



Utrikesdepartementet

Bidrag till Världsbanken för *World Development Report* (WDR) 2012 om jämställdhet och utveckling

2 bilagor

Ärendet

Jämställdhet och kvinnors roll i utveckling är en av tre tematiska prioriteringar för Sveriges utvecklingssamarbete. I enlighet med *På lika villkor – Policy för jämställdhet och kvinnors rättigheter och roll i svenskt internationellt utvecklingssamarbete* som antogs av regeringen den 1 juli 2010 (UF2010/43727/UP) utgör kvinnors ekonomiska aktörskap och arbetsvillkor ett av de fyra områdena som arbetet huvudsakligen ska inriktas på.

Mot bakgrund av den ekonomiska tillväxtens avgörande roll för fattigdomsminskning och förbättrade levnadsvillkor för länders befolkningar står kvinnors ekonomiska aktörskap i centrum för regeringens omfattande stöd till Världsbanken.

Sverige är drivande vad gäller att påverka Världsbankens operationella verksamheter och arbete med att främja ett jämställdhetsperspektiv och att få ett tydligare genomslag av organisationens policyer i form av bättre ekonomiska villkor för kvinnor. Centrala komponenter i detta strategiska arbete är bl.a. att jämställdhet och kvinnors ekonomiska aktörskap blivit ett särskilt tema för den pågående IDA 16 påfyllnaden, att stöd givits till den 4-åriga (2006-2010) handlingsplanen *Gender as Smart Economics*, att en senior jämställdhetsrådgivare sekonderats till Världsbankens regionala kontor i Nairobi, samt att Sverige verkat för att organisationens forsknings- och policyutvecklingsarbete knyts närmare fältverksamheten genom dess flaggskeppsrapporter och andra analytiska produkter.

Världsbanken har genom den Nordisk-Baltiska valkretsens kontor den 21 oktober 2010 inkommit till Regeringskansliet (Utrikesdepartementet) med en ansökan om finansiellt bidrag till *World Development Report*

2012 med tema jämställdhet. Det stödet utgör ett bidrag till inhämtning av data och erfarenheter genom studier och konsultationer om jämställdhetssituationen och förändringsmekanismer på landnivå i enlighet med Världsbankens plan för fältbaserade kvalitativa undersökningar (*bilaga 1*).

Kontering enligt följande: finansiering 7130301, verksamhet 1140100.

Regeringskansliets beslut

Regeringskansliet (Utrikesdepartementet) beslutar att lämna ett bidrag om 150 000 US-dollar (högst 1 200 000 kronor) till Världsbanken för arbetet med World Development Report (WDR) 2012 med tema 'Gender Equality and Development'.

För medlens användning gäller bifogat avtal (*bilaga 2*) i enlighet med Världsbankens Trust Fund Administration Agreement vad gäller Multi-Donor Trust Fund for the Knowledge for Change Program II. Bidraget avser verksamhet från och med den 1 november 2010 och längst till den 31 december 2012. Medlen ska ha rekvirerats senast den 15 december 2010.

Utgiften ska belasta det för budgetåret 2010 under utgiftsområde 7 Internationellt bistånd upptagna ramanslaget 1:1 Bistandsverksamhet, anslagsposten 29:1 Organisations- och temastöd.

Verksamhetsrapportering i form av World Development Report 2012 ska lämnas till Regeringskansliet (Utrikesdepartementet) senast den 31 augusti 2012. Världsbanken ska senast den 31 mars 2013 lämna en ekonomisk redovisning till Regeringskansliet (Utrikesdepartementet) och eventuellt outnyttjade medel ska återbetalas vid samma tidpunkt för att återföras till delposten.

Beslutet har fattats av chefen för enheten för utvecklingspolitik, departementsrådet Torgny Holmgren.

Utdrag till

SB Samordning utveckling

UD EKO

UD MK

UD USTYR

UD UP

UD MU Bank

UD FMR

UD SP

UD Registrator

Fi BA
IJ/JÄM
Sida/Empowerment
Sida/Human Development

Gender and Economic Choice

A Rapid Qualitative Assessment to Inform the World Development Report 2012

To inform the 2012 World Development Report on *Gender Equality and Development* (WDR 2012), rapid qualitative assessments will be undertaken in about 15 countries to explore what women and men say drive their economic decisions, and whether and how these are changing^{1, 2}.

