

Finance for Development

Annual Report 2023



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A Global Finance For Development Umbrella Partnership

Building deep, inclusive, resilient, and efficient financial systems

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Foreword



Jean Pesme

Global Director
Finance, Competitiveness & Innovation;
Finance
The World Bank

The past fiscal year witnessed unprecedented challenges compounding the existing development issues. This mix of polycrisis - the war in Ukraine, climate change, aftermath of the pandemic, surge in global inflation, and tighter global financial conditions - has severely impacted the global economy, and the most vulnerable.

In the wake of multiple global shocks, the financial landscape remains both highly uncertain and critical to lasting responses.

Risks to financial stability and resilience are at their highest levels. Like never before, our client countries are faced with high debt, inflation, solvency and refinancing challenges, and limited fiscal space to support inclusive growth and mobilize private capital at scale.

Amid these challenges, financial inclusion and small and medium-sized enterprises (SMEs) finance remain crucial for sustainable growth, driven by rapid digitalization. Despite progress, marginalized groups, especially women and youth, still face unacceptable levels of exclusion. Climate change also poses significant risks. Financial institutions and capital markets must become a greater force for addressing climate change and encouraging low-carbon growth, by channeling resources for mitigation, adaptation and resilience.

In this context, the strategic importance of the work under the Finance for Development (F4D) Umbrella Program has never been more relevant. Over the past fiscal year, the teams focused on operationalizing the program and establishing a robust foundation for implementation and growth. This inaugural F4D Annual Report highlights our strategic priorities, and the central role F4D plays in the financial sector reforms at the World Bank, addressing complex challenges and leveraging financing for impact.

FY23 witnessed record client demand, requiring more holistic and impactful solutions. Through the Umbrella, we enable an ecosystem approach to financial sector reforms, combining the work on financial stability, integrity, inclusion, financing real economy, capital markets, and cross-cutting themes like digital finance, gender finance, green-ing of the financial sector and financing green.

F4D's global, country-level, and regional grants address the most pressing client needs with multi-year, multi-pillar programmatic engagements. Importantly, F4D influences, through knowledge and technical assistance, the design and implementation of large-scale lending operations, financed by the World Bank. This maximizes the value for money for our donors and amplifies development impact.

Internal and external partnerships are pivotal to success of F4D, evolving beyond a financing mechanism into a knowledge and partnership platform. Most importantly, our work would not be possible without our donor partners, who help steer the program and provide valuable expertise. I would like to thank the Bill & Melinda Gates Foundation, the European Commission, Global Affairs Canada, and the Swiss State Secretariat for Economic Affairs for their support and deep commitment to the development agenda.

The team and I are conscious of the challenges, as well as optimistic and energized by the opportunities ahead of us. In FY24, we will continue to focus on the fundamentals and respond to longstanding structural issues, particularly in fragile and conflict-affected environments, and women and youth. In parallel, we will stay agile, adaptive to crises, and will prioritize addressing new topics and opportunities in the financial sector.

Thanks to our partners, F4D is moving beyond ambition to action, striving for deeper, resilient, green, and efficient financial systems for all.

We are off to a great start!

Executive Summary

The global economy continues to face steep challenges. Macroeconomic instability, accelerating inflation, rising interest rates, and significant increases in public debt added to the triple threat of the ongoing war in Ukraine, growing inequality, and the climate crisis.

As countries grapple with the impacts of the compounding crises, the World Bank is facing a significant increase in requested interventions in the financial sector. Against this background, the F4D Umbrella Program is uniquely positioned to respond to the country demand, leveraging the World Bank's lending for greater impact, and deploying considerable expertise and knowledge on a broad list of thematic areas.

FY23¹ marked the first year of F4D as the main trust fund to support financial sector reforms, both analytical work and country engagements, led by the World Bank's global and regional units. Incorporating gender finance, greening of the financial sector and digitalization across its portfolio, the Umbrella Program adopts an ecosystem approach towards financial sector reforms, focusing on financial stability, integrity, inclusion, capital markets, and financing the real economy as key priority themes.

This inaugural Annual Report summarizes progress made toward operationalization of the Program during FY23, with an extended cut-off date of September 2023, to give a more comprehensive overview of the roll-out of the Program during its inception year.

Comprised of three trust funds, the F4D Umbrella Program is anchored by a primary Multi-Donor Trust Fund (MDTF) that covers the full thematic scope of the program. The second trust fund is an Associated Single-Donor Trust Fund (SDTF), supported by SECO, for select middle-income countries.² The third instrument is an Associated SDTF, supported by the EC, which will be used for upscaling and de-risking private investment in affordable green housing supply in Kenya.³

As an inception year of the program, FY23 was focused on the operationalization of the Umbrella Trust Fund. This includes establishing the Umbrella Program Management Team, kicking off implementation of the first sets of activities, launching an inaugural Call for Proposals and identifying a strong pipeline of grants in line with the current demand, establishing internal governance mechanisms for successful implementation and quality assurance, finalizing a rigorous Monitoring & Evaluation (M&E) framework, and setting foundations for the communications, partner visibility, and brand identity of the program.

F4D's combined pledged budget stands at US\$40.1 million, with US\$26.9 million in signed contributions toward the Anchor MDTF, US\$9.7 million – SECO Associated SDTF, and US\$3.5 million – the EC Associated SDTF. The total signed contributions, US\$22.4 million has been paid-in from inception till date. By September 2023, active portfolio included 35 activities, worth of US\$23.7 million in total, with close to 75 percent of all grants supporting strategic country-level and regional engagements.

Active portfolio grants are informing US\$1.5 billion in World Bank lending. Even during its inception year, F4D rapidly adapted to meet the evolving needs and served as a launchpad for strategic support to countries, while leveraging World Bank financial instruments. This demonstrates significant value for money for F4D donor financing and an important role that F4D-funded activities play in enhancing the impact of large-scale financial sector investments and achieving measurable results on the ground.

Thematically, F4D launched a series of strategic consultations, with the inaugural Technical Advisory Group (TAG) on Financial Inclusion held in June 2023. The TAG offers a platform for exchanging views on new and emerging issues and trends, leveraging knowledge and expertise from financial inclusion experts, and updating the donors on the activities under the *Financing the Poor and the Vulnerable* pillar. Such thematic consultations help build strong foundations for the successful implementation and prioritization of the activities in the financial inclusion space.

At country level, F4D emphasizes an open and collaborative dialogue with partners as key to successful program implementation. In spring 2023, F4D launched a series of Technical Coordination Committees (TCCs) in Albania, Azerbaijan, Kyrgyz Republic, and Tajikistan to operationalize the SECO Associated SDTF. TCCs provide a platform for the Bank teams, SECO, and client counterparts to share feedback at the technical level, offer course corrections when necessary, and ensure the projects benefit from SECO's and clients' perspectives, practical knowledge, and expertise in a systematic way.

Effective strategic communications is critical for the success of F4D. A rigorous Communications and Visibility Plan and F4D brand book were developed to support communications efforts, raise visibility of the Development Partners, and disseminate the program's results and lessons learned, both internally and externally. In parallel, a dedicated external web knowledge platform is being developed as a one-stop shop for key program information, portfolio and results dashboard, impact stories, publications, and news features, to be launched in FY24.

