA and IFC support for renewable energy	20
Box 10: The WBG's Country Engagement Framework in Panama and Myanmar	23
Box 11: Working as one WBG to transform the power sector in Pakistan.....	25
Box 12: WB's Value for Money proposition	27
Figure 1: WBG Capital adequacy (FY10-FY15, percent).....	30

The World Bank Group Support for the 2030 Agenda for Sustainable Development

EXECUTIVE SUMMARY

1. **2015 marks a watershed year for the global development effort.** With the end date of the Millennium Development Goals (MDGs) approaching, UN Member States committed in September to a renewed and more ambitious framework for development--the 2030 Agenda. The Agenda, with the Sustainable Development Goals (SDGs) at its core, charts a new course for development for the next 15 years. The World Bank Group (WBG) is fully committed to supporting the SDGs and the 2030 Agenda: this paper spells out how we will do so and frames a discussion for stretching our support further.¹

A transformational agenda for a changed global context

2. **The world today is a much different place than it was at the turn of the millennium.** Prosperity is greater and more widespread. Developing countries contribute more than 41 percent of global GDP, almost twice as much as they did 15 years ago. The number of people living in extreme poverty has dropped significantly, though poverty remains widespread in low-income countries and some middle-income countries. Where there has been growth, in many cases there is also rising inequality. And with the global middle class growing, so is pressure on planetary resources.

3. **Changed, too, is how development is financed.** Today, private investment dominates capital transfers worldwide, and domestic resource mobilization is increasingly important relative to official development assistance (ODA), particularly in middle-income countries. Fifteen years ago bilateral agencies and a handful of multilateral agencies were the main sources of development finance. Today, a variety of new actors—global funds, foundations, and middle-income countries—provide development support to poorer countries. The latter have been the force behind such new development partners as the Asian Infrastructure Investment Bank and the New Development Bank that will boost financing for the most for critical infrastructure needs.

4. **At the same time, hard-won development gains are threatened by more frequent humanitarian and economic crises and the effects of climate change.** Crises emanating in high-income countries have an impact globally, particularly on the poor, while insecurity in poor and middle-income countries can be felt in richer countries. Humanitarian crises stemming from pandemics, natural disasters, war, conflict, and rising extremism have increased in frequency, displacing millions of people. And, over the last decade-and-a-half, the international community has come to recognize combating climate change as one of the central challenges of the 21st century.

5. **The recent volatility in global financial markets has also highlighted the challenges that the global economy has faced since the 2008 global financial crisis and will likely continue to face as it transitions to a “new normal”.** The recovery since the crisis has been weak and sporadic, initially mainly in the high-income economies but more recently also in many emerging economies. Global trade remains weak and the sharp drop in commodity prices has posed challenges to many resource-rich economies. And the prospect of a rise in interest rates

¹ The paper builds on the 2013 Development Committee papers—[A Common Vision for the World Bank Group](#) (DC2013-002) and [World Bank Group Strategy](#) (DC2013-009)—as well as the 2015 Development Committee paper, [From Billions to Trillions: Transforming Development Finance](#) (DC2015-02).

in the U.S. raises the possibility of disruptive capital outflows from emerging markets, which will have to be managed. The increasing risks of a prolonged period of lower growth and volatility in financial and commodity markets could reverse development gains and make the task of reducing poverty and enhancing shared prosperity through service delivery and job creation that much more challenging.

6. Against this backdrop, the SDGs build on the MDGs and go farther toward a comprehensive vision of sustainable development that acknowledges the interconnectedness of the economic, social, and environmental dimensions of development and the need for integrated multi-sectoral approaches. The SDGs incorporate a greater focus on quality and equity, in addition to the MDGs' focus on quantitative targets. Sustainability and inclusion are considered not just as ends in and of themselves—protecting the planet and leaving no one behind—but as central to development effectiveness: they underpin the inter-linkages, for example, between environmental degradation, health and poverty or between inequality, conflict and development. The SDGs are also universal—shared by rich and poor countries alike. This responds to the need for collective action to address global challenges, such as the need for more resilient international financial systems, shared trans-boundary resources and climate change.

The World Bank Group Support for the 2030 Agenda for Sustainable Development

7. The World Bank Group is fully committed to supporting the SDGs and the 2030 Agenda. In 2013, the WBG established clear goals to guide our own work: to end extreme poverty globally by 2030, promote shared prosperity in every country, and to do so in ways that sustainably secure the future of the planet and its resources, promote social inclusion, and limit the economic burdens that future generations inherit. These goals are, conceptually and in practice, fully aligned with the SDGs, which collectively aim to do the same: end poverty, promote prosperity and people's well-being while protecting the environment by 2030.

8. The SDGs are global, yet the challenges to achieving them are country specific, and the WBG's country-level engagements, which are the core of our operational model, will be the primary means through which we will support the 2030 Agenda. Our country-based approach—WBG country programs are based on a diagnostic of the country-specific development challenges, the country's own development priorities (including the particular challenges it faces in realizing the SDGs), and the WBG's comparative advantage—and our lasting and continuous relationship with our clients as a reliable and trusted partner, will allow for customized country-specific solutions aligned with national priorities. And as the SDG indicators are finalized and data become increasingly available, progress and gaps in meeting the SDGs will directly inform our diagnostics of country-specific development challenges and feed into country programs and implementation plans.

9. The core strengths and track record of the WBG make us fit-for-purpose to support the 2030 Agenda. No one of these strengths is unique to the WBG but few other institutions can offer the full package. The key elements that define the comparative strength of the WBG in supporting the SDGs are:

- that our long-term country-level engagements are the core of our operational model, and through our field offices, we have a presence on the ground in almost every country—including in fragile and conflict-affected situations. These country-level engagements are, as noted above, the core of our operational model and how we will support the SDGs. We will continue to offer the full menu of services and engage across the SDGs, as demanded

by our clients, including on the unfinished MDG agenda and priorities such as health, education, and basic services as well as on cross-cutting and broader challenges such as policy and institutional reforms, jobs, growth, and sustainable and inclusive development.

- that we work across the entire development spectrum, and are able to offer integrated development solutions to the most complex multi-faceted challenges, which is critical, given the interconnectedness of the SDGs. The 14 global practices and 5 cross-cutting solutions areas into which the WBG's development expertise is organized, collectively cover the full set of SDGs (see Annex 1), and under our new organizational structure, are set up to facilitate the flow of global knowledge and the mobilization of cross-sectoral teams.
- that, with IFC and MIGA, we span the public-private divide and provide a full menu of services, support and instruments—from appropriately customized global knowledge, analytics and technical assistance, to financing and implementation support, to convening of partnerships, and crowding in contributions from diverse partners, in particular the private sector. Importantly, our financing is leveraged to maximize impact.
- that we provide a platform for coordinated action on regional and global initiatives. Building on our country-level engagements, the WBG can support coordinated action on regional issues such as cross-border trade or trans-boundary water sharing, as well as help to integrate global concerns such as climate change into national programs.

10. The WBG is committed to partnering closely with our client governments, with the UN, with the IMF and other MDBs and with the whole range of development partners to further the 2030 Agenda. Building on and learning from our support for the MDGs², we will:

- help to secure financing. To secure the trillions in finance needed for the SDGs, a paradigm shift is needed in how we view development finance. ODA alone will not suffice, but can play a key role to unlock, leverage, and catalyze both greater domestic public resources and private capital.
- help to deliver development solutions, at the country, regional and global levels. We will work to ensure that financing translates into integrated solutions for the complex multi-faceted development challenges that the 2030 Agenda aims to tackle.
- work with others and help to convene, connect and coordinate. The SDGs are ambitious. The resources and efforts of any one institution acting alone are inadequate. Our experience is that working with others will make the difference.

11. Beyond our core comparative advantage supporting the SDGs at the country level, the WBG is well placed to engage on some critical challenges where intensified efforts are needed at the global level, including notably, crisis prevention, preparedness and response; meeting infrastructure needs for growth and service delivery; combating climate change; and improving development data. These challenges are especially salient in the changed global context, involve global public goods (and bads) and are cross-cutting “prerequisites” that are critical enablers of the broader 2030 Agenda. To make progress on these challenges requires working beyond the country level by connecting and aligning efforts to global

² The Independent Evaluation Group (IEG), in its report, Results and Performance of The World Bank Group 2014, looked specifically at the WBG's engagement on the MDGs and drew lessons for the WBG's future support for the post-2015 agenda.

initiatives, applying multiple instruments and mobilizing a range of stakeholders. With our unique country presence and global reach, as well as our focus on financing, knowledge and convening, in the public and private sectors, the WBG is well-placed to work with others to address these challenges.

Stretching the WBG's contributions to the 2030 Agenda

12. The WBG has taken a number of steps over the last few years to enhance our ability to work towards our own goals and contribute to the 2030 Agenda. These measures have been aimed at enhancing our operational effectiveness and stretching and leveraging the balance sheets of our institutions.

13. We have reformed our operating model to better serve our clients. In particular, the reforms have aimed to strengthen the country engagement model, help facilitate the global flow of knowledge to support development solutions, leverage a 'One World Bank Group' approach, and strengthen our operational instruments. At the analytical level, the enhanced country engagement model enables the SDGs (when SDG indicators are finalized and data is available) to inform the diagnostics of key development challenges; and at the programmatic level, it enables selectivity in focusing on areas that have been identified by the diagnostics, are part of the country's development priorities, and are in line with the WBG comparative advantage.

14. We have stretched and leveraged our balance sheets to increase the volume of financing the WBG can provide to its clients. The WBG leverages every dollar it receives. With limited paid-in capital, a virtuous combination of shareholder support, prudent cost and risk management, and strategic allocation of resources, the institutions leverage capital, and mobilize and catalyze further resources from public and private sectors. Over the past few years, WBG's balance sheets have been stretched in four ways:

- increasing capital through own resources (net income);
- mobilizing new resources;
- optimizing the use of capital;
- enhancing the use of resources through more strategic allocations.

15. The stretching of our financing and leveraging capacity has already translated into higher volumes of financial support. In FY15, the WBG committed \$63 billion, up from \$52 billion in FY13 and \$59 billion in FY14. While IBRD lending was constrained at \$15 billion before the "Margins for Manoeuvre" package endorsed in 2014, the expected demand is now around \$25 billion per annum over the coming three years. In FY15, IDA delivered a record-high volume of projects for a first year of replenishment and projected demand through the remainder of the IDA 17 period is robust across all client segments. IFC projects an annual growth of 8-10 percent in long-term commitment volume through FY18 (including AMC, syndications and other portfolios). MIGA anticipates a targeted 50 percent increase in new guarantees by FY17.

16. The increase in commitments reflects strong demand for WBG services and the financing needs of the 2030 Agenda, but demand might soon outstrip current financial capacity. The WBG's ability to meet growing demand is stretched to capacity, even with the important finance and risk measures implemented to date. While IBRD is able to meet the increased demand for financing in the near term (FY16-18), its ability to support elevated levels of lending remains constrained beyond FY18. Similarly, as IFC has ramped up its long-term

finance, the Deployable Strategic Capital (DSC) ratio has steadily come down, from a peak of 32 percent in FY07 to around 5 percent in 2015.

17. If the WBG's financial capacity is to keep pace with growing client demand, a number of avenues could be considered in line with the 2015 Shareholding Review Report to Governors and the Roadmap for its implementation. In reviewing the opportunities and trade-offs for responding through financial resources to the demands of the SDGs, five closely interrelated areas emerge for consideration:

- Retaining focus on the poorest countries and sufficient levels of concessional financing through the 18th replenishment of IDA, with a view to best target scarce concessional resources;
- Leveraging IDA's equity to finance additional non-concessional resource flows to countries with the right debt sustainability profile;
- Ensuring that IBRD's and IFC's capital remain adequate to meet strong demands of developing and emerging economies, with a strong focus on leveraging additional flows;
- Allowing a level of core financing that enables growing climate mitigation and adaptation funding in line with the Copenhagen commitments; and
- Ensuring that the distribution of shareholding continues to support the global legitimacy of the WBG.

A. The SDGs: A transformational agenda for a changed global context

1. **The SDGs adopted in New York in September represent an historic opportunity to chart a new course for global development over the next 15 years.** The international community will be taking on this ambitious agenda in a much changed global context from that at the turn of the millennium when the Millennium Development Goals were adopted (Section A.1). The year 2015 will be a watershed year in the history of global development, marking the end-date for the Millennium Development Goals (MDGs) adopted in 2000, and the start of a new phase, with a global agreement on a transformational agenda between now and 2030, and the launch of the Sustainable Development Goals (SDGs) (Section A.2).