The purpose of the qualitative work is to explore: i) women's and men's subjective views of, and experiences with, making key economic decisions, such as how to make a living and how to build and protect major assets; and ii) whether and how the gender norms that surround these choices may be shifting, for example, as educational opportunities expand, as the economic structure changes and as connectivity beyond the community increases.

The methodology for this assessment is designed to enable comparative analysis of differences between women and men, between youths and adults, and between urban and rural communities on key life decisions. Four data collection tools will be used: a community questionnaire, two focus group discussions, and a mini case study. These tools were piloted in Peru and Liberia in June 2010. The questions will explore, for instance, decisions surrounding when to leave school, where to work, family formation, the accumulation and control of major assets, and community engagement and leadership. Questions will also probe into changes over the past ten years in women's and men's household, economic, and community roles, and whether or not the gender norms shaping these roles have been changing. In undertaking the assessments, field teams will go into 4 communities including urban neighborhoods and villages across developing regions for discussions about key economic choices and the gender norms and structures that shape people's preferences and choices in these domains.

Although extensive quantitative analysis on some gender dimensions of development is possible (and has been done) using household surveys, their insights are limited because most do not examine intra-household and community-level dynamics and they often cover only a limited set of economic, demographic, and human development factors. In particular, contextual factors and how they interact with the deeper influences of power relations and norms on women's and men's decisions are difficult topics for even well-designed household surveys to explore effectively. Yet, a lack of understanding of the role of these factors limits our understanding of these issues and the possible levers for policy action.

The assessments will provide a picture of the role of gender norms and structures in shaping women's and men's behaviors and outcomes in their multiple roles as individuals, members of

¹ The World Bank has now accumulated considerable experience with designing and conducting cross-country qualitative assessments. The study questions, sample, toolbox of methods for data collection, and analysis plan proposed here build directly on what has been learned from similar efforts undertaken as part of the research for the Voices of the Poor and Moving Out of Poverty projects as well as the ongoing 15-country monitoring initiative to understand the effects of the global economic crisis on vulnerable occupational and social groups.

² Individual country selection will have to be opportunistic given the tight timeline and limited budget and will build upon ongoing regional activities. Pilot assessments have been launched in Liberia and Peru in June-July 2010, and will be followed by an additional 10-12 country studies in different regions.

households, workers, and citizens in the wider community. And, in doing this, it is expected to point to promising areas for program pilots and survey research that can address more fully the role that gender inequalities play in constraining school completion, access to labor markets, entrepreneurship, productive investment decisions, and exposure to risk. The research at the community level will also make it possible to examine potential contextual factors -- such as the presence of particular types of leaders, services, infrastructure, information sources, networks and or economic opportunities -- that seem over time to be associated with the evolution of more gender equitable norms and structures.

Data Collection Tools and Respondents

<i>Data Collection Method</i>	<i>Time required</i>	<i>Purpose</i>	<i>Respondents</i>
Activity 1. Community Questionnaire	1 hour	<ul style="list-style-type: none"> - To gain an understanding of the local context, and community level factors that may contribute to gender differences and changes in gender norms and practices surrounding economic decision-making and access to opportunities. 	<ul style="list-style-type: none"> - 1 or 2 key informants
Activity 2. Focus Group Discussion with Youth: Making Economic Choices	2.5 hours	To explore with young women and men: <ul style="list-style-type: none"> - Happiness - Daily time use - Decisions surrounding transitions from school to work and family formation - Independence , cooperation, and obligations in economic decision-making processes - Divorce, family dispute resolution mechanisms - Local economic opportunities - Savings practices - Community participation - Knowledge of gender-related rights - Role models - Hopes for the future 	<ul style="list-style-type: none"> - 1 FGD of 8 to 12 female youth, ages 18 to 24 - 1 FGD of 8 to 12 male youth, ages 18 to 24
Activity 3. Focus Group Discussion with Adults: Ladder of Power and Freedom	2.5 hours	To explore with adult women and men: <ul style="list-style-type: none"> - Happiness - Differences in the exercise of power and freedom, with a focus on economic decisions - Local economic opportunities - Independence , cooperation, and obligations in economic decision-making processes - Divorce, family dispute resolution mechanisms - Sources of economic support - Household gender relations - General patterns of domestic and community violence - Hopes for the future 	<ul style="list-style-type: none"> - 1 FGD of 8 to 12 female adults, ages 25 to 60 - 1 FGD of 8 to 12 male adults, ages 25 to 60*
Activity 4. Mini Case Study	1 to 2 hours	<ul style="list-style-type: none"> - To provide in-depth analysis of a finding that emerges as important for understanding gender norms or structures shaping economic decisions in that locality. 	<ul style="list-style-type: none"> - 1 or 2 key informants