Internally, F4D has significantly strengthened governance, quality control, and accountability mechanisms to guide Task Team Leaders (TTLs) in successful grant implementation.

A comprehensive F4D intranet platform, TTL Guidebooks, and a set of reporting manuals have been launched to ensure grant quality assurance. A series of bi-monthly F4D Learning Bootcamps are organized to provide technical support to the TTLs on the implementation of the activities, share lessons and increase awareness of the program's M&E requirements.

Looking ahead, now that the program is fully operational, the focus will shift from building the program's foundations toward implementation and growth. To increase impact, F4D will place an even stronger focus on the topics of women and youth, climate change, digitalization and private capital-enabling reforms, in line with the World Bank's [new vision and playbook for development](#). Expanding knowledge partnerships and mobilizing additional financial resources to be able to effectively respond to the increasing country demand will remain a key priority for the program.

¹ The F4D reporting coincides with the World Bank's Fiscal Years (FYs), which run from July 1 to June 30 every year.

² The Associated SDTF aims to support SECO priority countries that are or were previously supported by standalone trust funds, including Albania, Azerbaijan, Indonesia, Kyrgyz Republic, South Africa, Tajikistan, Uzbekistan, and Viet Nam.

³ Grants under this instrument have not yet entered implementation.

About Finance For Development

Who We Are

The Finance for Development (F4D) Umbrella Program is the World Bank's donor financing, partnership, and knowledge platform aimed to improve the capacity of low- and middle-income countries to develop deep, inclusive, efficient, and resilient financial systems.

Our vision:

Resilient, transparent and smooth-functioning financial systems and capital markets that enable financial stability, job growth and poverty alleviation.

Our mission:

We deliver public sector solutions to the most pressing development challenges in the financial sector, leveraging a range of the Bank Group's financial, knowledge and convening services for clients.

Our approach:

We accommodate a broad scope of thematic requests from both low- and middle-income countries and stay agile by rapidly adjusting to the evolution of financial systems and the new opportunities and risks in a changing environment, including conflicts, pandemic, climate change and digitalization.

Our Partners

Our work is made possible through the generous contributions of development partners. Each one of our partners brings technical expertise, advocacy, and coordination efforts that help us deliver on the F4D's ambition, together.

The F4D Umbrella is supported by the Bill & Melinda Gates Foundation (BMGF), the European Commission (EC), Global Affairs Canada (GAC), and the Swiss State Secretariat for Economic Affairs (SECO).

BILL & MELINDA
GATES *foundation*



Canada 



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

What We Do

The F4D program adopts an ecosystem approach toward financial sector development, organized around four mutually reinforcing thematic pillars and three cross-cutting themes, in order to embrace a sufficiently comprehensive scope, maximize the impact, and match the evolving and growing demand from low- and middle-income countries.

F4D Strategic Focus Areas:

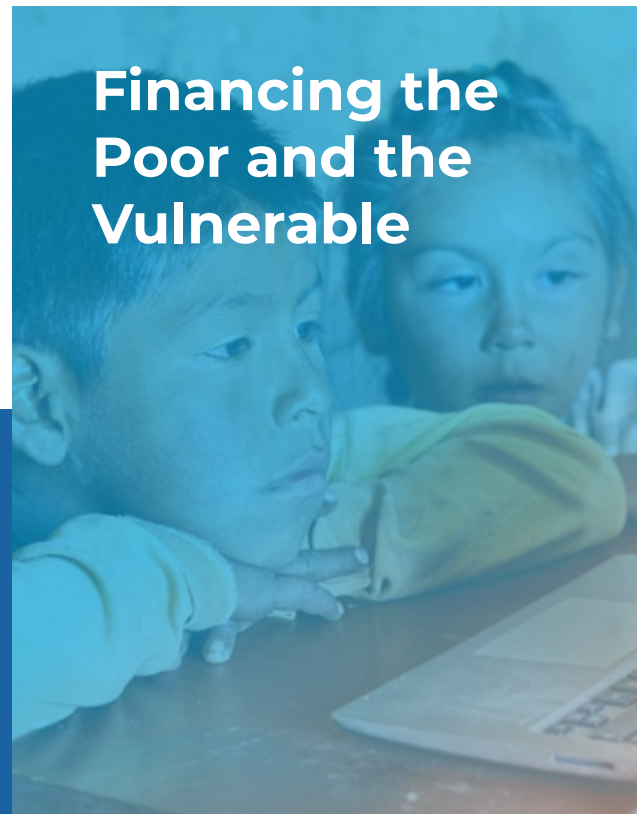


Click each area to learn more about our work

Strengthening Financial Sector Resiliency



Financing the Poor and the Vulnerable



Financing the Real Economy



Developing Financial Markets



Cross cutting themes: **Climate Change and Sustainable Finance, Digital, and Gender**

What We Deliver

We work with governments, development partners, international organizations, multilateral development banks, and various standard-setting bodies to deliver through:

Country and Regional Engagements:

Advisory services including targeted policy guidance, strategic technical assistance, and capacity building to client governments

Global Knowledge and Analytics:

Research and analytics to provide actionable insights at regional, country, and local levels, expand a knowledge base of technical and operational best practice, and drive thought leadership

Partnerships and Convening:

Stakeholder engagement services that bring together key partners, facilitate collaboration, and promote knowledge sharing for strengthened dialogue and learning.