A.1. The changed global context

2. **The global context for development has changed dramatically in the decade and a half since the MDGs were adopted.** The changes are visible in the geography of growth and poverty; in the growing interconnectedness of development challenges, in particular the pressure on environmental resources and climate change; the increased frequency in humanitarian crisis; and the changing institutional and financial landscape for development:

- **The world is a more prosperous place and the center of gravity of the global economy is shifting.** In 2000, 41 percent of the global population lived in a low-income country (LIC); today only 12 percent does. Developing countries, which collectively contributed only 22 percent of global GDP in 2000, now contribute over 41 percent.
- **The global extreme poverty rate has fallen by half since 1990 but progress in the developing world has been uneven.** Extreme poverty remains widespread in most LICs, nearly half of which are fragile and conflict-affected (FCS), posing particular challenges. Many middle-income countries (MICs) continue to have substantial levels of extreme poverty, and many people who have escaped extreme poverty remain poor and vulnerable. Furthermore, in many countries growth is accompanied by rising inequality.
- **The world is going through major demographic change as the global population is growing more slowly and aging more rapidly.** The number of children is reaching a global ceiling of two billion and the share of those at working age has peaked already. But behind these figures are stark disparities between centers of global poverty, still marked by high fertility, and drivers of global growth, subject to rapid aging.
- **The global consuming class is growing rapidly, almost exclusively in the dynamic emerging economies, providing a new driver of growth but also increased pressure on planetary resources and essential infrastructure.** With increasing purchasing power come changing consumption patterns: increased demand for animal-based proteins, health care, education and energy-intensive lifestyles. Land use is changing to meet rising demand for grain to feed livestock, and world energy consumption is projected to grow by 56 percent between 2010 and 2040, mostly outside OECD countries. Pressures on infrastructure are also growing as population in developing countries grows, becomes more urbanized and more middle class.
- **As the reality and adverse consequences of climate change have become increasingly evident, the international community has recognized the urgency of combating climate**

change as one of the central challenges of the 21st century. Current weather extremes and climate change put water and energy security at risk. They threaten agricultural and other supply chains, many coastal cities, as well as the development gains of recent decades. The international community faces the dual challenge to curb future growth in greenhouse gas emissions, with critical action needed in the next decades, and to support the most vulnerable to resist, cope with, and recover from shocks—including the increasingly frequent extreme events brought about by climate change.

- **The world today is much more inter-connected and inter-dependent and countries no longer fit neatly into categories.** Crises emanating in high income countries have an impact globally, particularly on the poor, while fragility and insecurity in poor countries and in middle-income countries can affect rich countries. Middle-income countries—where, despite growing middle-classes, much of the world’s poor still live—provide financing for less developed countries, which in turn are the source of important development knowledge. Scientific and technological innovation has great potential to accelerate human progress, driving growth and job creation as well as shifting development paths to a more sustainable trajectory.
- **Humanitarian crises stemming from pandemics, natural disasters, war, conflict and rising extremism have increased in frequency.** Nearly 60 million people were forcibly displaced at the end of 2014, more than has ever been recorded, and over 20 million more than a decade ago. Every humanitarian crisis threatens to swiftly unravel the development progress made over many years. And so, increasingly, crisis prevention and response has become an essential element of the development agenda.
- **With the transformation in the global economy have come changes in the nature of financing for development.** Countries’ own domestic resources play an increasingly important part in development finance, even though for many developing countries external inflows remain a key source of financing for investment and growth. Private flows have become the dominant mode of capital transfer worldwide. Net private capital flows to developing countries are now on the order of \$1 trillion per year, with an increasing share representing South-South investment. These private flows dwarf official development assistance (ODA) of about \$135 billion annually. However, the destinations for global capital flows remain highly concentrated. Foreign direct investment targets a small number of primarily middle-income countries and sectors, and access to private credit in low-income and lower-middle-income countries remains difficult. While the share of ODA in overall external financing for MICs is relatively small—they now rely primarily on private flows—these countries do receive a large proportion of available grant financing given significant and persistent poverty and inequality within many of these countries. In LICs and fragile and conflict-affected states (FCS), private inflows are limited, and domestic resources constrained, with ODA continuing to play a critical role.
- **The institutional landscape for development assistance has evolved and become more complex.** Aid was traditionally provided through bilateral aid agencies and a small number of multilaterals (largely UN agencies and international financial institutions). The past decade has seen the emergence of large global funds that pool resources to tackle issues in specific development areas (e.g., GAVI for vaccines; GFATM for AIDS, tuberculosis, and malaria; and GEF for the environment). In addition, private aid and philanthropy has increased dramatically and now equals about a fifth of ODA. As MICs engage in the global arena, they too are providing development support to poorer countries in the form of aid,

investment, and technical exchanges, increasingly contributing to the WBG as donors, and most recently, have been the force behind such new development partners as the Asian Infrastructure Investment Bank and the New Development Bank that will provide a much needed boost to the resources available to finance the developing world's critical infrastructure needs.

3. The recent volatility in global financial markets has also highlighted the challenges that the global economy has faced since the 2008 global financial crisis and will likely continue to face as it transitions to a “new normal”. The recovery since the crisis has been weak and sporadic, initially mainly in the high-income economies but more recently also in many emerging economies. Global trade remains weak and the sharp drop in commodity prices has posed challenges to many resource-rich economies. And the prospect of a rise in interest rates in the U.S. raises the possibility of disruptive capital outflows from emerging markets, which will have to be managed. The increasing risks of a prolonged period of lower growth and volatility in financial and commodity markets could reverse development gains and make the task of reducing poverty and enhancing shared prosperity through service delivery and job creation that much more challenging.

A.2. The 2030 development agenda: from the MDGs to the SDGs and the WBG goals

4. With the adoption of the SDGs (Box 1), the international community has collectively signed on to a new global development compact that represents a higher level of ambition than the MDGs that preceded it. The MDG framework—with its 8 goals and 60 for the most part measureable indicators and a clear target date of end-2015—has been a landmark success in development, emphasizing the importance of monitoring and measuring progress and concentrating policy attention on a joint mission. Over the past 15 years, the MDG targets for reducing extreme poverty, providing safe drinking water, and improving the lives of millions of slum dwellers have been met at the global level. Targets to improve gender equality in primary and secondary education and to reduce the incidence of malaria are likely to be met this year. And, while much remains to be done on the other MDGs—on maternal and child health and sanitation—especially in South Asia and sub-Saharan Africa, significant progress has been made over the past 15 years.

BOX 1: THE SDGS

The 17 SDGs approved by the UN Member States at the Sustainable Development Summit, in New York 25-27 September 2015 are:

- Goal 1: End poverty in all its forms everywhere
- Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- Goal 3: Ensure healthy lives and promote well-being for all at all ages
- Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- Goal 5: Achieve gender equality and empower all women and girls
- Goal 6: Ensure availability and sustainable management of water and sanitation for all
- Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all
- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Goal 10: Reduce inequality within and among countries

Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable
Goal 12: Ensure sustainable consumption and production patterns
Goal 13: Take urgent action to combat climate change and its impacts³
Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development
Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

5. The SDGs build upon the MDGs—taking on board the unfinished MDG agenda—but go farther to embrace a more comprehensive vision of sustainable development that recognizes the interconnectedness of the economic, social and environmental dimensions of development. The SDGs represent a greater level of ambition and a more holistic vision of sustainable development in a number of ways:

- **Quality and equity.** Whereas the MDGs largely focused on quantitative targets—e.g., universal primary education and enrollment rate targets—the SDGs incorporate a focus on quality and equity—e.g., inclusive and equitable quality education and lifelong learning opportunities for all.
- **Inter-connectedness of development challenges.** The SDGs more explicitly recognize the inter-connectedness of development challenges and hence the need for integrated multi-sectoral approaches. Several goals (such as SDG11 on cities) support other goals (e.g. on delivery of social services) and SDG16’s focus on peaceful societies, justice, and institutional issues supports all other goals.
- **Emphasis on sustainability and inclusion.** The SDGs emphasize sustainability and inclusion not just as ends in and of themselves—protecting the planet and leaving no one behind—but also as central to the efficacy of most development efforts because of the inter-linkages between development challenges, for instance, the links between environmental degradation, health and poverty or between inequality, conflict and development.
- **Universality.** The SDGs are universal—i.e. shared by all countries, rich and poor—and responding to the collective action needed to address global challenges, such as more resilient international financial systems, shared trans-boundary resources, and one of the central challenges facing the world today—climate change.
- **From billions to trillions.** To meet the investment needs of the SDGs, the global community has recognized a need to move the discussion from “billions” in ODA to “trillions” in investments of all kinds: public and private, national and global, in both capital and capacity. A paradigm shift on how development will be financed is required to unlock the resources needed to achieve the SDGs. The world needs intelligent development finance

³Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.

that goes well beyond filling financing gaps to ODA that can be used strategically to unlock, leverage, and catalyze both domestic public resources and private capital flows.

- **Implementation.** SDG 17 focuses on “means of implementation”, recognizing the role of sound policies, robust capacity, timely data and supportive technologies.

B. The World Bank Group Support for the 2030 Agenda for Sustainable Development

6. The World Bank Group (WBG) is fully committed to supporting the SDGs and the 2030 Agenda. The WBG goals, adopted in 2013, are to end extreme poverty globally by 2030, promote shared prosperity in every country, and to do so in ways that sustainably secure the future of the planet and its resources, promote social inclusion, and limit the economic burdens that future generations inherit. These goals are conceptually and in practice fully aligned with the SDGs. Though the targets underpinning the WBG goals are articulated in terms of income and consumption—which provide simple, transparent measures of progress—in practice, ending poverty and promoting shared prosperity require progress on multiple aspects of human well-being. The 17 new SDGs collectively aim to do the same: end poverty, promote prosperity and people’s well-being while protecting the environment by 2030.

7. The SDGs are global, yet the challenges to achieving them are country specific, and the WBG’s country-level engagements, which are the core of our operational model, will be the primary means through which we will support the 2030 Agenda. Our country-based approach—WBG country programs are based on a diagnostic of the country-specific development challenges, the country’s own development priorities (including the particular challenges it faces in realizing the SDGs), and the WBG’s comparative advantage—and our lasting and continuous relationship with our clients as a reliable and trusted partner, will allow for customized country-specific solutions aligned with national priorities. And as the SDG indicators are finalized and data become increasingly available, progress and gaps in meeting the SDGs will directly inform our diagnostics of country-specific development challenges and feed into country programs and implementation plans.

8. The core strengths and track record of the WBG make us fit-for-purpose to support the 2030 Agenda. No one of these strengths is unique to the WBG but few other institutions can offer the full package. Our comparative strengths are:

- that our long-term country-level engagements are the core of our operational model, and through our field offices, we have a presence on the ground in almost every country—including in fragile and conflict-affected situations. These country-level engagements are, as noted above, the core of our operational model and how we will support the SDGs. We will continue to offer the full menu of services and engage across the SDGs, as demanded by our clients, including on the unfinished MDG agenda and priorities such as health, education, and basic services as well as on cross-cutting and broader challenges such as policy and institutional reforms, jobs, growth, and sustainable and inclusive development.
- that we work across the entire development spectrum, and are able to offer integrated development solutions to the most complex multi-faceted challenges, which is critical, given the interconnectedness of the SDGs. The 14 global practices and 5 cross-cutting solutions areas into which the WBG’s development expertise is organized, collectively cover the full set of SDGs (see Annex 1), and under our new organizational structure, are

set up to facilitate the flow of global knowledge and the mobilization of cross-sectoral teams.

- that, with IFC and MIGA, we span the public-private divide and provide a full menu of services, support and instruments—from appropriately customized global knowledge, analytics and technical assistance, to financing and implementation support, to convening of partnerships, and crowding in contributions from diverse partners, in particular the private sector. Importantly, our financing is leveraged to maximize impact.
- that we provide a platform for coordinated action on regional and global initiatives. Building on our country-level engagements, the WBG can support coordinated action on regional issues such as cross-border trade or trans-boundary water sharing, as well as help to integrate global concerns such as climate change into national programs.