Countries considered in the study

Ongoing/funded:

Region	Countries
Latin America and the Caribbean	1) Peru 2) Dominican Republic
Africa	3) Liberia 4) South Africa 5) North Sudan 6) Tanzania 7) Burkina Faso
East Asia and the Pacific	8) Vietnam 9) Indonesia 10) Papua New Guinea 11) Timor Leste
Eastern Europe and Central Asia	12) Moldova 13) Serbia
South Asia	14) Afghanistan

Planned/not-funded (yet):

Region	Countries
South Asia	1) India 2) Bhutan
Middle East and North Africa	3) Syria 4) Yemen 5) Palestine
Eastern Europe and Central Asia	6) Poland

Proposed Country Case Studies for the World Development Report 2012

As background to the 2012 World Development Report on *Gender Equality and Development* (WDR 2012), the team proposes to undertake case studies in about 15 diverse countries to explore the key factors that have underpinned changes in various dimensions of gender equality.³ The rationale for these case studies is that there is value in looking at and drawing lessons from a range of country experiences because there is no single blueprint for efforts to achieve gender equality.

³ While country selection will have to be somewhat opportunistic given the tight timeline and limited budget, the emphasis will be on choosing countries where at least some aspects of gender equality have changed significantly.

The purpose of these country case studies is to consider: (i) how economic, social and political factors have interacted with legislative and policy reforms in changing gender relations and outcomes in these countries; and (ii) how these impacts have been transmitted through changes in gender norms around economic choices, such as investing in education, accumulating assets and seeking wage employment, as well as perceptions of women and men within these societies.

Since the focus of these case studies is on the underlying dynamics of change, each of them will take a medium-term perspective on gender equality (dating back to the 1960s or early 1970s. over this time period, the main legal and policy changes undertaken during the period by the country with regard to gender equality.⁴ While particular attention will be paid to measures that concern the economic sphere, such as legislation aimed at eliminating gender-based discrimination in labor markets and gender parity in property rights, reforms in other areas, such as family law and political participation, will also be covered. Particular attention will also be focused on the extent to which these laws and policies have been enforced.

Each case study will also track the main economic, political and social changes during the time period that is covered. The dimensions of the economy to be covered will include such aspects as the pace and pattern of economic growth (with particular attention paid to periods of high and sustained growth and/or stagnation), significant shifts in economic policy (e.g., economic liberalization) and resulting changes in economic structure (e.g., shift from agriculture to manufacturing and services). Political and social changes will include such areas as constitutional reforms, the pace of decentralization and devolution, shifts in the roles of non-governmental actors and variations in the influence of donors and the outside world more generally.

The main questions that will be addressed in each country case study will include:

- What are the main changes in the country with regard to key outcomes of gender equality during the time period that is covered?
- What are the legal and policy changes concerning gender equality that have occurred during this time period?
- How have these changes interacted with economic, political and social factors in changing gender outcomes?
- How have norms and roles regarding women and men changed over this period and what explains these changes?
- In what areas, have changes aimed at greater gender equality encountered the greatest resistance? And has this resistance been overcome in any instances?

⁴ For legal and policy changes related to gender equality, the case studies will draw on country-level materials as well as the database in Htun and Weldon (2010, unpublished), which also includes information concerning enforcement mechanisms.

Countries being considered for case studies

Region	Country
Latin America	1) Brazil 2) Colombia
South Asia	3) Afghanistan 4) Bangladesh 5) India (2 states)
East Asia and the Pacific	6) Cambodia
Eastern Europe and Central Asia	7) Georgia 8) Kyrgyz Republic
Africa	9) Mozambique 10) Rwanda 11) Togo
Middle East and North Africa	12) Tunisia
OECD (historical)	13) Japan 14) Spain 15) One Nordic country

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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U.S.A.