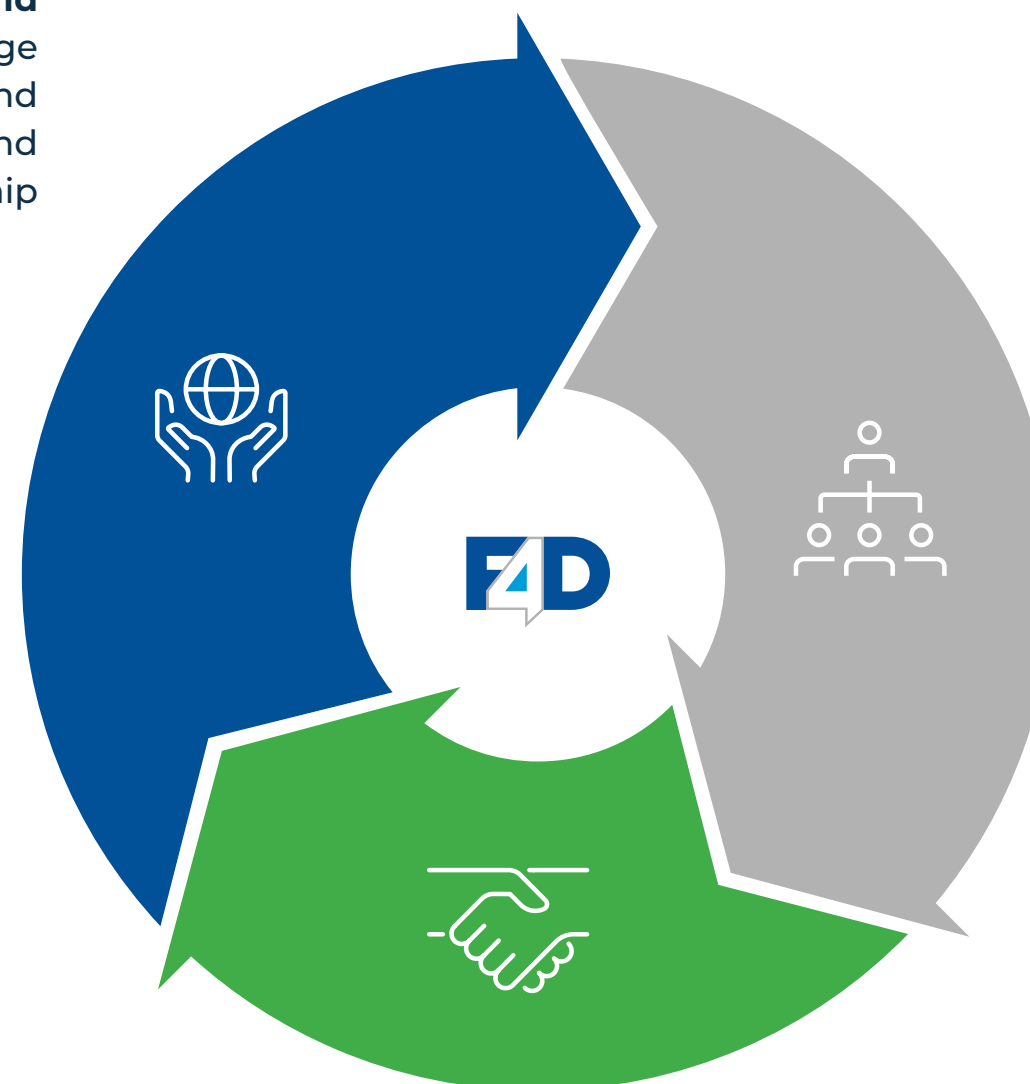
F4D Delivery Model

The reinforcing links between the F4D's global, regional, and country work allow our client countries to effectively translate knowledge and cutting-edge developments into good practice. Similarly, key findings from the practical in-country experience inform our research and global analytical engagements.

Partnerships and convening services are key to the success of the program implementation. Most of the F4D portfolio grants are implemented jointly or in close cooperation with other World Bank units and partners, given the multipronged inherent nature of the financial sector. Key stakeholders include the World Bank Global Practices, International Monetary Fund (IMF), International Finance Cooperation (IFC), Consultative Group to Assist the Poor (CGAP), Multilateral Investment Guarantee Agency (MIGA), and other public and private sector partners across various sectors and industries, international organizations and standard-setting bodies.

Global Knowledge and Analytics Knowledge products, data and diagnostics, research and thought leadership

Country and Regional Engagements Targeted policy guidance, technical assistance and capacity building



Partnerships and Convening
Bringing together key stakeholders from both public and private sector

Our Instruments



The F4D Umbrella includes three main instruments. The program is anchored by a primary multi-donor anchor trust fund (MDTF) that covers the full thematic scope of the program. The second instrument is an associated single-donor trust fund (SDTF), supported by SECO, that was established to replenish existing financial sector reform programs in select middle-income countries that were financed by stand-alone trust funds that are being phased out. The third instrument is an associated SDTF, supported by the EC, which will be used for upscaling and de-risking private investment in affordable green housing supply in Kenya.

Key Principles of the World Bank's Umbrella Programs

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

FY23 in Review



FY23

MAY
Inaugural Partnership Council meeting

NOVEMBER
Partnership Document endorsed

DECEMBER
The European Commission joins F4D

The EC, representing the European Union, joins the F4D, making a contribution of €3.12 million, to be used for upscaling and de-risking private investment in affordable green housing supply in Kenya.

DECEMBER
First Annual Work Plan and Budget endorsed

Support from the Development Partners was instrumental in launching the first set of F4D activities and moving the agenda to the implementation level. These activities, focused on operationalizing the Financing the Poor and Vulnerable thematic pillar, are financed through the preferred funding provided by BMGF, GAC and SECO via the Anchor MDTF.

DECEMBER
Inaugural Call for Proposals announced

An inaugural competitive Call for Proposals launched to ensure the program effectively responds to global, regional, and country-level demand that cuts across all four thematic pillars and cross-cutting themes.

FY23 in Review



2023



MARCH
The Technical Review Committee reviews proposals and makes allocation decisions

The Technical Review Committee received a total of 69 proposals, valued at almost US\$36 million, which far exceeded the available resources. Through a rigorous selection process, the Committee allocated the funding from the Anchor MDTF, equal to the value of the non-preferenced contribution from SECO, and funding from the Associated SDTF, supported by SECO.

APRIL
Bootcamp Learning Series launched

Internally, F4D significantly strengthens governance, quality control and accountability mechanisms to guide task teams in successful grant implementation. A comprehensive F4D intranet platform, and a set of Guidebooks were launched to support the teams.

MAY
Technical Coordination Committees launched in Albania, Azerbaijan, Kyrgyz Republic, and Tajikistan

F4D launches TCCs in Albania, Azerbaijan, Kyrgyz Republic and Tajikistan to strengthen an open and collaborative dialogue and knowledge exchange at country levels. TCCs are key to successful program design and implementation, as they provide a platform for the Bank teams, donor and client counterparts to share feedback at the technical level and offer course corrections when necessary.

MAY
Second Partnership Council meeting

MAY
F4D Brand and Communications & Partner Visibility Plan approved

A rigorous Communications and Visibility Plan guides the communications efforts to systematically capture best practices, amplify the program's impact, raise visibility of the Development Partners, and disseminate the results and lessons learned, both internally and externally.

JUNE
Technical Advisory Group meeting on financial inclusion

The Technical Advisory Group (TAG) offers a platform for exchanging views on new and emerging issues and trends in financial inclusion, providing updates on the portfolio grants and receiving feedback on the forward-looking strategy for the Financing the Poor and Vulnerable thematic pillar.

JUNE
Enhanced M&E and learning framework endorsed

An enhanced Theory of Change and Results Framework aim to systematically assess the progress of the Program and report on results. An Evaluation & Learning framework now sets the evaluation plans for the Umbrella. It will help capture best practices, draw lessons learned, disseminate the findings, and feed them back into the project design, to systematically improve the quality of project implementation in an agile manner.

JUNE
Second Work Plan and Budget endorsed

The second Work Plan and Budget includes a set of Anchor MDTF activities selected as part of the Call for Proposals, and grants under the Associated SDTFs. Implementation commences in FY24.