9. The WBG is committed to partnering with our client governments, with the UN, with the IMF and other MDBs, and with the whole range of development partners to further the 2030 Agenda. Building on and learning⁴ from our support for the MDGs⁵, we will:

- help to secure the financing needed (Section B.1). We will work to ensure that the billions of dollars in financing commitments that we leverage annually through our balance sheets also help to catalyze and crowd-in trillions of public and private sector dollars;
- help to deliver development solutions, at the country, regional and global levels (Section B.2). We will work to ensure that the financing translates into integrated solutions for the complex multi-faceted development challenges that the 2030 agenda aims to tackle. In particular, we will support our partners' focus on implementation;
- work with others and help to convene, connect, and coordinate (Section B.3). In helping to both secure financing and deliver development solutions, we will work with partners, and, where needed and asked, help to facilitate and coordinate.

10. Beyond our core comparative advantage supporting the SDGs at the country level, the WBG is well placed to engage on some critical challenges where intensified efforts are needed at the global level, including notably, crisis prevention, preparedness and response; meeting infrastructure needs for growth and service delivery; combating climate change; and improving development data. These challenges are especially salient in the changed global context, and as cross-cutting “prerequisites”, are critical enablers of the broader 2030 Agenda. To make progress on such challenges (Section B.4) requires working beyond the country level by connecting and aligning efforts to global initiatives, applying multiple instruments and mobilizing a range of stakeholders. With our unique country presence and global reach, as well as our focus on financing, knowledge and convening, in the public and private sectors, the WBG is well-placed to work with others to address these challenges.

⁴ The Independent Evaluation Group (IEG), in its report, Results and Performance of The World Bank Group 2014, looked specifically at the WBG's engagement on the MDGs and drew lessons for its future support for the post-2015 agenda.

⁵ Since 2007, the WBG and the IMF have produced an annual Global Monitoring Report, which provided an update on the implementation of the policies and actions for achieving the MDGs and related development outcomes. Going forward, the WBG, along with partner institutions, will continue to monitor the progress in policies and institutions needed to meet global development goals and publish the findings annually.

B.1. Helping to secure financing for development

11. To secure the trillions in finance needed for the SDGs, a paradigm shift is needed in how the global community views development finance. ODA alone will not suffice. Because of the WBG's business model—backed by shareholder capital, innovative financing solutions, knowledge, and convening power based on trust—we, like other multilateral development banks (MDBs), are well-positioned to operate as a “leveraging machine” within the global multilateral development system. Innovative use of ODA can unlock, leverage, and both catalyze greater domestic public resources by helping countries collect more and spend better, and crowd in private capital. The WBG is already doing this through its country level engagements. With the commitments made at the July 2015 Financing for Development conference in Addis Ababa, we will redouble our efforts.⁶

Leveraging concessional and non-concessional finance

12. The WBG business model is one of leverage, and of maximizing the impact of every dollar. The WBG comprises financial institutions that are able to leverage capital and contributions from shareholders through bond issuance, equity, guarantees, and other instruments. In 2015, the WBG received contributions of about \$18 billion, and committed \$63 billion in loans, grants, equity investments, and guarantees to its shareholder countries and private businesses. In the lead-up to Addis Ababa, the WBG and the MDBs announced plans to scale up financing to more than \$400 billion over the next three years. Beyond leveraging our own balance sheets, we mobilize and catalyze other resources, from donors' trust funds to institutional investors' participation in IFC syndicated products.

Helping to mobilize domestic public resources

13. The WBG helps client governments to mobilize domestic resources for critical development priorities by both collecting more and spending better. We provide advice, analysis, and technical assistance, and work with our client countries at the national and sub-national levels to increase available public funds for sustainable development—by increasing tax revenues, improving the quality of expenditures, and managing risk. Through Public Expenditure Reviews and Public Investment Management assessments and Spending Reviews we help governments get better value-for-money. By undertaking tax-gap analyses, identifying revenue administration reforms, assisting with revenue forecasting and employing innovative methods to improve tax compliance (see Box 2), we help governments collect more. Where appropriate and needed, we provide investment financing and budget support for measures to raise domestic resources.

BOX 2: APPLYING BEHAVIORAL INSIGHTS TO IMPROVE TAX COMPLIANCE

Raising revenues is a priority in many countries. But changes in policy can be politically challenging to negotiate, and changes in tax administration can be difficult to implement. While fundamental reforms to revenue policy and administration remain key to boosting revenues, behavioral insights such as that people think automatically and socially—described in the World Bank's 2015 World Development Report: Mind, Society and Behavior—suggest some simple low-cost interventions that can provide quick wins.

Building on this insight, the World Bank is working closely with tax authorities on very simple interventions—altering the tone and content of communications with taxpayers—to increase tax

⁶ The outcome document from the conference, the Addis Ababa Action Agenda, states: “We stress that development banks should make optimal use of their resources and balance sheets, consistent with maintaining their financial integrity”.

compliance. The interventions are low-cost and allow for timely learning and adaptation through the use of randomized evaluations.

For instance, tax authorities in Costa Rica, Guatemala, and Poland are sending reminder letters, e-mails and SMS messages to “nudge” taxpayers to pay their taxes. These reminders highlight patriotic motives, social norms, possible sanctions, and the use of third-party information, among other behavioral messages. In Guatemala, in 2014 the authorities sent different reminder letters to over 33,000 taxpayers who had failed to declare their income taxes. In just 11 weeks, the most successful letter (one that highlighted a social norm) increased tax payments by 43% relative to taxpayers that did not receive a letter. Similar interventions in Costa Rica and in Poland have yielded similarly positive results.

14. Ahead of the Financing for Development conference in Addis Ababa in mid-July 2015, the World Bank and IMF announced a new initiative to help developing countries strengthen their tax systems. Analysis suggests that many lower-income countries have the potential to increase their tax ratios by at least 2–4 percent of GDP, without compromising fairness or growth. Raising additional revenues would allow developing countries to fill financing gaps and aid dependency. Building on existing programs that work to strengthen institutional capacity and promote fundamental reforms in revenue policy and administration, and responding to country demands, the new initiative has two pillars:

- [deepening the dialogue with developing countries on international tax issues](#), aiming to help increase their voice in the international debate on tax rules and cooperation;
- [developing improved diagnostic tools](#) to help member countries evaluate and strengthen their tax policies.

15. In addition, the WBG committed to stepping up work on illicit financial flows. Illicit financial flows, and the corruption, tax evasion, organized crime, illegal trade in natural resources, and trafficking of drugs, weapons and humans that underpin these flows, have a significant negative impact not only on tax revenues but also more broadly on state institutions and development outcomes. Through its Anti-Money Laundering and Combatting the Financing of Terrorism program, as well as its partnership with the UN Office on Drugs and Crime (UNODC) on the Stolen Asset Recovery Initiative (StAR), the World Bank Group contributes to building effective, accountable and inclusive legal institutions in client countries.

Helping to crowd in private capital

16. Private capital is critical to the investments needed to realize the SDGs—to invest in infrastructure, in cities, in health and education services, and in job creation in support of inclusive growth. These flows will not happen automatically. The prerequisites have to be met and the conditions have to be right in all dimensions of the investment process—the broad macro environment, the micro regulatory frameworks, the details of particular transactions—to satisfy the risk-return profile sought by private investors. The WBG, often working jointly with the IMF, OECD or other MDBs in accordance with their respective mandates, works on the ground on all these dimensions. Across the WBG, we :

- provide advice and technical assistance on policies and actions to maintain macro-fiscal and financial stability; and budget support to meet financing needs;
- support the development of sound regulatory frameworks and business environments conducive to investment;

- promote the development of local capital markets and facilitate greater access to local currency finance;
- promote financial inclusion and support the domestic financial sector expand its reach and increase access for private firms, in particular SMEs and micro-enterprises;
- offer project preparation support to build up a pipeline of bankable, investment-ready projects;
- provide direct financing, including through equity, in firms with a development impact;
- offer credit enhancement and risk mitigation for particular transactions through appropriate pricing structures, relevant guarantees, risk insurance, blended finance, and other risk mitigation measures;
- provide pooled vehicles (or co-investment platforms) that reduce individual investor costs for project preparation and execution, provide credit enhancement and allow risks to be shared with official entities.

17. Through IFC and MIGA, the WBG has long-standing experience in financing, investing with, and mobilizing private partners. In FY15, IFC provided almost \$18 billion in financing, more than \$7 billion of which was mobilized from investment partners. In the same year, MIGA issued \$2.8 billion in political risk and credit enhancement guarantees underpinning foreign direct investments. IFC has a history of finding innovative ways to mobilize capital:

- [IFC's Asset Management Company](#), established in 2009, gives equity investors access to IFC's emerging-markets investment pipeline and expand the supply of long-term capital to these markets. In just six years, AMC has established eleven investment funds, with assets under management of over \$8.5 billion.
- [IFC's loan-syndications program](#) is the oldest and largest of its kind among multilateral development banks. Under the program, more than 80 financial institutions—including from emerging markets—co-invest with IFC in private sector projects. At end-2014, IFC's syndications portfolio stood at \$15.1 billion.
- [IFC is a pioneer in strengthening domestic capital markets and expanding local-currency finance in developing countries.](#) In all, IFC has issued bonds in 18 emerging-market currencies. In addition, it has provided more than \$13 billion in local-currency financing across 63 currencies—through loans, swaps, guarantees, risk-sharing facilities, and other structured and securitized products.
- [IFC is a leader in mobilizing donor funds for co-investment](#) in high-impact projects in developing countries. IFC blends donor funds with its own funds to catalyze investments that would not otherwise happen because of market barriers. In the past three years alone, IFC has leveraged \$385 million in donor funds to make more than \$1.4 billion in IFC own-account investments in priority sectors such as climate change, food security and SME finance. These investments have helped support development projects valued at nearly \$5 billion.

18. The WBG is increasing its commitments to promote and catalyze private investment, developing new platforms and building on existing mechanisms to address risk and uncertainty. Specific recent initiatives include:

- **Public Private Partnerships (PPP) CCSA.** Recognizing the increasing importance of bringing in private sector expertise and finance in infrastructure investments and service delivery, the WBG has put together a dedicated team of experts, under the PPP-CCSA, to work with task teams in all regions in supporting the efforts of our client governments to introduce or scale up PPP initiatives in a number of sectors.
- **Global Infrastructure facility (GIF).** Working with other multi-laterals, the Governments of Australia, Canada, China, Japan, and Singapore, and with institutional investors and partners, the WBG, in October 2014, established the GIF to help bring to the market a strong pipeline of bankable projects that meet investor risk tolerance and investment profiles in developing countries. The GIF will foster collaboration and collective action on complex projects that no single institution could achieve alone. It will provide support throughout the project cycle, drawing on its array of technical and advisory partners to help build quality projects. During its three-year pilot phase, the GIF expects investments of \$2-3 billion, increasing over time.
- **New instruments to cover against various types of risks from capital markets and guarantees to crowd-in private investments.** In Ghana, the WBG recently approved a loan which will ultimately provide \$700 million of guarantees to help mobilize up to \$7.9 billion by private sponsors for the Sankofa Gas project, a project that could potentially generate 1,000 MW of power. In Brazil, the WB's Treasury worked with MIGA to structure a credit guarantee that helped the state of Sao Paulo raise the additional \$300 million, on top of a \$300 million IBRD loan, it needed to finance its transportation system at a lower cost and longer tenor than it could have achieved alone.
- **IFC AMC's Global Infrastructure Fund and the IFC Managed Co-Lending Portfolio Program (MCP)**. These vehicles offer significant mobilization and scale-up opportunities, using an innovative business model to match commercial capital with development finance. AMC's Global Infrastructure Fund, for example, has raised \$1.2 billion in equity commitments from commercial investors—sovereign wealth funds, pension funds, bilateral and multilateral development finance institutions, and others—which will support an estimated \$18 billion of infrastructure projects in developing countries. MCP, IFC's newest Syndications product, allows institutional investors to passively participate in IFC's future loan portfolio across all regions and sectors. The first MCP investor, The People's Bank of China, pledged \$3 billion to be committed over six years. The first MCP was fully allocated in less than one year.

B.2. Helping to deliver integrated development solutions

Customizing country-specific solutions to complex multi-faceted challenges

19. The core of the WBG's value proposition lies in our country-based model, global presence, and expertise across the development spectrum. We are able to bring the best of global knowledge to bear on delivering customized country-specific solutions to complex multi-faceted challenges, solutions that are tailored to local conditions and aligned with national priorities. The WBG's on-the-ground presence facilitates the continuing long-term engagements and familiarity with the local context that is essential for robust implementation support and for our role as trusted and reliable partners. In combining knowledge, financing, and implementation support, we provide the full menu of services through the entire solutions cycle—from policy and

institutional reforms through program and project design and implementation to monitoring and evaluation. And because of the WBG's technical breadth across the development spectrum we can support the delivery of integrated multi-sectoral multi-stakeholder solutions that address the inter-connectedness of many development challenges. The World Bank's support for development of the Senegal River Basin is an example of this (Box 3). Another is the Kazakhstan Skills and Jobs Project, which brings together education, social protection and labor, jobs, and private sector experts to help Kazakhstan develop the skills of its tertiary-educated workforce, reform employment services, and fix the mismatch between supply and demand in the labor market as part of an effort to diversify the economy beyond natural resources to more skill-intensive and job-creating sources of growth.