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Cable Address: INTBAFRAD
Cable Address: INDEVAS

Date _____

Mr. Torgny Holmgren
Head of Department
Ministry for Foreign Affairs
Department for Development Policy
SE-103 39 Stockholm
SWEDEN

Trust Fund Administration Agreement between the Swedish Ministry for Foreign Affairs and the International Bank for Reconstruction and Development and the International Development Association concerning the Poverty Dynamics and Public Service Delivery Multi-Donor Trust Fund (TF071173), the Investment Climate and Trade and Integration Multi-Donor Trust Fund (TF071177), the Global Public Goods Multi-Donor Trust Fund (TF071178) and the Economic Development and Structural Change Multi-Donor Trust Fund (TF071393) for the Knowledge for Change Program II (Government Decision No. UF2010/63437/UP)

Dear Mr. Holmgren:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") (collectively, the "Bank") that the Swedish Ministry for Foreign Affairs (the "Donor") will make available as a grant the sum of one hundred fifty thousand United States Dollars (USD 150,000) (the "Contribution") for the Knowledge for Change Program (KCP II) to be allocated among the Poverty Dynamics and Public Service Delivery Multi-Donor Trust Fund (TF071173), the Investment Climate and Trade and Integration Multi Donor Trust Fund (TF071177), the Global Public Goods Multi Donor Trust Fund (TF071178) and the Economic Development and Structural Change Multi-Donor Trust Fund (TF071393) (the "Trust Fund") in accordance with the terms of this Agreement (the "Agreement"). Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Agreement.
2. The Contribution shall be used to finance the activities and the categories of expenditure set forth in the "Charter, Description of Activities and Expenditures under the Multi-Donor Trust Fund for the Knowledge for Change Program II (KCP II)" attached hereto as Annex 1.

3. The Contribution will be administered by the Bank on behalf of the Donor in accordance with the terms of this Agreement and the “Standard Provisions Applicable to the Multi-Donor Trust Fund for the Knowledge for Change Program II (KCP II)” (the “Standard Provisions”) attached hereto as Annex 2.
4. The Donor shall deposit the Contribution into such bank account designated by the Bank on or before December 31, 2010 and upon submission of a payment request by the Bank.
5. When making each deposit, the Donor shall instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the Donor to be allocated to TF071173 (Poverty Dynamics and Public Services Delivery Multi-Donor Trust Fund) to be used to finance the “World Development Report 2012”, and the date of the deposit (the “Deposit Instruction”). In addition, the Donor shall provide a copy of the Donor’s Deposit Instruction to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to (202) 614-1315.
6. The Donor recognizes that the end-disbursement date for the Trust Fund is April 30, 2016, and that it has expressed a preference that an amount equal to the Donor’s paid-in Contribution be fully utilized in accordance with the provisions of this Agreement by December 31, 2012.
7. Except as provided for in paragraph 4 above, any notice, request or other communication to be given or made under this Agreement shall be in writing and delivered by mail, facsimile or e-mail to the respective party’s address specified below or at such other address as such party notifies in writing to the other party from time to time:

For the Bank:

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Senior Resource Management Officer
Development Economics Vice Presidency (DEVCP)
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For the Donor:

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8. All annexes hereto constitute an integral part of this Agreement. This Agreement may be amended only in writing between the Bank and the Donor; provided, however, that such annexes may be amended only with the agreement of all donors contributing to the Trust Fund.

9. Please confirm your agreement with the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by the Bank of the copy of this Agreement countersigned by you, this Agreement will become effective as of the date of the countersignature.

Sincerely,

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**

Yifu Lim
Senior Vice President and Chief Economist

AGREED:

Swedish Ministry for Foreign Affairs

By: _____

Date: _____

Torgny Holmgren
Head of Department

**Charter, Description of Activities and Expenditures under the Multi-Donor Trust
Fund for the Knowledge for Change Program II (KCP II)**

The purpose of the KCP II is to act as an effective, transparent and efficient vehicle for the pooling of intellectual and financial resources and to generate new knowledge in support of the Bank's mission. It will encourage and improve dialogue with partner agencies, developing country clients, and other interested parties. Building on the gains of KCP I and the recommendations of the Program Evaluation (November 2007), the fundamental objective of the KCP II is to promote high quality, cutting edge research (including data collection in the direct context of research) that creates knowledge to support policies for poverty reduction and sustainable development. A subsidiary objective is to assist the development of research capacity in client countries.

Focus of activities to be supported

The KCP II will support innovative research programs sponsored by the Development Economics Vice Presidency (DEC) of the Bank, in conjunction with other parts of the Bank. The focus will be on economic and social knowledge-generation activities, with a multi-disciplinary approach towards the latter.

Geographically, the KCP II funds will be targeted towards activities concerning the IDA countries and/or the poorest groups in IBRD countries, with particular priority for Africa and Asia, both of which have large and intractable poverty problems. However, other regions and countries, including middle income, are not excluded since many of the world's absolutely poor are found in those countries and work in those countries, activities from other regions and countries may be used for comparison purposes, lessons learned, and for other economic links to the priority countries.