F4D By the Numbers

4 Thematic Pillars



Strengthening Financial Sector Resiliency



Financing the Poor and the Vulnerable



Financing the Real Economy



Developing Financial Markets

3 Cross-Cutting Areas



Climate Change and Sustainable Finance



Digital



Gender

1 Anchor Multi-Donor Trust Fund

2 Associated Single-Donor Trust Funds

Financed by
SECO

Financed by the
European Commission

4 Technical Coordination Committees:



Albania



Azerbaijan



Kyrgyz
Republic



Tajikistan

1

Technical Advisory
Group on Financial
Inclusion

F4D By the Numbers

US 
\$40.1m
signed contributions
from the development
partners

US 
\$22.4m
paid in contributions

 F4D informs
US \$1.5
billion
in World Bank lending

Select Program Targets

-  8,000 new MSME financing facilitated
-  30 laws and regulations enacted
-  30+ countries supported with digital financial infrastructures
-  50,000+ people reached with financial literacy programs

35 active grants

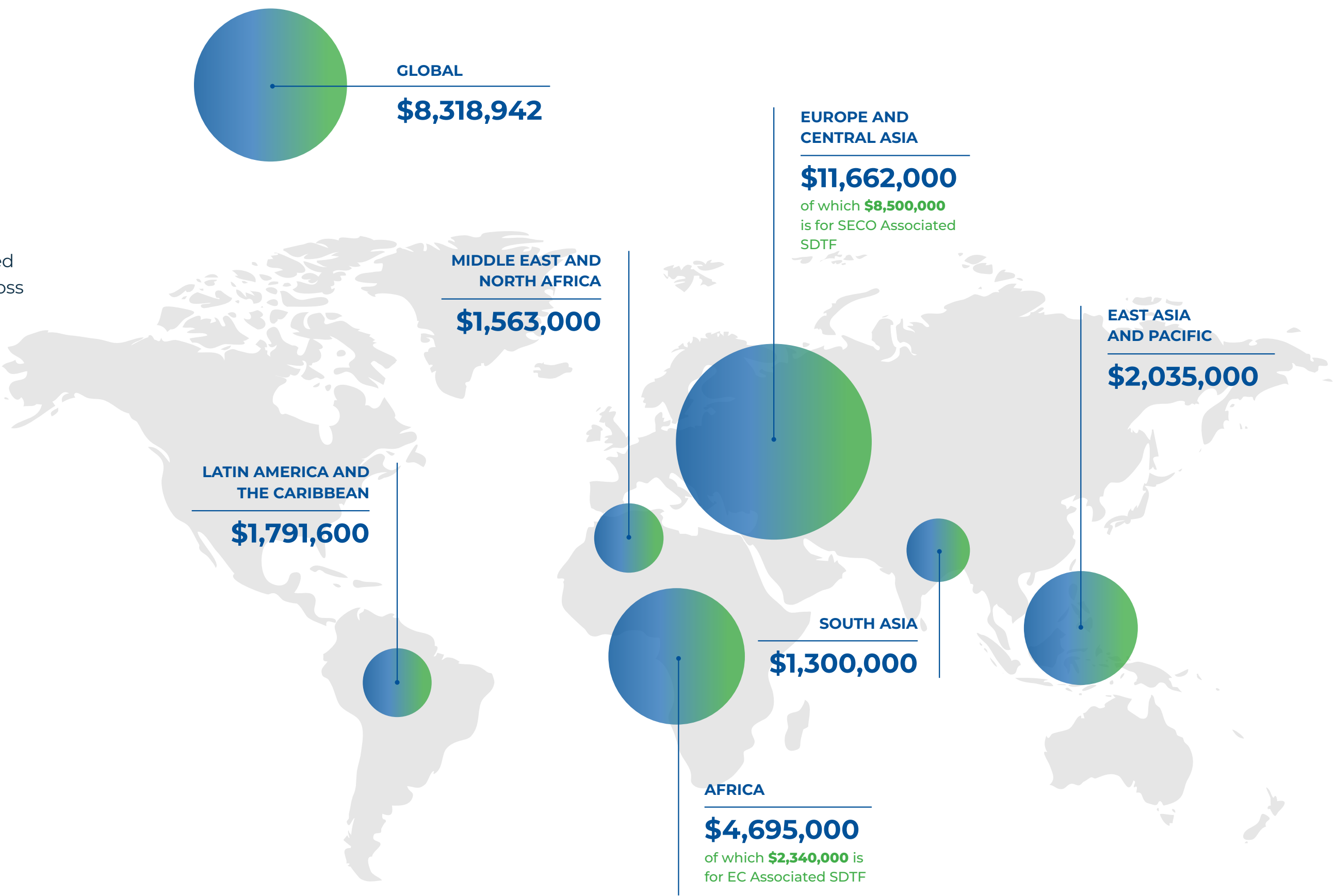
-  26% global
-  65% country-specific
-  9% regional

36 Countries Supported



Total Committed Financing

Volume of committed financing through signed donor contributions across the three trust funds of the Umbrella Program



Active Portfolio Summary

The active portfolio summary includes grants that entered implementation as of September 2023.

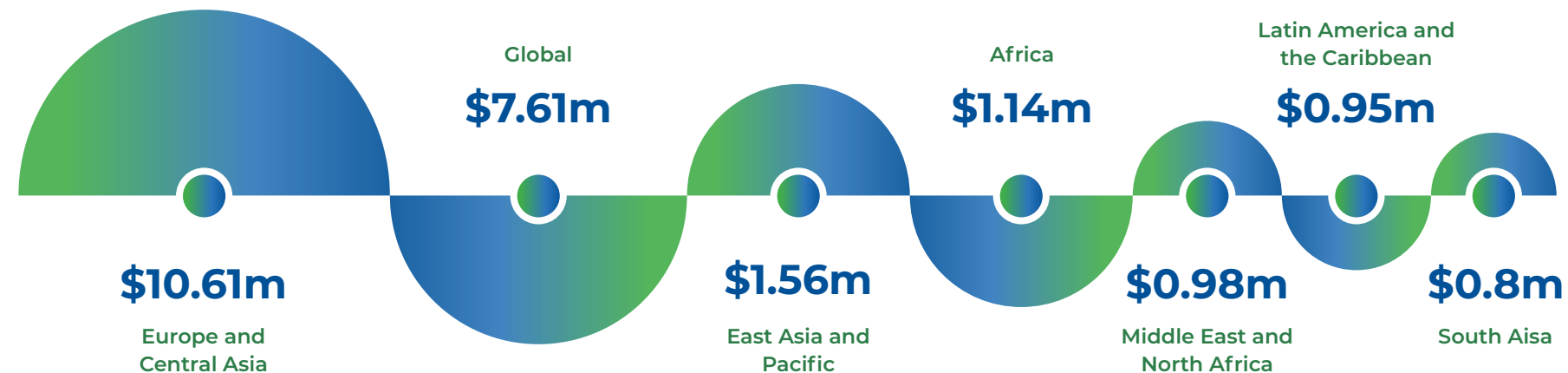
F4D Umbrella Program active portfolio includes a total of **35 active grants**, worth **US\$23.7 million in total** (US\$15.2 million - Anchor MDTF and US\$8.5 million - SECO Associated SDTF).

Active portfolio consists of grants, endorsed by the Partnership Council through the two rounds of Annual Work Plans and Budgets in FY23 (with remaining approved activities completing internal clearances and entering implementation in FY24).