BOX 3: TRANSFORMING LIVES IN THE SENEGAL RIVER BASIN

The IDA-funded Senegal River Basin Multi-Purpose Water Resources Development project (MWRD), now in its second phase, is a regional, multi-sector investment program that aims to strengthen coordinated water resources development among the riparian countries of the Senegal River Basin Organization (OMVS)—Guinea, Mali, Mauritania and Senegal—to improve fisheries, irrigation, and water management, and enhance community livelihoods and health. The river basin approach multiplies the impact of the infrastructure that is developed, across agriculture, water supply, energy, and navigation, as well as health.

The project, which was begun in 2006, has yielded some notable results to date:

- the inclusion of Guinea in OMVS, which previously included only Mali, Mauritania and Senegal
- the rehabilitation of 4,400 acres through irrigation and water management
- increases in fish stocks in the Senegal River, up nearly 13 percent by some estimates, which appears to have induced the return of migrants who had left in search of better lives
- increased cultivation opportunities, which have especially benefited women, many of whom are heads of households and rely on subsistence agriculture to support their families
- a dramatic reduction in the prevalence of both malaria and schistosomiasis—the cause of school absenteeism, lost work-days, and maternal and child mortality—because of the prevention (distribution of bed nets) and control (anti-parasitic treatments) supported by MWRD

20. A particular multi-faceted challenge—common to most countries—where the WBG is bringing to bear its core strengths, is the promotion of gender equality (SDG 5). Worldwide experience shows that progress on gender equality is neither a short-term endeavor nor a linear process. It requires sustained political commitment, including continuing to make the case for gender equality as integral to development. This commitment needs to be combined with country-specific analysis of the underlying causes of gender disparities, evidence of what works to address them, and efforts to improve sex-disaggregated data to track gender gaps over time. These are all areas in which the Bank Group has been working in recent years and a solid foundation exists on which to build for the future, including the creation of the Gender CCSA, starting in FY15 and the articulation of a gender strategy. The World Bank has worked to fill gaps in knowledge as to which interventions and approaches are most effective to address gender disparities in areas of particular relevance to the WBG, such as economic opportunities and women's agency. For instance, through the Adolescent Girls Initiative, interventions to help young women succeed in the labor market are being rigorously tested through pilots in 8 countries--Afghanistan, Haiti, Jordan, Lao PDR, Liberia, Nepal, Rwanda and South Sudan—with the results then informing scaled-up operations. A number of steps have also been taken to build statistical capacity in client countries and develop innovative tools to increase data availability.

21. Delivering development solutions requires a focus on robust implementation support, results and institutional strengthening. Over the last decade, the development community,

including the WBG, has recognized the need for supplementing the upfront focus on the design of development interventions with an ongoing emphasis on robust implementation through institutional strengthening and an enhanced focus on results, monitoring and evaluation.

22. Recognizing the growing demand for results and institutional strengthening, the World Bank in 2012 introduced the Program-for-Results (PforR) financing instrument, a new instrument with significant potential to support SDGs at the country level. The PforR emphasizes delivery using a country's own programs and linking disbursement of funds directly to the achievement of specific program results. In doing so, PforR operations help build capacity within the country—strengthening country programs and systems (including technical, fiduciary, and environmental & social systems) and institutional capacity needed to achieve results—enhance effectiveness and efficiency, leverage World Bank development assistance by fostering partnerships and aligning development partner goals, and contribute to verifiable results and actions. For instance, in Tanzania, a PforR operation—Tanzania Big Results Now for Education Program—directly supports SDG4 in improving education quality in Tanzanian primary and secondary schools with disbursement-linked indicators (DLIs) that track whether teachers have been deployed efficiently within and across districts, and improvements in learning outcomes. And in Vietnam, a PforR operation supports SDG6 in increasing access to water and sanitation through DLIs such as the number of new water supply connections, and the number of individuals linked to sustainable water systems.

23. Robust implementation also requires robust fiduciary and safeguards frameworks. World Bank environmental and social safeguards promote informed decision-making and stakeholder engagement. Governments also value the assurance that Bank fiduciary standards provide regarding the proper use of taxpayer money. The recently approved procurement framework, to be launched in 2016, is a step toward speeding up delivery and better balancing risks with the potential development returns.

24. Because of our close work with client governments all over the world and in all aspects of the development agenda, the WBG has been uniquely placed to strengthen the global knowledge base to inform development solutions. We have made significant progress in advancing evidence-based policy making and helping clients focus on results and learning during implementation—developing new methods for measuring outcomes and rigorous evaluations of program impacts. We have helped to advance the global knowledge base about what works by combining world-class development research, knowledge enriched through global networks and unparalleled hands-on implementation experience, and specific tailored evaluations of development interventions and programs under different contexts. We have shared that knowledge through a commitment to transparency, open data, global outreach and knowledge dissemination. And that knowledge has then fed back into our operations to inform the design and implementation of programs.

25. The knowledge gained through our operations, and through the WBG's long tradition of rigorous impact evaluations has helped us to identify and scale up successful development solutions, and our global presence and networks have helped share global experience. Evaluations by WBG teams have influenced the design of programs and provided the evidence base needed for scaling up programs nationally, for instance in Tanzania, where the most successful components of a pilot conditional cash transfer (CCT) program were subsequently scaled up, or in Brazil, where a careful evaluation of a financial literacy program led to a multi-state roll-out. The WBG has also contributed to the global transmission of “successful” development solutions, helping to replicate internationally (with the appropriate customization),

innovative national programs that have been proven to be successful. The replication of CCT programs, first introduced in Latin America to boost human development outcomes amongst poor and vulnerable populations, to other regions of the world is an example (see Box 4). Another is the global spread of community-driven development (CDD) programs first introduced in Indonesia. Begun in 1998, in the aftermath of the Asian Financial Crisis, the Bank-supported Kecamatan Development Program (KDP) was piloted in 3,500 villages and by 2007 had been scaled up to all 75,000 rural villages and urban wards in the country. The lessons of KDP have informed CDD programs in 77 countries. With a number of initiatives such as the Development Impact Evaluation (DIME) program, the Strategic Impact Evaluation Fund (SIEF) and the Africa Gender Innovation Lab, the WBG has in recent years become a global leader in impact evaluation with significant expansion of rigorous impact evaluation work in areas that previously had very little, such as gender-based violence, energy, the environment, and public sector governance.

BOX 4: INCLUSIVE GROWTH AND SAFETY NETS FOR INDIA'S EXCLUDED

The Indian states of Andhra Pradesh and Telangana (recently created from Andhra Pradesh) are not amongst India's poorest. But in both states, poverty rates have remained stubbornly high amongst traditionally disadvantaged groups, inequality is on the rise, and reductions in poverty have not translated into improvements in human development.

Through the Rural Inclusive Growth project, the World Bank is helping to address these challenges. In designing the project, the WB looked to successful programs in Latin America—particularly the well-known Progresá in Mexico and Bolsa Familia in Brazil. Intensive South-South learning programs across the two regions played a significant role in project development for both the design of social safety nets and the design of open data platforms to support them. Because the challenges required a solution that looked beyond the social protection sector, the design also included strong agricultural, health and nutrition, water, and governance components.

Under the program, half a million poor and geographically and socially excluded families will receive social safety net benefits and health and nutrition services. To improve economic opportunities for farmers while also enhancing nutrition, investments in agricultural productivity will be designed to also increase the nutritional content of the crops grown. The project is leveraging the vast network of women's groups across the region—a legacy of past World Bank supported community driven development programs—for human development interventions. These aim to both strengthen the demand for quality nutrition, health, sanitation and pre-school education services and strengthen service delivery through community engagement, community monitoring and ICT based monitoring systems. Another significant component of the program is the improvement of the technological platforms for administering services to the poor and excluded.

Facilitating coordinated action on regional opportunities and challenges

26. Development challenges and solutions and opportunities do not always conform to political boundaries. Rivers and eco-systems cross-national borders, as can infectious diseases. Political and civil unrest can easily spill over to neighboring countries. Production networks and regional trade links can drive growth for entire groups of countries. For land-locked countries, the costs of transport and connectivity to global markets are often determined by the possibilities of cross-border trade and transport and trade facilitation arrangements with their nearest neighbors.

27. Attaining the SDGs requires coordinated regional action on trans-boundary regional challenges and opportunities, and the WBG is stepping up its efforts to support such initiatives. With a presence and ongoing engagements on the ground in all the countries involved in any potential regional initiative, the WBG has historically been well-placed to help foster multi-

country regional collective action. For instance, in what is likely to be an increasingly important issue in the years ahead—trans-boundary water sharing arrangements—the WB’s experience dates back to the 1940s and 1950s and the development of the still-functioning Indus Waters Treaty between India and Pakistan. We have, since, undertaken similar efforts in Central Asia, and more recently the Niger, and in South Asia, helping to ensure there is a sound legal regime so as to avoid water conflicts in an increasingly water scarce world.

28. Mechanisms such as the IDA regional window provide added financing for regional initiatives as do some regional trust funds that prioritize regional initiatives. These funds have supported several recent operations, such as those under the Great Lakes Initiative (see Box 5), an investment to improve regional connectivity among the small island states of the Pacific and a regional Development Policy Operation (DPO) involving Cote d’Ivoire and Burkina Faso, which supported coordinated reforms—professionalizing the trucking industry, modernizing the transport market, streamlining customs procedures and facilitating transit—to reduce transport costs along the Abidjan-Ouagadougou corridor, which accounts for 35 percent of the transit trade to Burkina Faso. Another flagship operation, a decade in the making, is the Central Asia South Asia Electricity Transmission and Trade Project (CASA-1000), approved in 2014, that will transmit 1,300 megawatts (MW) summer excess electricity from Tajikistan and Kyrgyz Republic to Afghanistan and Pakistan.

BOX 5: THE GREAT LAKES INITIATIVE

Under the Great Lakes Initiative, initiated in May 2013 during a joint visit by the UN Secretary-General and the WBG President to the region, the WBG, through IDA and IFC, is providing \$1 billion in new funding in support of the Great Lakes Peace, Security, and Cooperation Framework (PSCF).

So far, a total of \$538 million has been approved for regional programs:

- \$340 million for the Rusumo Falls Hydroelectric project, which aims to boost reliable power supply to the electricity grids of Burundi, Rwanda and Tanzania, reduce electricity costs, promote renewable power and spur job-led economic development.
- \$106.9 million to Burundi, the Democratic Republic of Congo (DRC), and Rwanda to provide integrated health and counseling services, legal aid, and economic opportunities to survivors of sexual and gender-based violence (SGBV). The project will benefit more than 641,000 women and girls, of whom half a million live in the DRC. As part of the project, all three countries will take steps to promote gender equality, behavioral change and violence prevention.
- \$92.1 million to improve ICT connectivity within DRC through a new fiber optic backbone. The project will expand international connectivity through connections to neighboring countries’ networks and submarine cables. The project promises dramatically lower costs to users, greater access, and improved reliability of information and communications services. It also promises improved service delivery leveraging ICT infrastructure

B.3. Working with others: convening, connecting and coordinating

29. The SDGs are ambitious, and the resources and efforts of any one institution, acting alone, would be entirely inadequate to meet the challenge. The WBG recognizes that working with others—with our client governments and shareholders, the UN system, multilateral institutions including the IMF and multilateral development banks (MDBs), bilateral organizations, new and emerging donors, private sector entities from multi-nationals to industry groups to micro-enterprises, think tanks, academia and civil society— through collective action at the local, regional, and global levels, can make the difference. Partnerships provide a way to harmonize development policies and practices—at the country level around country priorities, as well as at

the regional and global levels. Partnerships help shape the global development agenda—for example, on gender, on climate action and green growth, on global health, on governance and transparency—and help ensure that the development community speaks with one voice. Partnerships foster collective action, develop ideas, and promote international standards. Working with others is also critical to scaling up successful development solutions.