There will be four Trust Funds under the KCP II for research related to overarching themes of (i) Poverty Dynamics and Public Service Delivery, (ii) Investment Climate and Trade and Integration, (iii) Global Public Goods, and (iv) Economic Development and Structural Change. The first addresses issues at the heart of poverty reduction, empowerment and sustainable development; the second focuses on the major elements of a business program conducive to growth, with emphasis on the role of small- and medium-scale industries; the third focuses on global issues that require collective action and coordination across countries because lack of action or progress in some countries could undermine benefits for all; and the fourth will analyze the policies and factors that are necessary to make it possible for a developing country to upgrade its industrial structure continuously and develop rapidly.

Indicative programs that will be supported include:

A. Poverty Dynamics and Public Service Delivery

- *Poverty measurement.* Improving the tools used in the Bank for monitoring, describing and forecasting income poverty and inequality, including aggregate poverty measures, sharper poverty profiles, and better household surveys.
- *Pro-poor growth.* To advance understanding of what makes pro-poor growth and the role played by government, including the role of initial conditions, what drives distributional changes in survey data, and churning (the gainers and losers).
- *Social inclusion and empowerment.* How best to mitigate different forms of inequality (for example, gender and ethnicity) and promote social inclusion and empowerment, and civic engagement and participation.
- *Conflict.* An analysis of conflict issues: war, terrorism, crime and violence.
- *Sustainable development.* How to frame poverty reduction strategies which take account of the problems and conflicts caused by socioeconomic inequalities, demographic stresses, the struggle for control of resource rents, and environmental damage and natural resource degradation.
- *Public service delivery for human development.* An evaluation and analysis of delivery options, prioritizing initially education and health sectors, with a focus on provision at the local level, and examining the hypothesis that greater participation by households using the service acts to improve service performance.
- *Social protection.* How to help people manage risk, cope with adverse shocks, avoid variability in incomes, and smooth consumption.

B. Investment Climate and Trade and Integration

- *International migration and development.* This research program aims to advance the understanding of the development impact of migration on sending countries as well as identifying policies, regulations and institutional reforms for improved migration outcomes and a “win-win-win” situation for developing and developed countries and for migrants.
- *Stability and growth.* This research program includes the medium-term prospects for world economic growth and developing country growth; a shift in trade policy analysis from the traditional tariff agenda to services and investment liberalization, product standards and property rights, and competition policies;

more effective deployment of international resource flows (both public and private); and how to make globalization more pro-poor.

- *Governance and institutions.* The role of institutions and governance in creating an attractive climate for private sector development, including anti-corruption programs; the institutional reforms needed to generate private investment and job creation; and the interactions of behavior and social and economic outcomes.
- *Finance and development.* The program is organized around two areas – access to financial services and finance for the poor, which directly addresses the empowerment aspects of poverty.
- *Regulation and infrastructure.* A review of the elements of a regulatory framework and of the provision of infrastructure conducive to a healthy climate for investment.
- *Urban development.* How to enhance the contribution of urban development to poverty reduction and economic growth.
- *Rural development.* Definition and access regulation of rights to key productive resources (e.g. land and water), the functioning of rural markets, the impact of key public goods services on rural livelihoods, rural non-farm employment, the development impact of community-based rural organizations, insurance and risk mitigation in agriculture.

C. Global Public Goods

- *Climate change – mitigation and adaptation.* Identifying policy and regulatory reforms to mitigate GHG emissions based on improved understanding of the climate threat, its differentiated economic impact across the globe, the effectiveness and cost-benefit of different interventions and responses, the need to address adaptation problems for vulnerable countries and areas (the longer mitigation actions are delayed), and the need to build local capacity to complement international commitments.
- *Deforestation and biodiversity.* There is a need to better understand how local ecosystem destruction can be slowed down in cost-effective ways before global impacts grow as carbon and hydrological cycles, or species mutation rates are affected through the scale and speed of human interventions in natural processes.
- *Communicable diseases.* In order to better assess and manage this global risk in a period of rapid and growing trade and travel, policymakers need analysis of the costs and benefits of reducing the risk of disease emergence; early-warning disease monitoring programs; avoidance of emergence of resistant strains; vaccine

development; alternate programs for vaccine deployment; alternative quarantine systems (and determinants of compliance); etc.