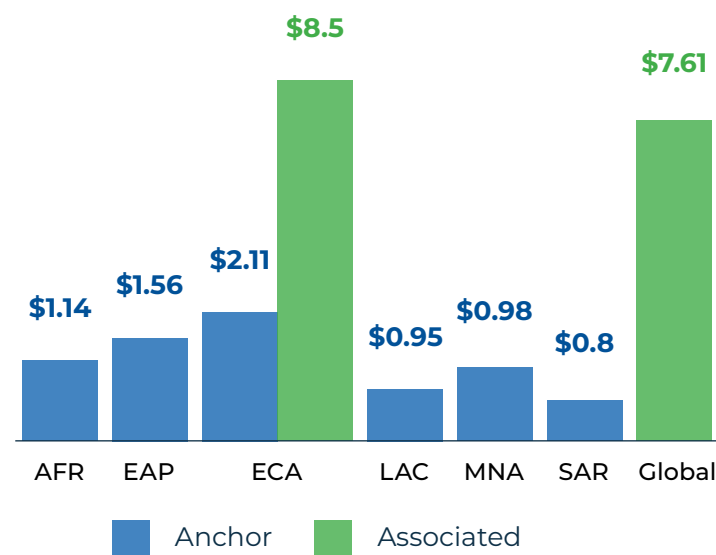
Most of the activities are multi-year engagements, cutting across multiple thematic pillars and cross-cutting areas.

While still in a nascent stage in FY23, the portfolio is expected to grow and the speed of implementation to pick up significantly in FY24.

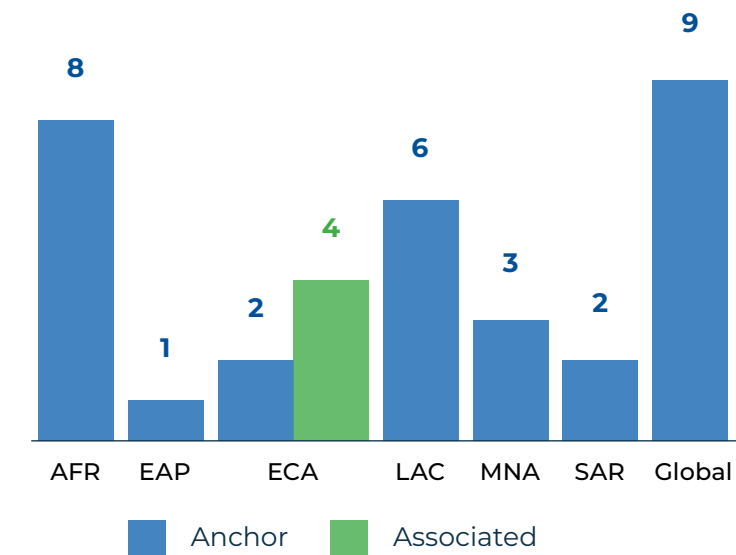
Umbrella Program Active Portfolio – Total Grant Amount (US\$ million)



Anchor MDTF vs. Associated SECO SDTF – Total Grant Amount (US\$ million)