30. Because of our global reach, in-country presence, and engagement across the entire development spectrum, the WBG is frequently called upon to convene diverse actors to solve local problems, connect partners across countries to tackle regional initiatives, and catalyze action on global agendas and global public goods (and bads). We work at the country level with governments and partners to ensure that approaches are well coordinated and contribute to national development priorities, and we collaborate with CSOs, local communities, nongovernmental organizations, and grassroots organizations to foster ownership, delivery, and feedback. We facilitate knowledge exchanges and peer-to-peer learning across countries, including South-South interactions.

31. The WBG’s partnerships with other multi-lateral organizations—the UN agencies, the MDBs and the IMF—will be particularly important in realizing the 2030 Agenda. The Addis Ababa Action Agenda details the multiple ways in which the MDBs, including the WBG, can work together in securing financing for development. In the case of the UN system, we have collaborated both in the process of developing the SDGs framework and on-the-ground across the world in multiple contexts on multiple issues, from agriculture and health to institution building and emergency response. We anticipate continuing this collaboration and increasingly partnering with the UN, given its broader and complementary political mandate, in preparing for and responding to crises and bridging the space between humanitarian relief efforts and reconstruction and development.

32. There has been a surge in partnership programs in the WBG over the past decade. In FY15, the WBG received over \$10.5 billion in donor contributions to its trust funds and financial intermediary funds and disbursed nearly \$10.3 billion. These funds came from bilateral partners, other multilaterals, and increasingly, from private foundations. Trust funds support nearly one-quarter of the World Bank’s administrative spending and are now solidly embedded in our fiduciary controls and operational systems. Trust funds are also an important instrument for IFC, particularly in support of investment and advisory services, which help to unlock opportunities for the private sector to invest in riskier environments.

Partnering on global initiatives

33. The increase in partnership programs, especially global initiatives with which the WBG is engaged, reflects our partners’ recognition of the WBG’s value-added in convening and catalyzing joint action and the potential of its global platform. Our partners value:

- **The WBG’s country-based model** and the entrée it provides for both aligning global initiatives with national programs and for co-financing and piggy-backing on the fiduciary and safeguards oversight and robust implementation support we offer. We work with a number of the global vertical funds created to advance particular MDGs—e.g., on primary education, smallholder agriculture, or nutrition, and most recently, maternal and child health (see Box 6)—as well as with a number of global public goods initiatives, notably on climate action, where global agreements need to be complemented with financing and policy engagements at the national level;

- **The global knowledge base and convening power** the WBG brings to the table in catalyzing support for global agendas and working with MDBs, bilateral donors, and other stakeholders to set and promote international standards. For example, the WBG has actively worked with the International Organization of Supreme Audit Institutions (INTOSAI) in setting, disseminating, and implementing International Standards of Supreme Audit Institutions (ISSAI);
- **The financial and advisory services we provide in marshalling and managing funds** for global initiatives. For example, the WBG serves as treasury manager for the International Finance Facility for Immunization (IFFIm) and has helped to raise a total of \$5 billion in debt from global capital markets since IFFIm's inception in 2006. In November 2014, IBRD executed a \$500 million Sukuk (Islamic compliant) bond for IFFIm, a landmark sukuk transaction that diversified IFFIm's investor base and brought IFFIm as a new supra-national entity to Islamic capital markets, paving the way for other supra-nationals to similarly access international sukuk markets.

BOX 6: GLOBAL FINANCING FACILITY IN SUPPORT OF EVERY WOMAN EVERY CHILD

In July 2015 at the Financing for Development Conference in Addis Ababa, the WBG, the UN, and the Governments of Canada, Norway, and the US launched the Global Financing Facility (GFF) in support of Every Woman, Every Child. The GFF is a key financing platform in support of the Every Woman Every Child global movement and the United Nations Secretary-General's Global Strategy for Women's, Children's and Adolescents' Health and the SDGs.

The GFF is being developed in close collaboration with a broad range of stakeholders, including partner agencies such as UNICEF, UNFPA, WHO, UNAIDS, and UN Women and the WBG. The initial donor commitments to the WBG for the GFF include grants in the amounts of \$600 million from Norway and \$200 million from Canada. Based on strong country demand for health results-based financing programs, these bilateral contributions could complement additional financing from IDA in the form of credits and grants, for a total of up to \$4 billion in financing to improve reproductive, maternal, newborn, child and adolescent health.

The GFF will build on the experience, capacity and strong track record of the Health Results Innovative Trust Fund at the WBG to support developing countries' national plans and resource mobilization efforts for scaling up access to quality reproductive, maternal, newborn, child and adolescent health services.

A special focus area of the GFF will be to support country-level efforts to expand Civil Registration and Vital Statistics (CRVS), with the aim of universal registration of every pregnancy, every birth and every death by 2030. CRVS systems provide a critical accountability tool for reducing mortality and ensuring universal access to health care, education and other essential services.

B.4. Complementing core country engagements with global efforts on some critical challenges

34. Attaining the SDGs will require efforts not only at the country level but also on some critical challenges where country level efforts have to be connected to global initiatives. Described below are a few such challenges, which either involve global public goods (or bads) or are cross-cutting prerequisites and enablers of the broader 2030 Agenda. While the core of the WBG support for the 2030 Agenda will be the support we provide in delivering customized country-specific solutions to the development challenges faced by individual countries, the WBG,

because of its global reach and country presence, is also well-placed to support efforts on these four cross-cutting challenges.

Enabling the transition from crisis and fragility to development

35. The WBG has a strong track record helping countries both respond to and prepare for humanitarian and economic crises, strengthen resilience, and transition from fragility and conflict. Our multifaceted response to the 2008 food price crisis and subsequent global financial crisis, our role in the aftermath of the Aceh tsunami and the Haiti earthquake, and in Timor-Leste and in Afghanistan are examples. Just in the past year, we have responded to the Ebola crisis, the Nepal earthquake, floods in Malawi, and cyclones and floods in the Pacific islands. In fact, all of the SDR 594 million that was set aside for the IDA17 CRW has been exhausted in FY15 alone.

36. With the frequency of humanitarian and economic crises increasing, and the risk to hard-earned development progress, we see crisis prevention and response as an essential element of the 2030 development agenda and one for which the WBG is uniquely placed. Critical to this agenda is the work on Fragile and Conflict Affected States (FCS). Based on the experience from the last decade, we anticipate working to enable the transition from crisis and fragility to development in the following ways:

- Implementing rapid multi-pronged responses that leverage the WBG's in-country presence and ability to package and mobilize financing in different forms with knowledge, investment and convening services across the development spectrum. The WBG's responses to the Ebola crisis—for which we mobilized \$1.62 billion in financing from IDA and IFC for response and recovery efforts to support Guinea, Liberia and Sierra Leone, the countries hardest hit by Ebola—and the Syrian refugee crisis (see Box 7) are examples of this. Rebuilding investor confidence and restoring growth in crisis-affected countries is an essential component of IFC's response, which prioritizes investments supporting access to basic infrastructure, finance and markets. IFC also works closely with partners to mobilize private capital to help address key development challenges and support job creation and economic growth in these countries, and has mobilized over \$1 billion in the past three fiscal years primarily to help meet increasing demands for expansion or improvement in infrastructure in FCS.

BOX 7: SYRIAN REFUGEE CRISIS

The Syrian crisis has led to the displacement of nearly half the population, with 7.6 million Syrians internally displaced and almost 4 million having left the country as refugees and asylum seekers, primarily to neighboring Jordan, Lebanon, and Turkey. The Syrian crisis has also spilled over into Iraq and, combined with the devastating impact of the Islamic State (ISIS) offensive, has led to yet another wave of internal displacement from and within Iraq. Absorbing the influx of refugees has proved an enormous challenge for the receiving countries. While emergency assistance has been forthcoming, the protracted nature of the conflict in Syria calls for strengthening the bridge between humanitarian assistance and development. Working closely with front-line humanitarian agencies, the WB has stepped up its engagement in terms of analytics, financing, and convening as follows:

- Economic and social impact assessments (ESIAs) and multi-country surveys have been undertaken in Lebanon, Jordan, and northern Iraq (Kurdish Regional Government), with the objective of assessing the socio-economic impact and living conditions of a representative sample of refugees and host communities, in order to inform strategies that support both refugees and host communities in the immediate and longer term.

- The World Bank has deployed resources to directly address the potentially adverse welfare impacts on Lebanese and Jordanian populations living in communities with large refugee populations. In Jordan, the \$150 million Emergency Services and Social Resilience Project is focused on maintaining access to essential health care services—particularly vaccines and critical drugs—as well as financing subsidized access to bread and fuel for household purposes. In Lebanon, four emergency projects in health, education, municipal services, and social safety nets focus on preserving development gains and balancing benefits between refugees and host communities.
- The World Bank has also played a strong role in convening international actors to leverage support for countries impacted by the Syrian refugee crisis. Multi-donor trust funds established in Jordan and Lebanon will support projects targeted at municipalities that face the most significant strains in service delivery

Given the significant and escalating costs that conflict-related displacement from Syria is producing, the World Bank is exploring options to support fragile middle-income countries by blending grant resources from donors with IBRD lending. The aim is to fill a major financing gap in middle-income countries affected by mass displacement that receive limited humanitarian assistance and do not have access to the medium- and longer-term development assistance required to address the scope of the challenge.

- **Building crisis-responsive systems and programs that can be ramped up to respond quickly in the event of a crisis.** Having established mechanisms in place for responding quickly to a crisis can dramatically reduce its adverse human and economic impact. With that in mind, WB teams have worked to build in crisis-readiness into national systems and programs. Crisis-responsive social protection programs such as the Productive Safety Nets Program in Ethiopia illustrate the benefits of such preparedness (see Box 8).

BOX 8: CRISIS-RESPONSIVE SOCIAL PROTECTION SYSTEMS

The Productive Safety Nets Program in Ethiopia is a social protection program with built-in parameters that allow scaling-up in times of emergency. The WB has supported the program since 2005, working with the Government of Ethiopia and partners including UNICEF, the World Food Programme, and a number of bilateral and multilateral agencies. During that time, the program has evolved from a safety net for the chronically food insecure, with modest contingency budgets to respond to transitory food insecurity, to include a significant national-level contingency budget, and now is equipped to respond to a range of potential crises.

The crisis-responsiveness capability was tested in 2011, following a severe drought, when contingency budgets were activated to allow the program to reach households not already enrolled but affected by drought. Out of the 9.6 million people receiving assistance in response to the drought, 3.1 million were new beneficiaries, enrolled to receive temporary assistance, while 6.5 million were already enrolled and received an additional three months of support. As a result, Ethiopia was the only country in the Horn of Africa that did not experience an increase in poverty following the drought.

- **Establishing contingent financing facilities.** Budget systems in most LICs and many MICs have not traditionally allowed for additional contingent funds in the event of crises. That has sometimes hampered the response to crises because of delays in obtaining the needed supplementary financing. The WBG has developed several contingent financing options to fill this gap. These include both WBG instruments such as the DPL with Deferred Drawdown Option (DDO), which was utilized by several countries during the global financial crisis, and the Catastrophe-DDO as well as facilities such as Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) and the proposed Pandemic Emergency Financing Facility (PEF). The proposed PEF would mobilize public and private sector resources for quick disbursement when needed to respond to the next outbreak. It could offer a private insurance mechanism complemented by public funds with a design

that would incentivize recipient governments and the international community to introduce greater rigor and discipline into crisis preparedness. Premiums for the poorest countries would likely have to be subsidized, while private sector payments would be triggered by an outbreak to finance critical containment measures.

- **Providing a platform for coordinated international support in fragile and conflict-affected countries.** In countries emerging from conflict and reengaging with the international development community—Afghanistan in 2002 being the leading example—the WBG has offered a platform for coordinated international support to enable and facilitate the transition. In fragile and conflict affected countries in the Middle East and North Africa, the World Bank is exploring the possibility of establishing a financing mechanism that would issue bonds backed by donor commitments in order to increase the finance available for recovery and reconstruction projects.

Meeting the infrastructure needs of the 2030 Agenda

37. The 2030 Agenda calls for a dramatic ramping up of infrastructure investments in the developing world. Investments will be needed not only to meet the significant infrastructure gaps that exist today but also to meet the growing demands in the next decade-and-a-half as the world's population grows, becomes more prosperous, and moves to cities. Infrastructure will be needed not only to meet unmet basic needs but also to spur job creation and inclusive growth. Investments will be needed across the board—in transport and ICT connectivity, in energy, in water and sanitation, and in cities. More than 1.3 billion people—almost 20 percent of the world's population—still have no access to electricity. About 768 million people worldwide lack access to clean water, and 2.5 billion still do not have adequate sanitation. One billion people live more than two kilometers from an all-weather road. And in the context of climate change, the investments will need to be climate friendly and climate resilient.