- *Knowledge and intellectual property rights (IPRs)*. This is the next generation of assets that can increase or decrease global inclusiveness with consequences for the evolution of fair and effective global institutions. There is a need to better understand policies and programs to strengthen the capacity of developing countries to develop their own patents, to participate in international discussions, and to analyze the merits inter alia of collaborative efforts at patent examination, standards for the breadth and novelty of patent claims, protection of rights to genetic resources and traditional knowledge, etc.
- *Governance and institutions to provide Global Public Goods (GPGs)*. In a world of sovereign entities, there is no global authority to coordinate and enforce the provision of global public goods. There is a need to identify and evaluate innovative institutions and mechanisms (incentives and burden sharing/compensation arrangements) to encourage fuller participation in addressing Global Public Goods problems and complying with agreements -- including institutions and mechanisms capable of picking up signals early, reconciling conflicting national and international interests, and creating commitment devices that ensure delivery of GPGs over the long term.

D. Economic Development and Structural Change

- *Patterns of industrialization*. As a foundation for this entire research program, it is crucial to understand, systematically, how countries develop economically, what types of economic transformations take place, and how these are reflected in shifts among sectors of the economy. The research will focus on the role of industrialization in development, and when and how does it takes root,
- *Innovation and technological upgrading*. Technological upgrading and innovation are essential ingredients for long-run productivity growth, itself the main driver of long-run income growth. In developing countries, they typically take the form of adaptation and adoption of known technologies rather than introduction of new ones. However, the incentives and obstacles to these processes are still poorly understood. Further, they often involve externalities that may lead to too low a rate of technological upgrading and require some form of policy intervention. The proposed research seeks to shed light on these issues.
- *Country case studies of success and failure*. This research will build on the work on patterns of industrialization. After identifying the countries that have been particularly successful or unsuccessful in industrializing and development, it will use a case-study approach to dig deeply into the strategies and policies that were most responsible

- *The optimal financial structure.* There is a need to better understand what the optimal financial structure is depending on the level of industrialization and development. The nature of productive activity will vary depending on the development level, and so will the nature of risk and the ability to bear different kinds of risks. Since the financial sector's purpose is in large part to finance productive activity and to share risk, it seems logical that the optimal financial structure will also vary with the level of development.
- *The process of industrialization in Sub-Saharan Africa.* The development struggles of Sub-Saharan Africa are well known, but it is perhaps less well appreciated how little progress there has been in industrialization. The industrial share of GDP of African economies hardly grew at all between the early 1970s and the late 1990s, and within industry, manufacturing also grew only slowly, in marked contrast to developments in the high-performing Asian economies. By and large, the region has not yet made the manufacturing transition that, in the historical record so far, has been nearly essential to development. This research will focus on the question of why so many Sub-Saharan Africa countries have not made this transition, and what can be done to hasten it.

Governance structure

The Bank will be responsible for administering the KCP II. However, other development partners will have an important role in its management. The governance structure of the KCP II will include a Consultative Group (CG), an Internal Management Committee (IMC), a Program Administration Unit (PAU), and a Panel of External Technical Experts.

The CG will consist of representatives of the official donors, developing country policy makers, the World Bank and other interested parties, and will be chaired by the Senior Vice President and Chief Economist, DEC (or his nominee). The CG will meet once a year to consider long-term strategies and provide general guidance on the operation of the trust funds in the context of DEC's program as a whole. The CG will also be engaged in the discussion of the annual work program and financial plan and will review the KCP II's performance on the basis of an annual report on the activities financed by the KCP II during the previous twelve months. Decisions will be made by consensus. In conjunction with the annual CG meeting, the Bank may organize a seminar to discuss a specific topic concerning knowledge creation of relevance to the group.

The IMC will be chaired by the Senior Vice President and Chief Economist, DEC (or his nominee). The IMC will include representatives of DEC and the Bank's operational units. The IMC will invite proposals from DEC and from DEC in conjunction with other parts of the Bank, periodically, and review them against the agreed criteria, selecting proposals for financing in light of the funds available at a particular time, and taking into account the geographical and thematic balance of the KCP portfolio.

The PAU will handle the day-to-day business of the KCP II and will be a point of contact for routine issues. The unit will report to the head of the IMC.

The Panel of External Technical Experts will review and provide ex ante recommendations of the proposals to be submitted to the IMC for review and approval. The Panel of External Technical Experts will consist of several experts selected by the Bank, and who must have substantial experience in research fields relevant to the KCP II. In addition, and on a case by case basis the PAU may use Bank Peer Reviewers when suitable.