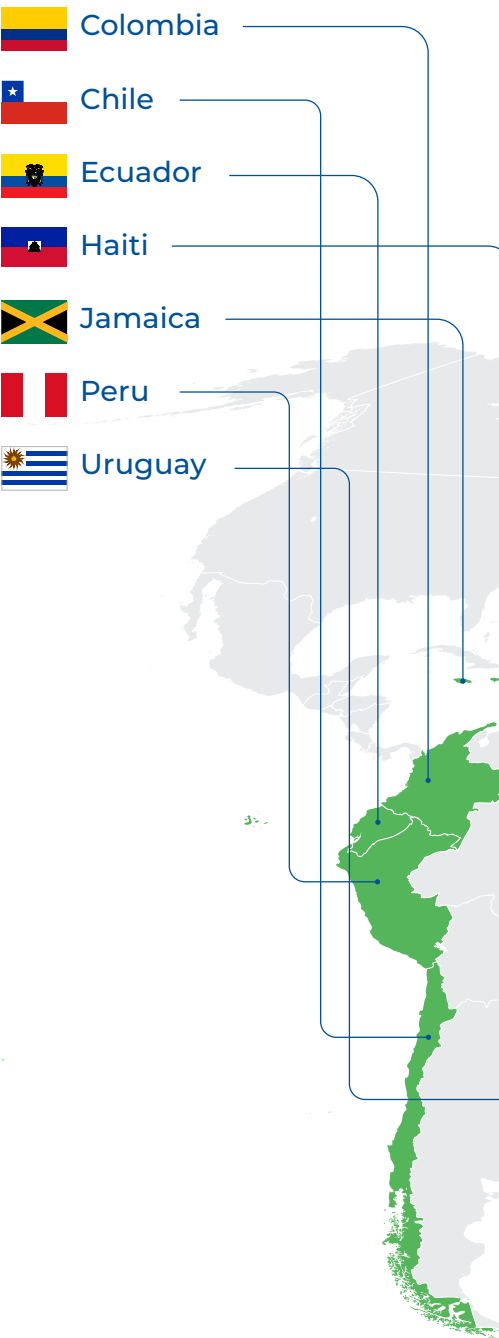


Number of active grants – Anchor MDTF vs. SECO Associated SDTF



Where We Work

Latin America and the Caribbean



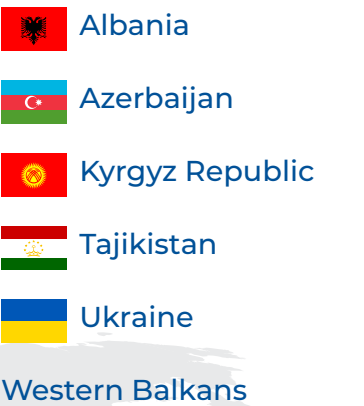
Africa



Middle East and North Africa



Europe and Central Asia



East Asia and Pacific



South Asia



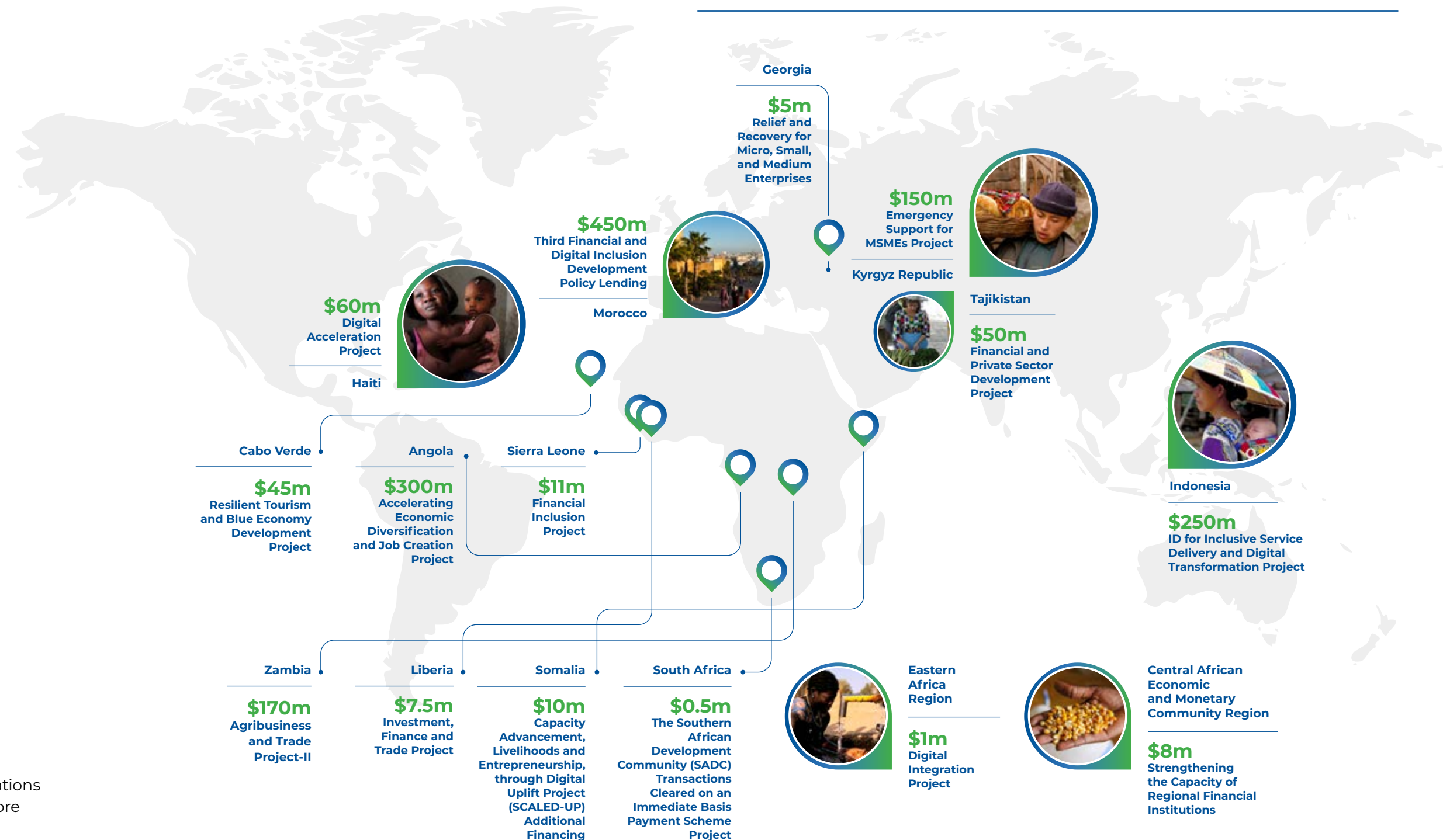
Informing World Bank Lending

F4D informs, through its knowledge and technical assistance work, the design and implementation of the World Bank's lending operations - a key measure of effectiveness of F4D's work at the policy, regulatory, and strategic levels in client countries.

F4D active portfolio is informing **US\$1.5 billion** in World Bank lending

The map shows the World Bank lending operations that are being informed by F4D grants. For more information see [Annex 2](#).

World Bank Lending Informed is an outcome measure of the role of trust-funded activities in influencing, shaping, or improving, directly or indirectly, the direction and quality of the World Bank's lending. It indicates how the World Bank lending instruments use outputs delivered by trust fund grants for the design, preparation, and/or implementation of such loans. This outcome is key evidence of how knowledge-based work and technical assistance supported by F4D activities are integrated with operations and are highly influential at country-level.



Anchor Multi-Donor Trust Fund

Given the inherent nature of financial systems, F4D's work across all pillars is strongly interlinked and mutually reinforcing.

Most of the F4D activities are multi-pillar, multi-year programmatic engagements reflecting the program's holistic approach towards financial sector reform implementation.



Pillar 1
**Strengthening
Financial Sector
Resiliency**



Pillar 2
**Financing the
Poor and the
Vulnerable**



Pillar 3
**Financing the
Real Economy**



Pillar 4
**Developing
Financial
Markets**

Pillar 1: Strengthening Financial Sector Resiliency

Objective

Safe, sound, and resilient financial systems.

Overview

Financial system resilience is vital for sustainable growth and economic stability. F4D aids countries in building strong, transparent, and internationally compliant financial systems. This includes crisis prevention, policy development for critical financial functions, and adoption of best practices with technology for effective supervision.

Priority Areas



Banking Regulation and Supervision:

Assisting governments in enhancing financial sector regulations, managing risks, and using modern technologies. This includes developing policies for financial technology and supervisory technology.

Resolution and Crisis Management:

Guiding countries in creating transparent, time-bound, regulatory responses for crisis management, updating recovery plans, and ensuring responses do not worsen crises.

Greening the Financial Sector:

Strengthening financial sectors against environmental risks and facilitating capital mobilization for climate objectives. This involves climate stress testing, green banking strategies, and regulatory adjustments, in collaboration with global networks.

Financial Integrity: Providing tools for financial transparency and anti-money laundering/countering terrorism financing to combat illicit activities. This includes developing legal frameworks and risk-based supervision systems.



In FY23, financial sector resilience became a priority due to heightened risks from ongoing conflicts, economic downturns, and banking crises in advanced economies.

To reflect the growing demand and urgency, F4D grants focus on comprehensive policy actions required to foster macroeconomic and financial stability both at the global and national levels.

F4D's support under Pillar I:

- Development of diagnostic tools for financial systems;
- Technical assistance in financial oversight, crisis management, and non-performing asset resolution;
- Guidance on regulating fintech institutions and digital instruments; and
- Tools and assistance for anti-money laundering and combating terrorism financing.

Central banks and regulators are increasingly addressing climate change and environmental risks by incorporating these factors into their supervisory methods. F4D supports this by helping countries integrate these risks into financial regulations, including climate stress-testing and green banking strategies.

Additionally, as financial sectors evolve with fintech and digital advancements, F4D is focusing on managing the risks associated with digital technology adoption and updating regulatory frameworks to keep pace with technological changes.

F4D's Pillar I active portfolio includes five country-level projects across East Asia and the Pacific, South Asia, Latin America and the Caribbean, and Africa, plus two global knowledge initiatives. These are scheduled to commence in the first quarter of FY24.

In **Pakistan**, the financial sector faces stability risks due to banks' sizable exposure to government debt amid a challenging macroeconomic environment. The *Strengthening Financial Sector Stability and Resilience* grant aims to improve the financial sector safety net, enhancing the authorities' ability to monitor and respond to financial instability. This includes work with the State Bank of Pakistan and the Deposit Protection Corporation to improve early intervention, bank resolution, deposit insurance, emergency liquidity assistance, as well as climate stress-testing.



IN FOCUS: Rethinking the Role of the State in the Financial Sector

The global financial crisis resulted in renewed interest in the role of state-owned financial institutions (SOFIs), and especially public banks. They remain systemically important in lower- and middle- income countries and are key players in local and international capital markets.

The old debate over whether state ownership is good or bad for financial stability and development has given way to new, more practical discussions on how public banks can better address market failures and sustainability and improve their governance and management (for a recent discussion see this [blog](#)). There are also attempts to make state ownership more dynamic, and to create new ownership arrangements that are designed to achieve better social and commercial results. Public banks are also becoming key actors in mobilizing climate-related investments.

For the World Bank to enhance consistency in its approach to support public banks, **F4D has kicked off the analytical work to generate more granular and comparable data on public banks, improve diagnostic tools, and build consensus on a common approach to public banks' reforms.**

F4D's newly approved *SOFIs: Stability, Sustainability and Inclusion* project aims to generate knowledge to inform the World Bank advisory and lending project design **including benchmarking for client countries seeking to reform their SOFIs and development finance institutions.**

Activities include developing a green module for public banks and a supporting diagnostic tool set, updating the Role of the State Technical Note under the Financial Sector Assessment Program (FSAP) to enhance the way the World Bank assesses public banks, and a database with a set of indicators to identify the magnitude of the state in the banking sector, and to cross-compare practices and trends. To complement these activities, a position paper will be produced to offer guidance for policymakers and the World Bank teams on the application of international good practice to the public banks.