38. The WBG recognizes the importance of the infrastructure agenda—infrastructure already constitutes the largest share of our investment portfolio. In particular, we will:

- **Promote climate-friendly and resilient infrastructure,** both through our financing and through our knowledge and outreach activities;
- **Support better public investment management (PIM).** Of the \$1 trillion that developing economies are estimated to spend each year on infrastructure investments, less than 15 percent involves any form of private sector participation. Even if public-private partnership (PPP) efforts succeed in raising this share, for the foreseeable future, most infrastructure investments will continue to be publicly financed and implemented. The quality of PIM—the process through which public investments are identified, appraised, screened, implemented, financed and maintained— and its integration in the budgeting and reporting process will therefore be critical. And at the moment, it varies widely and is generally fairly weak in much of the developing world. Working closely with the IMF, the WBG will ramp up efforts to support and raise the quality of PIM practices through diagnostics, TA, and, where appropriate, financing;
- **Support efforts to crowd-in new (private) sources of finance for infrastructure.** To attract the game-changing volumes of additional infrastructure finance needed from both existing as well as new sources of capital—such as sovereign wealth funds, insurance companies and pension funds— two critical impediments have to be addressed. The first is the dearth

of well-prepared bankable projects with the appropriate risk-return profiles to make them economically, financially, and commercially viable. The second is the lack of capacity amongst institutional investors to evaluate and monitor individual project risk. On the former, we will redouble our efforts to support governments and work with private project developers, who can better assess the risk-return considerations of private and public investors, in strengthening the pipeline through better upstream project preparation—where improvements in PIM will help but support for PPP initiatives (through our PPP-CCSA) and additional dedicated facilities such as the GIF will also be needed—and through further innovation in the credit enhancement and risk mitigation options that we offer through IFC and MIGA. To address the latter impediment, we will work to further develop co-financing platforms and pooled vehicles such as IFC’s MCPP, to catalyze private capital by reducing individual investor costs for project preparation and execution (see Section B.1).

Combating climate change

39. Combating climate change—SDG-13—is one of the central challenges of the 21st century, one that requires urgent action, and a challenge that the WBG has been working on at multiple levels. At the country level, we work with governments and the private sector to pursue resilient development and a transition to low-carbon economic growth. Both locally and globally, we work to mobilize the necessary concessional and innovative finance, strengthen knowledge and capacity, and capture the full range of local and global benefits. And we work globally to further the climate action agenda, in particular in the preparation of the 21st Conference of the Parties in Paris.

40. Our efforts are directed in five key areas, all critical to avoiding a 2°C warmer world and eventually achieve carbon neutrality in the global economy: (1) building low-carbon, climate resilient cities; (2) moving forward on climate smart agriculture and nurturing forest landscapes; (3) accelerating energy efficiency and investment in renewable energy, including hydropower and solar (see Box 9); (4) supporting work on ending fossil fuel subsidies; and (5) developing carbon pricing to get prices right for emissions.

BOX 9: IDA AND IFC SUPPORT FOR RENEWABLE ENERGY

Since 2002, IDA has helped more than 400,000 households in Bangladesh obtain solar home systems. Here, renewable energy sources are not just better for the planet, they are critical to the development of a country where rural settlements are widely dispersed and 60 percent of the rural population is off the grid. Refinancing for the Bangladesh Rural Electrification and Renewable Energy Development projects (RERED II) was approved in 2014. The solar home systems program is being implemented as a public-private partnership, installing more than 70,000 systems a month—the fastest growing in the world. The new project will also disseminate improved cooking stoves to more than 1 million rural households.

IFC support for renewable energy includes both investments on mostly commercial terms—over \$1.2 billion in FY15—as well as the use of concessional funds alongside its own resources to finance climate change projects. In FY15, \$75 million in concessional finance and \$150 million in IFC funds went into seven climate-smart projects worth over \$800 million. In Central America and the Caribbean, blended concessional funds have supported projects that would otherwise be difficult to fund. In Honduras, the Clean Technology Fund (CTF) supported the development of 82MW of utility-scale solar power, the largest solar power development in Central America to date and part of the largest grid-connected solar project in Honduras. In Jamaica, IFC-Canada Climate Change Program supported a 36MW wind farm, the first renewable independent power producer (IPP) in the country. In South Africa, the 100MW, \$891 million KaXu Concentrated Solar Power (CSP) plant supported by CTF recently commenced commercial operations, becoming the first utility-scale CSP plant to operate in the developing world.

41. Across the WBG there are efforts underway to introduce and harmonize metrics and indicators that enable us to track progress on the climate agenda in a consistent and transparent manner. Systems to account for GHG emissions were introduced for IFC investment operations in 2009 and are being progressively rolled out at the WB. Metrics to measure and report finance for climate mitigation and adaptation were introduced in 2011, and climate-related non-lending technical assistance and economic and sector work is also tracked. IFC has additionally set a target that 20 percent of all investments be climate-related by the end of FY15. By systematically integrating climate change across the WBG's institutional commitments, strategies, and operations, we have seen a shift in the WBG's portfolio towards cleaner, more resilient activities.

42. Finance for climate action is a significant part of the WBG portfolio. Over the five years from FY11-15, the WBG committed nearly \$50 billion dollars to climate related activities. In 2014, climate finance averaged about 20 percent of the World Bank's annual commitments and IFC surpassed its target of \$2.375 billion in climate-related investments by over \$100 million. In the same year 224 climate investment projects were supported in more than 77 countries. This is complemented by financing from special climate finance instruments such as the Climate Investment Funds (CIF), Global Environment Facility (GEF), various Carbon Funds, Montreal Protocol (MP) and others.

43. Additional work is planned. The WBG has come a long way in systematically integrating climate considerations across our portfolio but more is needed to ensure that new projects and programs entering our portfolio fully address climate change. New metrics being developed will provide more targeted measures of success. This includes the ongoing work under the IDA17 special theme on climate change to develop indicators that measure resilience at the national and sector level, as well as MDB efforts to develop metrics for staff to measure financial leverage of investments to complement efforts already in place to track climate co-benefits. Discussions are also under way to review the discount rate applied in economic analysis, which would among other things, take better account of climate change. Climate and disaster risk screening tools that have been introduced for IDA may also be extended to cover IBRD and IFC, and work is planned internally to review and understand the carbon content of our historic portfolio.

Catalyzing a “development data revolution”

44. Investing in data is essential for development, more so now than ever before given the ambition and breadth of the 2030 Agenda. Quality data and evidence are critical for policy-making, for the design of effective programs and for monitoring development outcomes for the purposes of both review and follow-up. Better data and more open data are also critical to facilitating greater accountability and improving governance. Successful development outcomes require more evidence-based policy, greater transparency and enhanced accountability, and better data lies at the heart of all three.

45. Current data gaps are substantial—for instance, for 26 countries there is no data since 2009 on the incidence of child mortality, we do not know how many people, globally, work in the informal economy or how big (or small) many African economies truly are. Many of the data gaps carry over from the MDGs, and with the addition of many more indicators and targets as part of the SDGs, the gaps are even more pronounced. Put simply, at present, we do not have the data to track whether most SDG targets will be met.

46. There are reasons, however, for optimism. We are not starting from scratch. The adoption of the MDGs increased the demand for regular and uniform reporting of key indicators and the funding for statistics. Global partnerships were initiated, and, thanks to new technologies and innovations in data collection, the volume and sources of information are expanding exponentially.

47. To improve the evidence base for policy and to enable review and follow up, the WBG stands ready to work with global partners to catalyze a “Development Data Revolution.” Since the launch of the Open Data Initiative in April 2010, the WBG has been making development data available, without charge, to the general public. Downloads from the WBG’s databases run into the millions annually and there are millions of users every year. We have been working, country-by-country, to build up the quality and stock of household surveys and to strengthen national statistical systems. In 2013, the MDBs, the Islamic Development Bank, the IMF, the UN, and the World Bank signed a joint MOU on cooperation on statistical activities and under that MOU we are working with the UN to improve household budget surveys and with the MDBs and the IMF, on improving standards assessing country economic statistics.

48. The agenda going forward is taking shape. A WBG Data Council has been established to ensure WBG-wide coordination to maximize efficiency and impact. We plan to:

- Target more resources to strengthen statistical systems and support countries in producing data critical for policy making. Many governments cannot assess the effectiveness of their poverty-fighting policies. Some 57 countries lack two comparable data points in the 2002 to 2011 period. Twenty more countries are likely to miss the “two household surveys in ten years” criteria in the near future. As a first step we will provide funding and technical support to 10 to 15 countries over the next 18 months;
- Pay particular attention to scaling up innovative technologies;
- Work to update price data underlying global poverty estimates faster. The WB is already working in close partnership with the IMF, the UN, and other multilateral development banks to help more than 150 countries improve their capacity to collect prices through the International Comparison Program; and
- Work towards the goal of universal civil registration of births, deaths, and other vital events, including reporting cause of death and providing access to legal proof of registration for all individuals by 2030. The WBG is committed to working with development partners to assist countries in achieving the intermediate target of 80 percent birth registration coverage by 2020 as outlined in the Global Civil Registration and Vital Statistics Scaling Up Investment Plan (2015-2024).

C. Stretching the WBG’s contributions to the 2030 Agenda

49. Over the past few years, many actions have been taken, from both an operational (Section C.1) and financial (Section C.2) perspective, to enhance the WBG’s contributions to the development agenda. These actions have translated into higher volumes of WBG commitments and a series of innovations, stretching the WBG financial capacity. As the international community takes on the significant development challenges ahead in the form of the SDGs (Section A), even more can be done to strengthen the WBG’s contribution to the global agenda (Section C.3).

50. The actions taken over the past few years, on which the next two sections elaborate, build on a series of changes over the past decade. Notably, in 2008, WBG shareholders committed to undertake a two-phase package of Voice reforms based on three pillars:

shareholding; responsiveness; and representation. In 2009, Phase 1 of the Voice Reform led to an increase in developing countries' shares in IBRD to 44.06 percent and commitments to strengthen Board effectiveness, expand field presence and decentralization of Bank staff, increase access to information of Bank operations to shareholders, and establish a merit-based and transparent selection of the WBG's President. In 2010, Phase 2 of the Voice Reform increased the voting power of developing countries in IBRD by 3.13 percent, to 47.19 percent, bringing the total shift to Developing and Transition Countries (DTCs) in both phases to 4.59 percent once the current Special Capital Increase (SCI) is fully subscribed. At IFC, there was a \$200 million capital increase, with preference given to DTC members whose voting power increased from 33.41 percent to 39.48 percent. Moving forward, Governors agreed to conduct periodic IBRD and IFC Shareholding Reviews every five years, beginning in 2015.

C.1. A new operating model

51. At the 2013 Annual Meetings, Governors endorsed the WBG strategy, which included an ambitious package of reforms designed to better serve clients. Specifically, reforms targeted strengthening the country engagement model, becoming a Solutions Bank, and leveraging a 'One World Bank Group' approach. Together they make an important contribution to strengthening the WBG's value proposition (Section B).

An enhanced framework for country engagements

52. An enhanced framework for country engagements provides the basis to focus on WBG strategic goals and evidence-based prioritization. The Systematic Country Diagnostic (SCD) is the first step, providing an integrated picture of the constraints to ending poverty and boosting shared prosperity in a sustainable manner. During FY15, the first year of implementation, 15 SCDs were completed. SCDs are not only sharpening the diagnostic on bottlenecks to developments, but they surface any issues to do with data access, consistency and quality, and participation from a broad group of stakeholders. Over time, as specific indicators are identified for all SDG targets and as relevant data becomes available at the country level, these indicators will help inform SCD analysis. The Country Partnership Framework (CPF) defines WBG country engagement, identifying the convergences between the SCD diagnostic, the country's development priorities—including the country-level SDG targets—and the WBG's comparative advantage. Six CPFs were completed in FY15. Finally, Performance and Learning Reviews will complement SCDs and CPFs by more systematically identifying and capturing lessons from implementation.