Procedures and criteria

Proposals should demonstrate relevance to the objectives of the program and details of key aspects such as innovation, partners, country participation, deliverables, and development impact. Consistent with the fundamental objectives of the KCP II as outlined in the first paragraph of the Charter, the necessary criteria for assessing proposals are as follows:

- be innovative and able to provide new knowledge, which can lead to better development policies;
- address the objectives of the Trust Fund (poverty dynamics and basic service delivery, investment climate and trade and integration, and global public goods).
- be results-focused, while remaining cost effective.

The desirable criteria are:

- demonstrate country participation and ownership,
- incorporate developing country capacity building,
- be applicable to a different country or region, and
- demonstrate cooperation among different parts of the Bank and/or between the Bank and other donors/agencies.

Funding

The funding of activities performed or supported by the KCP II requires a well-coordinated partnership involving the World Bank Group, other multilateral institutions and donor organizations, as well as the agreement and active cooperation of governments in which KCP II-financed activities take place.

Donors, if they so desire, may specify the allocation of their contribution among the four Trust Funds under the KPC II. Some donors may also wish to express a preference for a certain program activity or activities, and their views will be taken into consideration when activities are selected for funding from the KCP. However, the

Bank's Trust Fund Policy Guidelines do not guarantee that such preferences may be fulfilled.

Communication with the KCP II Donors

In addition to the annual CG meeting, the Bank will maintain regular communications with donors during the course of the year, including updating the donors during the Call for Proposal stage and providing results of the IMC decision meetings on project proposals. The KCP web site will provide up-to-date information on team composition, activities and new projects approved by the IMC, as well as links to the papers and other publications funded by the KCP II. The Bank, as necessary, will organize an information meeting or workshop in connection with the Bank/IMF's Spring or Annual Meetings on topics and activities relevant to the KCP II to discuss methods, present initial findings, and solicit comments and suggestions from donors, including their chief economists and advisers. Furthermore, the Bank will establish a data portal for easy access to relevant data gathered through projects funded by the KCP II, while abiding by the Bank guidelines on the release and disclosure of such data. Finally, the Bank will maintain and update a contact list of donor representatives for dissemination of periodic information related to the activities of the program. Donors should inform the PAU on a timely manner of any changes in respect of their KCP II representatives.

Eligible expenditures

Eligible expenditures under the KCP II would be Associated Overheads, Short Term Consultant Fees, Contractual Services, Extended Term Consultants, Temporary Staff Costs, Staff Costs without Indirects (Benefits), Travel Expenses, Equipment Costs, Media & Workshops Costs and would include the following:

- compensation, travel expenses and other reimbursable expenditures of consultants and experts (including the members of the technical review panel and evaluators) engaged by the Bank or entities to whom the Bank provides grants of the KCP II funds for activities to be supported by the KCP II. This may include the salaries and benefits of Extended Term Consultants (ETCs) and Coterminous staff;
- Bank staff travel costs up to a maximum of fifteen percent (15%) of each amount awarded to a KCP project;
- Travel expenses incurred by developing country participants in attending the annual CG meeting, up to a ceiling of \$ 20,000 per year;
- Software and data, publication and printing costs associated with the preparation of reports or other materials relating to the KCP II-supported activities;
- costs associated with organizing workshops, seminars or conferences, including costs associated with participation by relevant international experts and developing country participants; and
- Associated Overhead Expenditures related to the fulfillment of the KCP II's mandate.

Dissemination

Information gained from activities financed through the KCP will be widely disseminated both to donors and client countries either in report form, or through the web, complemented where appropriate with workshops and conferences. Such dissemination will be subject to and made in accordance with the Bank's policies on disclosure of information.

Evaluation

The KCP II will be subject to an external evaluation, to be funded from the KCP II trust funds, before the completion date of the program.

ANNEX 2

**Standard Provisions Applicable to the Multi-Donor Trust Fund for the Knowledge
for Change Program II (KCP II)**

The following provisions (hereinafter referred to as the “Standard Provisions”) will be applicable to and form an integral part of all agreements/arrangements entered into between the International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (collectively, the “Bank”) and donor countries and/or organizations (hereinafter referred to as the “Donors”) that provide grants (referred to as the “Contributions”) to be administered by the Bank for the Multi-Donor Trust Fund for the KCP II Program (the “Project”).