In **Ukraine**, F4D is focused on advancing the use of Supervisory Technology (Suptech) to make better informed supervisory decisions and enhance risk-based supervision. Technical assistance is being provided to the National Bank of Ukraine to support identification of necessary Suptech solutions, including detailed descriptions of various functionalities and utilization methods for existing resources. Consultation on procurement and implementation of new applications and screening of potential partners will be provided to ensure independent quality assurance of project deliverables.

In **Chile**, work has begun with the Financial Market Commission on exploring the benefits of adopting advanced technology, such as artificial intelligence and natural language processing, to increase the efficiency of consumer complaints processing and market conduct supervision. This involves providing technical assistance for designing solutions to enhance the Commission's efficiency in managing consumer complaints and ensuring integration with the existing information technology architecture. Analysis of available resources at technical and operational levels is being carried out to identify the obstacles and bottlenecks. The team carried out an assessment on technical impediments for stakeholders, including financial institutions, to identify adequate technology adoption.

In **Indonesia**, F4D is supporting the government to strengthen the risk-based financial sector, retail payments, and market conduct supervision through Regulatory Technology (Regtech) and Suptech. The team delivered a report which is expected to enhance Big Data Analytics in capital market supervision and is now developing use-cases for securities company segmentation and market-driven analysis.

DID YOU KNOW? Demystifying Suptech

Effective supervision of financial institutions is crucial to promote the health and soundness of a financial market. The complexity of the financial system is increasing as the digital era generates a vast amount of data and new innovative financial products enter the market. As a result, many supervisory authorities are turning to technology-driven solutions (Suptech) to improve efficiency and effectiveness.

Suptech offers significant opportunities to revolutionize supervision by using advanced technology and abundant data. It helps authorities move toward risk-based supervision and proactive measures, promoting financial stability and trust in the financial sector.

Recently, there has been growing interest in Suptech. Authorities are eager to understand how Suptech adoption could benefit them, but awareness of its potential and challenges remains limited. This lack of understanding often hinders the initiation of Suptech projects.

F4D aims to bridge this knowledge gap among supervisory authorities by raising awareness and assisting in creating tailored, sustainable Suptech adoption strategies.

Pillar 2: Financing the Poor and the Vulnerable

Objective

Increased access and usage of suitable, safe, sustainable, and affordable services for individuals.

Overview

Access to financial services is pivotal for economic opportunities and promoting equitable growth, especially for traditionally marginalized groups like women, youth, displaced, and refugee populations. However, mere access is insufficient; usage of a broad range of suitable financial products and services is imperative to enable full benefits of financial inclusion such as women's economic empowerment, poverty reduction, ensuring resilience, building human capital, and consumption smoothing.

Priority Areas



Payment Systems and Remittances:

Efficient payment and settlement systems are essential for clearing and settling financial transactions. Secure, accessible, and affordable payment systems drive development, ensure financial stability, and expand financial inclusion. A focus of F4D's work is deepening the usage of digital payments through various reforms, including in improving merchant acceptance of digital payments and transitioning government payments (including social welfare transfers targeting vulnerable groups like women and youth, public sector salaries, and payments to the government) and remittances to digital channels. Our programs also support the modernization of retail payment systems with features like fast payments, QR codes, aliasing services, and open application programming interfaces (APIs). Additionally, we support domestic and cross-border payment enhancements for individuals, merchants, and MSMEs. Our contribution to the Remittance Prices Worldwide (RPW) database aligns with SDG 10.c.1 and emphasizes payments and remittances for migrants and forcibly displaced persons.

Financial Consumer Protection and Financial Capability:

Responsible financial inclusion demands robust consumer protection frameworks and effective financial capability interventions to manage the opportunities and risks of digital finance and fintech. This includes personal insolvency systems to provide "fresh starts" for overindebted consumers and households. F4D tailors solutions to address the specific needs of vulnerable populations such as women and the elderly, and customized financial capability interventions to enhance the usage of digital financial services.

Enabling Regulatory and Policy Framework for Fintech and MSME Finance:

Technology applications are pivotal across all priority areas, impacting private sector service provision, public sector financial supervision, and the delivery of public services. We support Fintech and initiatives like regulatory sandbox programs, accelerators, innovation hubs, know-your-customer (KYC) utilities, API hubs, cybersecurity measures, and fintech applications for capital market infrastructure.



F4D's comprehensive financial inclusion program facilitates the development and implementation of national payments systems, including fast payment systems, government payments, merchant payments, and cross-border payments and domestic remittances.

This approach expands account access, encourages account usage, and promotes digital financial services for low-income households, micro-enterprises, and small merchants.

100 percent of active portfolio grants within Pillar II leverage digital technology, highlighting the pivotal role of digital financial services (DFS) in reshaping the provision of financial services and fostering innovation in business models, applications, processes, products, and services.

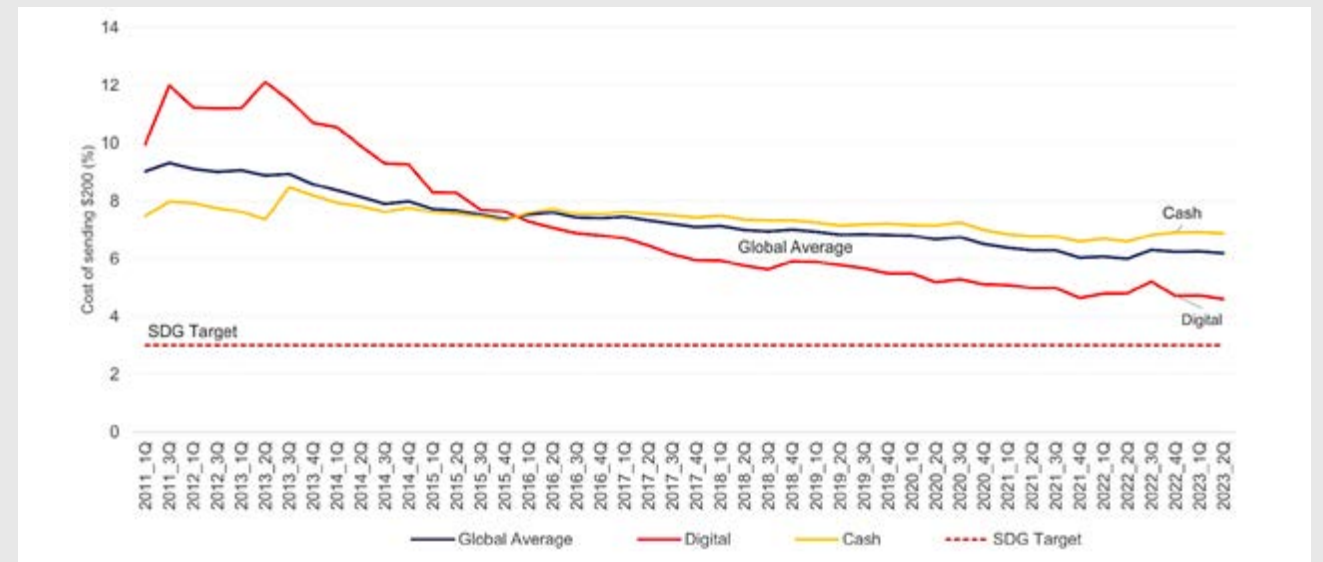
Gender is a critical cross-cutting theme for this pillar. Financial inclusion for women yields multiple benefits, including greater influence over household spending, reduced reliance on risky income sources, and enhanced resilience against unexpected expenses. Currently, around half of the active portfolio grants under Pillar II incorporate a gender perspective, and the percentage is expected to rise as programs mature. A dedicated Gender Approach Note and a Gender Mainstreaming guide for TTLs will be developed in FY24 to guide these efforts.