53. The operationalization of the SDGs will therefore mainly result from the enhanced framework for country engagements. At the analytical level, as they become available, SDG indicators and data will increasingly feed into the SCD analysis. At the programmatic level, selectivity across the ambitious 2030 Agenda will result from engaging with countries on their development priorities, with a focus on areas identified by the diagnostics and areas of comparative advantages. In addition, when requested, the WBG will work with countries to translate the global SDG goals into country development priorities.

BOX 10: THE WBG'S COUNTRY ENGAGEMENT FRAMEWORK IN PANAMA AND MYANMAR

Panama and Myanmar were the first two countries in which the WBG's enhanced country engagement framework was rolled out. In both countries, a Systematic Country Diagnostic (SCD) was prepared jointly by the World Bank and the IFC with the participation of MIGA to identify the constraints and opportunities to sustainably reducing poverty and enhancing shared prosperity. And in both, a Country Partnership

Framework (CPF) was then elaborated, focusing on the intersection of the challenges identified by the SCD, national priorities and country demand, and the WBG's comparative advantage.

In Panama, which has grown rapidly in the last decade and has translated that growth into significant poverty reduction, the SCD noted that while growth prospects remain promising, a number of factors could slow growth over the long-term if left unaddressed. These include inadequate infrastructure (especially energy), education and a shortage of skilled labor, and weak public sector institutions. The SCD also focused on the need for policies and social programs to be more effective in reaching rural and Indigenous Peoples, Afro-descendants, and other poor segments of the population. Finally, maintaining growth will require the country to carefully manage fiscal and environmental risks, including climate change effects. The CPF selectivity filters led to the identification of three mutually-reinforcing pillars aligned with country demand: supporting growth, ensuring inclusion and opportunities, and bolstering resilience. In one instance, the country is drawing on six Global Practices and the IFC to provide a comprehensive package of assistance to the economic, social and cultural development of marginalized groups, including Indigenous Peoples.

Myanmar presented a special test case for the new country engagement model: a fragile state of 51 million people, where the WBG had only re-engaged in 2012 in support of the country's far reaching reforms, and data are particularly scarce. The SCD thus had to contend with a limited knowledge base making it particularly important to consult extensively in identifying and prioritizing challenges and opportunities. The CPF, presenting the WBG's first full country strategy for Myanmar in 31 years, came at a time of fundamental transformation in Myanmar, where a Government elected in 2011 under a new constitution was simultaneously tackling significant economic, governance and peacebuilding challenges. Informed by the SCD and consultations with a broad range of stakeholders, the CPF proposes a joint-WBG program (IDA, IFC, and MIGA) focused on three strategic engagement areas: reducing rural poverty; investing in people and effective institutions for people; and supporting a dynamic private sector. Within these, the CPF integrates four-cross cutting themes: gender, climate change, governance and fragility.

A new organizational structure

54. A new organizational structure was introduced in FY15 to sharpen the Bank Group's comparative advantage in providing global knowledge and cross-sectoral solutions, while maintaining its focus on countries and implementation. The new structure, comprising 14 Global Practices (GPs) and 5 Cross-Cutting Solutions Areas (CCSAs), aligns with the proposed SDGs and their cross-sectoral, inter-dependent approach to development. The structure facilitates the deployment of staff across regions and the delivery of knowledge to the frontline. The first year of implementation brought evidence of more agile staff deployment and strong delivery across products, but also some challenges, which Management has begun to address. The Global Practices have been reorganized into three Vice Presidencies, which will allow closer oversight over operational programs and lower some of the transaction costs. Building on the recent Employee Engagement Survey and additional internal and external survey instruments developed during the roll-out of the new model, Management is also addressing other challenges such as better managing knowledge flows, strengthening collaboration, and ensuring a strong and diverse pipeline of technical staff.

55. Also introduced in 2015, "A Refocused IFC" brought deeper and broader engagement with partners and clients, clearer internal accountability, and an operating environment where IFC and its mission consistently take precedence over the specific objectives of individual units. The new structure aims at supporting private sector development through delivering integrated solutions to clients that draw on a full range of investment and advisory

services and expertise. The new structure continues to emphasize IFC's key operating principles of development impact and additionality.

Working as one WBG

56. The new organizational model facilitates public-private solutions by improving how WBG institutions work together. At the country level, the SCDs and the CPFs are prepared jointly by the Bank, IFC and MIGA. In some cases, joint implementation plans are prepared: in Myanmar for instance, a joint plan aims at increasing access to electricity from 33 percent to 50 percent by 2020. In Colombia, nine units from across the WBG, spanning advisory services, investments and treasury operations, are working to develop local currency bond market solutions to finance infrastructure and housing projects. And, the WBG is mobilizing \$10 billion to support Pakistan' power sector (see Box 11). At the technical level, two global practices (Finance and Markets and Trade and Competitiveness) and all CCSAs are fully joint with IFC.

BOX 11: WORKING AS ONE WBG TO TRANSFORM THE POWER SECTOR IN PAKISTAN

The WBG has embarked on a "Transformational Power Initiative" to support significant new investments and reforms in the power sector in Pakistan. The initiative will mobilize more than \$10 billion over the next five years, to support new generation in a mix of public and private projects that address current supply gaps and future needs. The World Bank is supporting critical power sector reforms through a Development Policy Credit series, as well as public investment, including additional investments in the Tarbela and Dasu hydropower and transmission projects. IFC has made an equity investment with a private sector renewable energy group to develop some 3,000 MW over the next five years (hydropower and wind) and will be mobilizing capital from international equity investors and lenders to support a large pipeline of power projects. MIGA is seeking opportunities to support increased participation of international investors and lenders in Pakistan's power sector in collaboration with IFC. Improvements in the business climate brought about by reforms are showing results in increased investment.

C.2. Leveraging and maximizing WBG financial resources

57. Over the past few years, the WBG has stretched its ability to leverage resources in four key ways: (i) increasing capital through own resources (net income); (ii) mobilizing new resources; (iii) optimizing the use of this capital; and (iv) enhancing the use of resources through more strategic allocations. Several of these tools offer the double benefit of stretching our balance sheets while also accomplishing important development outcomes, such as broadening the market for bankable infrastructure projects in developing countries.

Increasing capital through own resources

58. In a challenging external financial environment, the WBG has not only protected its ability to provide income support to IDA from the adverse impact of record low interest rates, but also strengthened financial sustainability. The resulting improved income outlook over the medium-term has created much-needed space for significant transfers to reserves. As outlined to Governors at the 2013 Annual Meetings, Management has sought cost efficiencies and implemented measures to grow revenues to improve its financial outlook and achieve results that include: enabling IBRD to support IDA in line with inflation; allocating \$170 million to IBRD surplus and reserves in the past 2 years⁷; maintaining IDA's commitment charge of zero percent;

⁷ Including \$134 million transferred to the IBRD surplus in FY14 to strengthen flexibility in downside scenarios, which will be available for reserves in the event the flexibility is not needed, and as the IBRD income outlook continues to improve in the next few years.

and realizing \$2.1 billion of IFC undesignated retained earnings in the past two years. More specifically:

- **On the expenditure side**, across the Group, the Expenditure Review is on track to sustainably reduce the cost base by \$400 million, representing 8 percent of its cost structure. This has been achieved through a mix of efficiency gains (e.g., restructuring of the resource management function) and tighter management policies (e.g., on travel and procurement). A phasing-out of some Grant-Making Facilities is freeing up another \$100 million. Beyond this one-time exercise, each institution has introduced “budget anchors” to ensure that the cost structure remains durably in line with business revenues;
- **On the revenue side**, the IBRD enhanced lending headroom, as well as measures to broaden the menu of loan maturities, has generated a positive client response as evidenced by the significantly stronger lending program. Initial indications show a continued strong interest in longer maturity loans in spite of slightly steeper maturity premiums. As a result, loan spread revenues are projected to increase by \$4.5-6.5 billion to \$16-18 billion over FY16-25. In addition, Management introduced an Equity Management Framework to strengthen its strategy for managing interest rate risk in order to provide income stability to IBRD. Under this strategy, IBRD uses interest rate swaps to convert the variable cash flows on loan funded by equity back to fixed cash flows;
- **Increasing demand for Reimbursable Advisory Services** (growing from \$140 million per annum in FY10 and FY11 to \$190 million in each of the last two years) is also boosting revenues. These services make an important contribution to meeting the WBG goals, hence toward the SDGs, and the financial sustainability of the WBG.

Mobilizing resources

59. The volume of resource mobilization continues to be strong. On the official assistance side, IDA maintained high level of replenishments in a challenging budgetary environment for many partners (\$52 billion for IDA17, including through the innovation of the concessional donor loans). Grant inflows to IDA were over \$8.5 billion in the last year. The WBG has maintained a high level of trust funds mobilization, building on a strong “value-for-money” proposition (Box 12), an important consideration and one receiving increased attention in Multilateral Aid Reviews. In FY15, WBG trust funds received over \$4.5 billion in new flows. The recent creation of the Global Financing Facility (GFF) in support of Every Woman, Every Child, underscores the role of the Bank as a strong platform attracting donors seeking efficient channels for co-financing (Box 6). On private sector flows, IFC offers significant mobilization and scale-up opportunities, using innovative business lines such as the AMC and the MCPP (Section B.1).

60. Further resource mobilization is being driven by a continued emphasis on facilitating strategic global partnerships to tackle complex development challenges. In infrastructure, the GIF combines an array of services throughout the project cycle to bring to the market a strong pipeline of bankable projects that meet investor risk tolerance and investment profiles in developing countries. For pandemics, the PEF is expected to mobilize public and private sector resources for quick disbursement when needed to respond to the next outbreak. This could offer a private insurance mechanism and introduce greater rigor into crisis preparedness.

Optimizing the use of capital

61. In terms of capital efficiency, WBG balance sheets are being stretched, while maintaining the AAA credit rating that is at the core of its institutions' business model. IBRD lowered its minimum equity-to-loans (E/L) ratio in 2014, from 23 percent to 20 percent, reflecting improvements in its portfolio credit quality, and increasing its ability to leverage in a prudent manner. IBRD also benefits from operating across the world, enabling a diversified portfolio that leverages capital more.

62. Innovative risk management techniques are being introduced to crowd-in external resources for development and shift risks off the Group's balance sheets. The WBG is leading a collective effort by the MDBs to put in place exposure exchanges, which are formal exchanges of selected country exposures: by reducing concentration penalties, this would allow increased financing for countries where lending headroom is constrained. This has first been tested between MIGA and IBRD with an exposure swap of up to \$100 million of principal allowing each organization to do more business in Brazil and Panama. IFC is exploring structured and credit-enhanced syndication under MCPP, as well as project-linked bonds. IFC is also looking at enhanced capacity and process for origination and sale of capital markets instruments. Such instruments and platforms are essential to bridge the gap between private sector institutional investors and the risk/return profile of required investments in developing countries.

Enhancing the use of resources through more strategic allocations

63. The WBG is strengthening its approach to resource allocations to be more strategic, both for financial and budgetary resources. Three important improvements were made to IDA allocations: (i) the Crisis Response Window (CRW), introduced in IDA16, has enabled strategic allocations to respond to emergency situations such as the most recent Ebola crisis; (ii) in IDA17, the poverty focus of the well-established Performance-Based Allocation system was increased; and (iii) also for IDA17, the allocation to FCS countries was targeted to increase by 50 percent, through a number of changes including the establishment of a regime for exceptional support for “turnaround countries”. On the budget side, a revamped strategic, planning and performance review process enables targeting budgetary resource to high-priority areas, taking advantage of the budget flexibility created by the Expenditure Review savings (Box 12). Of particular importance is the focus on aligning external fund mobilization efforts with strategic goals.

BOX 12: WB'S VALUE FOR MONEY PROPOSITION

At the core of the WB's objective to maximize development impact is getting value for every dollar invested. The following four areas provide a framework to help assess the WB's value-for-money proposition:

- **Effective resource allocation.** As most WB resources are non-earmarked, a critical choice to ensure value-for-money is to target resources for the most effective use. As discussed in Section B, the demand-driven, evidence-driven allocation of resources at the country level is key to development effectiveness. In addition, a new strategic planning, budgeting, and performance review was introduced in 2014 to align corporate budgetary resources with the WBG Strategy, through a series of engagements with the Board of Executive Directors and management review meetings.
- **Effective implementation of programs.** Value-for-money at the program level is driven by screening projects for development impact (including, where appropriate, through cost-benefit analysis), by focusing on results and quality in implementation, and by creating feedback loops (such as citizen feedback and impact evaluation where appropriate). In addition, beyond the fiduciary due diligence already in place (Section B.2), a new procurement reform approved in

July 2015 presents value-for-money as a core principle for procurement. A strong focus on value-for-money in implementation, as well as in the Bank's work with Governments to review the effectiveness of public expenditures, is key to lower the costs of achieving the SDGs.