1. Administration of the Contributions

1.1 The Bank will be responsible only for performing those functions specifically set forth in this Arrangement and will not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Arrangement will be considered a waiver of any privileges or immunities of the IBRD and IDA under their Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2 The Contribution will be administered in accordance with the Bank’s applicable policies and procedures, including its framework regarding anti-corruption, as the same may be amended from time to time.

1.3 Recognizing the obligations of the Bank member countries under the various United Nations Security Council Resolutions to take measures to prevent financing of terrorists, the Bank undertakes to use reasonable efforts, consistent with the Bank’s Articles of Agreement and policies, including those pertaining to combating financing of terrorists, to ensure that the funds provided under any Administration Agreement/Arrangement are used for their intended purposes and are not diverted to terrorists and their agents.

2. Commingling, Exchange and Investment of the Contributions

2.1. The Contribution funds will be accounted for as a single trust fund and will be kept separate and apart from the funds of the Bank. The Contribution funds may be commingled with other trust fund assets maintained by the Bank.

2.2. The Contribution funds may be freely exchanged by the Bank into other currencies as may facilitate their disbursement.

2.3 The Bank will invest and reinvest the Contribution funds pending their disbursement in accordance with the Bank's policies and procedures for the investment of trust funds administered by the Bank. The Bank will credit all income from such investment to the trust fund established under this Arrangement to be used for the same purposes as the Contribution funds.

3. Administrative Cost Recovery

3.1 In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Arrangement, the Bank may, following deposit of the Contribution by the Donor, deduct from the total Contribution of the Donor and retain for the Bank's own account an amount equal to one percent (1%) of the Contribution. In addition, staff costs for program management and supervision up to a maximum of three hundred thousand United States Dollars (US\$300,000) per year will be charged and allocated pro-rata to all donors contributing to the Trust Fund on an actual basis.

4. Employment of Consultants

4.1 The employment and supervision of consultants financed by the Contributions will be the responsibility solely of the Bank and will be carried out in accordance with its applicable policies and procedures.

5. Accounting and Financial Reporting

5.1. The Bank will maintain separate records and ledger accounts in respect of the Contributions deposited in the trust fund account and disbursements made therefrom.

5.2. The Bank will furnish to the Donor current financial information in United States Dollars relating to the Trust Fund via the World Bank's Trust Funds Donor Center secure website. Within six (6) months after all commitments and liabilities under this trust fund have been satisfied and the trust fund has been closed, the final financial information in United States Dollars relating to the Trust Fund will be made available to the Donor via the World Bank's Trust Funds Donor Center secure website.

5.3. The Bank will provide to the Donors, within six (6) months following the end of each Bank fiscal year, a management assertion together with an attestation from the Bank's external auditors concerning the adequacy of internal control over cash-based financial reporting for trust funds as a whole. The cost of such attestations will be borne by the Bank.

5.4. If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank's external auditors of the trust fund established under this Arrangement, the Donor and the Bank will first consult as to whether such an external audit is necessary. The Bank and the Donor will agree on the most appropriate scope and terms of reference of such audit. Following acceptance on the scope and terms of reference, the Bank will

arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, will be paid by the Donor.

6. Coordination and Project Reporting

6.1. Within four (4) months following the end of each Bank fiscal year, the Bank will provide the Donors with an annual report on the progress of activities financed by the Contributions. Within six (6) months of the final disbursement date specified in paragraph 7.1, the Bank will furnish to the Donors a final report on the Project activities.

7. Disbursement Deadline; Cancellation; Refund

7.1. It is expected that the Contribution funds will be fully disbursed by the Bank in accordance with the provisions of this Arrangement by April 30, 2016. The Bank will only disburse Contribution funds for the purposes of this Arrangement after such date with the written approval of the Donors.

7.2. Any Donor or the Bank may, upon three (3) months' prior written notice, cancel all or part of the Donor's pro rata share of any remaining balance of the Contribution funds that is not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Arrangement prior to the receipt of such notice, including the Grant Agreements.

7.3. Upon the final disbursement date specified in paragraph 7.1, the Bank will return any remaining balance of the Contribution funds to the Donors on a pro rata basis based upon the ratio of each Donor's paid-in Contributions to the sum of all Donors' paid-in Contributions. In the event of a cancellation of an individual Donor's pro rata share of uncommitted Contribution funds in accordance with paragraph 7.2, the Bank will return such cancelled balance to the Donor on the same pro rata basis.

8. Disclosure

8.1 The Bank will disclose this Agreement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Agreement, the Donor consents to disclosure of this Agreement and related information on this Trust Fund.