- **Efficient use of resources.** For budgetary resources, as noted in Section C.2, an expenditure review, driven by external benchmarking and detailed cost reviews, is generating efficiency gains. In 2015, Management introduced regular “business reviews” of institutional, governance, and administrative functions to maintain a strong level of efficiency.
- **Leverage.** Finally leveraging is one of the most fundamental ways to achieve value-for-money (see Part B).

C.3. Accelerating progress

Growing demand to meet development challenges

64. **As constraints have been lifted through the many actions outlined above, the volume of resources committed by the WBG has been increasing.** In FY15, the Bank Group committed \$63 billion, up from \$52 billion in FY13 and \$59 billion in FY14. While IBRD lending was constrained at \$15 billion before the “Margins for Manoeuvre” package endorsed in 2014, the expected demand is now at around \$25 billion per annum over the coming three years. In FY15, IDA delivered a record-high volume of projects for a first year of replenishment. Projected demand is robust across clients through the remainder of the IDA17 period, leading Management to propose at the Mid-Term Review a scale up facility to sustain a high level of financing. IFC projects an annual growth of 8-10 percent in long-term commitment volume through FY18 (including AMC, syndications, and other portfolios). MIGA targets a 50 percent increase in new guarantees by FY17.

65. **This growth indicates a strong demand for WBG financing.** In fact, examples from across client segments indicate a situation where, in general, countries' financing needs are much greater than WBG—and even overall MDB—financial capacity. Emerging economies, even with those better access to market resources, value expanded access to WBG resources for the knowledge and implementation know-how that comes with them. Countries graduating from IDA to IBRD face a reduction in the volume of resources available from the WBG, as well as from other partners. A few low-income countries have been able to access markets to finance their investment needs, but may be stretching debt sustainability. Lowest-income countries, particularly FCS, face turnaround opportunities, where strong leadership and reform momentum enable an increase in absorptive capacity. The recent creation of new global institutions confirms a strong demand for global multilateral institutions and for additional development financing.

66. **This demand also reflects some of the critical development challenges of the 2030 Agenda where additional efforts are particularly needed**—e.g., for crisis preparedness and response, climate change, and infrastructure (Section B.4):

- The CRW has proven its importance for **timely crisis response**, but it is limited in size (the window is largely depleted after the first year of IDA17 implementation) and scope (refugees in non-IDA countries, for instance, are not eligible). More generally, IDA's ability to engage in fragile and conflict states depend on its partners' grant support. To respond to crisis, countercyclical support is a key part of the IDA/IBRD value proposition, but is becoming more challenging as capacity is stretched; at the same time, it is becoming more important as countries increasingly rely on domestic resource mobilization and private flows, many of which are pro-cyclical. IFC is also often called upon during down times to

support areas such as small and medium enterprises and trade finance to avoid a rapid loss in access to credit, which often amplifies economic cycles.

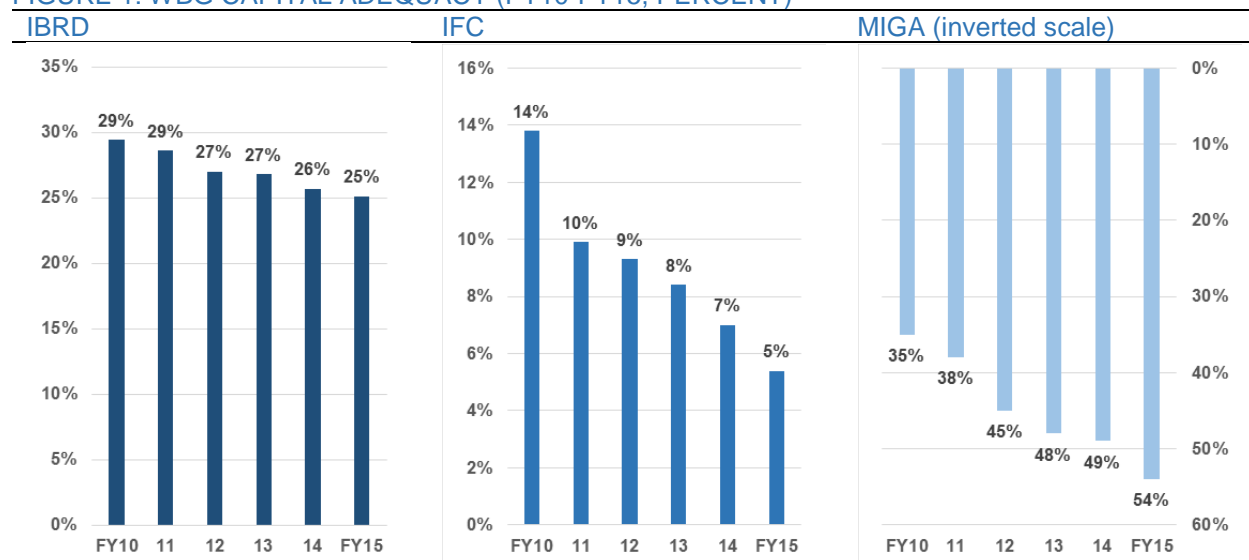
- **In the area of infrastructure**, many of the needs and opportunities are cross-border (see Section B.2). Over the last five years, the Bank has delivered \$8 billion in financing to regional programs, mainly with IDA resources. The demand for this IDA window far outstrips available resources. Also, over the last five years, the Bank has delivered \$21 billion in financing for cities. As the world continues to urbanize and major cities continue to strengthen their financial capacity, the demand for such financing is likely to increase. Beyond regional programs and cities, IFC investments to private sector through equity investments also consume more capital. Scaling up institutional investor flows into development finance will also need committing more balance sheet to projects for subsequent sell-down, since it may not always be possible to mobilize investors at project inception.
- Over FY11-15, the WBG has delivered nearly \$50 billion in financing to help developing countries and emerging economies **mitigate and adapt to the challenges of climate change**. A successful outcome of the COP 21 in Paris requires additional financial resources targeted to the climate change agenda. Additional WBG financing could make an important contribution.

Stretched capacity

67. At the same time, the WBG's ability to meet growing demand might be stretched to capacity, even with the important finance and risk measures achieved to date (Figure 1). While projections over the medium term and beyond contain a high degree of uncertainty, under many plausible assumptions, IBRD's ability to sustain elevated levels of lending would be strained in the period beyond FY18. Similarly, with IFC's current business forecasts, as IFC is ramping up its long-term finance, the Deployable Strategic Capital (DSC) ratio has steadily come down, from a peak of 32 percent in FY07 to around 5 percent in 2015.⁸

⁸ The DSC is the Total Resources Available (TRA) less the Total Resources Required (TRR) and less a buffer maintained for additional protection during times of stress. It represents the amount of capital available for new investments. More specifically the TRR is the amount of capital IFC needs to hold against its assets in order to maintain a triple-A rating; the TRA is IFC's paid-in capital, retained earnings net of designations and some unrealized gains and losses, and total loan loss reserves.

FIGURE 1: WBG CAPITAL ADEQUACY (FY10-FY15, PERCENT)



Notes: IBRD: measured through Equity / Loan ratio; IFC: measured through Deployable Strategic Capital as a percentage of Total Resources Available; MIGA: measured as Economic Capital (capital consumption on the guarantee portfolio and the estimated capital required for operational and investment risk) over Operating Capital.

68. The demand for investments continues to outstrip WBG financial capacity. Furthermore the demand includes areas—such as fragile states, higher-risk countries, and equity investments—that are particularly demanding on the WBG core finances, whether IDA’s grant contributions or capital. The tools used over the past few years to stretch WBG balance sheets are reaching their limits, and if the WBG is to sustain or increase its response to client demand, the WBG’s capital adequacy will need to be reviewed, in line with the Roadmap for the implementation of the 2015 Shareholding Review Report to Governors.

69. If the WBG's financial capacity is to keep pace with growing client demand, a number of avenues could be considered. In reviewing the opportunities and trade-offs for responding through financial resources to the demands of the SDGs, five closely interrelated areas emerge for consideration:

- Retaining focus on the poorest countries and sufficient levels of concessional financing through the 18th replenishment of IDA, with a view to best target scarce concessional resources;
- Leveraging IDA’s equity to finance additional non-concessional resource flows to countries with the right debt sustainability profile;
- Ensuring that IBRD’s and IFC’s capital remain adequate to meet strong demands of developing and emerging economies, with a strong focus on leveraging additional flows;
- Allowing a level of core financing that enables growing climate mitigation and adaptation funding in line with the Copenhagen commitments; and
- Ensuring that the distribution of shareholding continues to support the global legitimacy of the WBG.

70. The WBG's ability to respond to the ambitions of the SDGs and the financing demands apparent across client segments depends on these five elements. Combined with a strong knowledge and convening capacity, these elements would strengthen the WBG ability to contribute to the development solutions of the 2030 Agenda. The 2015 Shareholding Review Report to Governors commits to look at the future of the WBG after Lima and includes a timeline to discuss capital and other considerations.

D. Conclusion

71. The international community is committing to an ambitious 2030 Agenda. The new goals, the SDGs, build on the achievements and lessons learned from the MDGs. They reflect the new geography of growth and poverty; the growing interconnectedness of development challenges, in particular the pressure on environmental resources and the challenge of climate change; the increased frequency of humanitarian crises; and the changing institutional and financial landscape for development.

72. The WBG is fully committed to the 2030 Agenda and is fit-for-purpose to deliver on it. Our goals, adopted in 2013, share the SDGs' vision of a shared planet free of poverty, with nobody left behind and a sustainable environment. Our country-driven model is critical to operationalizing the SDG agenda. Our value proposition, including our ability to leverage and mobilize public and private resources, our focus on country engagements and on implementation, and our ability to work across sectors and across the public and private sector, reflects the lessons learned over the past decades on what it will take to implement such ambitious agenda.

73. We have embarked on a number of changes to stretch our contributions to the 2030 Agenda. We have strengthened our operational model and stretched and leveraged our institutions' balance sheets.

74. The volume of resources committed by the WBG has increased, but the 2030 Agenda is more ambitious. The previous section of the paper outlined the financial constraints that are emerging, the opportunities for the WBG to contribute more, and five closely interrelated areas that emerge for consideration.

ANNEX 1: The SDGs and the WBG's global practices and CCSAs

1. **The SDGs go beyond the MDGs in that they capture a more comprehensive vision of development that recognizes the interconnectedness of economic, social, and environmental dimensions.** The 17 SDGs approved by the UN Member States at the Sustainable Development Summit, in New York 25-27 September 2015 are:

- **Goal 1.** End poverty in all its forms everywhere
- **Goal 2.** End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- **Goal 3.** Ensure healthy lives and promote well-being for all at all ages
- **Goal 4.** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- **Goal 5.** Achieve gender equality and empower all women and girls
- **Goal 6.** Ensure availability and sustainable management of water and sanitation for all
- **Goal 7.** Ensure access to affordable, reliable, sustainable and modern energy for all
- **Goal 8.** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **Goal 9.** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- **Goal 10.** Reduce inequality within and among countries
- **Goal 11.** Make cities and human settlements inclusive, safe, resilient and sustainable
- **Goal 12.** Ensure sustainable consumption and production patterns
- **Goal 13.** Take urgent action to combat climate change and its impacts⁹
- **Goal 14.** Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- **Goal 15.** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- **Goal 16.** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- **Goal 17.** Strengthen the means of implementation and revitalize the global partnership for sustainable development

2. **With a view to better facilitating global knowledge flows and providing clients comprehensive, multi-sectoral solutions to complex development challenges, the WBG in FY15 reorganized its development experts into 14 Global Practices and 5 Cross-Cutting Solutions Areas.** Collectively, the GPs and CCSAs span the full range of SDGs:

GLOBAL PRACTICES

- Agriculture
- Education

⁹ Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.

- Energy & Extractives
- Environment & Natural Resources
- Finance & Markets
- Governance
- Health, Nutrition & Population
- Macroeconomics & Fiscal Management
- Poverty and Equity
- Social Protection & Labor
- Trade & Competitiveness
- Transport & ICT
- Social, Urban, Rural & Resilience
- Water

CROSS-CUTTING SOLUTIONS AREAS

- Climate Change
- Fragility, Conflict & Violence
- Gender
- Jobs
- Public-Private Partnerships.