In **Morocco**, for example, F4D delivered a financial education program, including guided city tours to financial services agencies, targeting women, youth, and micro-entrepreneurs in urban, peri-urban, and peri-rural areas, to raise awareness of DFS. The program will continue to be delivered for groups particularly vulnerable to shocks.



IN FOCUS: Digital Remittances Program

SDG target: By 2030, reduce the transaction costs of migrant remittances to less than 3 percent



Source: World Bank, Remittance Prices Worldwide, Q2 2023.

WHAT ARE REMITTANCES?

Remittances are defined as cross-border person-to-person payments of relatively low value, which are typically recurrent, sent by migrant workers.⁴ Usually, remittances are sent to support the financial needs of the recipient's family or friends back home. In 2022, remittance flows to low- and middle-income countries reached a staggering US\$647 billion.⁵

WHY IS IT IMPORTANT?

The cost to consumers of remittances transactions is expensive relative to the incomes of migrant workers which are often low, the amounts sent, and the income of remittance recipients. Since the start of monitoring remittance costs via the World Bank's *RPW* database, an estimated US\$235

billion was saved due to a reduction in the global average cost from 9.4 percent in 2009 to 6.2 percent in 2023.⁶ This added income could then provide remittance beneficiaries more opportunity for consumption, savings, and investment in local economies. Any reduction in remittance prices would therefore have a significant effect on the income levels of remittance families.

Remittance prices are high for many reasons, including underdeveloped financial infrastructure in some countries, limited competition, regulatory obstacles, lack of access to the financial sector by remittance senders and/or receivers, and difficulties for migrants to obtain the necessary identification documentation to enter the financial mainstream.

4 Committee on Payment and Settlement Systems - World Bank (2007). *General principles for international remittance services*. Basel: Bank for International Settlements and Washington, DC: World Bank.

5 World Bank (2023). *Migration and Development Brief, No: 38*, Washington, DC: World Bank.

6 World Bank staff calculations based on data from World Bank's *Remittance Prices Worldwide* database and Global Knowledge Partnership on Migration and Development.

HOW DOES F4D SUPPORT THE AGENDA?

F4D launched the Remittances and Payments Program (RPP) 2.0 program to support countries to lower the cost of remittances through global knowledge generation and technical assistance for providers of remittance services at a local level, along with NGOs, local authorities, and regulators to strengthen the foundations for remittances and cross-border payment systems.

GLOBAL KNOWLEDGE

Steady progress has been made in knowledge generation on remittances as one of the World Bank's corporate contributions to the SDGs. The World Bank is the custodian agency responsible for monitoring the UN SDG indicator 10.c.1: "By 2030, reduce to less than 3 percent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 percent."

F4D funds the World Bank's data collection and reporting on remittance costs through the [RPW Database](#), which is the only consistent source of data across countries and over time on a global basis. Most recently, RPW was included as part of the measurement framework for the G20 Roadmap for Enhancing Cross-Border Payments.⁷ During FY23, quarterly data updates and reports have been fully on track and are expected to continue as one of the World Bank corporate commitments. Progress has also been made in the area of remittances, including launching research on the role of FX margins in remittance costs and on improving cross-country comparability of RPW indicators. Knowledge products will continue to be produced in future years based on discussions with World Bank internal stakeholders and donors, and they are expected to benefit World Bank operations.

COUNTRY SUPPORT

Under the **Western Balkans Remittances and Payments Program 2.0**, significant progress has been made in extending technical assistance to three countries to enhance financial inclusion. As planned, the team successfully delivered technical assistance to the Bank of Albania in drafting secondary regulations for the Payment Services Law. Similarly, technical assistance was provided to the Central Bank of Kosovo in drafting the Payment Services Law. The program also delivered technical assistance to the National Bank of Montenegro to establish a working group for regulating cryptoassets.

In **Haiti**, despite the extremely challenging environment, advancements have been made under the *Digital Financial Services and Remittances Project*, supported by F4D, to facilitate access to advances in several areas to promote access to digital payments and remittances for households.

First, a comprehensive diagnostic on the payment systems and the legal, regulatory, policy, and infrastructural eco-system on remittances was shared with the Central Bank in June 2023. This provides a detailed analysis of the current state of payment systems and identifies areas for improvement. The diagnostic is currently being updated and deepened based on the findings of a study in Haiti in October 2023. This means that the team is actively gathering more information and insights to ensure that the diagnostic is accurate and up to date. The diagnostic will help the Government of Haiti assess which DFS infrastructural investments they should prioritize, and some of them may be

financed by the Haiti Digital Acceleration Project. These, in turn, will contribute to the creation of an enabling environment for the digitalization of remittances.

Additionally, the team supported the Central Bank in drafting the national payment systems law and the payment systems providers' bill addressing digital termination of remittances and tiered account openings/basic transaction accounts. The team also developed a policy note on foreign exchange margins for remittances, following the exchanges with the Central Bank.

The **Ukraine Remittances and Payments Program 2.0** builds on the achievements and lessons learned from the initial phase of the program spanning 2018 to 2022. This program seeks to bolster financial inclusion in Ukraine by advocating for the adoption and use of digital payments, remittances, and other digital financial services.

Despite the challenges posed by the war in Ukraine, significant headway has been achieved in project implementation. One significant achievement is the provision of technical assistance to the National Bank of Ukraine in revising legal drafts for alignment with the Single Euro Payments Area. This technical assistance was jointly funded by the Swedish International Development Cooperation Agency Trust Fund for Ukraine.

In **Morocco**, the *Remittances and Payments Project* conducted in-depth research on barriers to electronic payment adoption with an analysis of policy options and incentives. The next step is to draft the retail payment strategy, which will include a roadmap to increase the usage of digital payments. Its recommendations will inform the Second National Financial Inclusion Strategy. Building on the insight from the research, the *Digital Finance for Morocco's Economic Transformation Project* initiated support on an experimental proof of concept on the retail Central Bank Digital Currency.



⁷ Financial Stability Board (2022). *Developing the Implementation Approach for the Cross-Border Payments Targets: Final Report*.

In **Jamaica**, F4D is financing the *Financial Sector Innovation* grant to broaden access to DFS and promote the use of electronic data for enhanced account portability and access to a wider range of financial services. The initiative involves providing technical assistance to the Bank of Jamaica to guide reforms related to account and credit portability through open finance, supporting the initial phases of implementation. The team has issued a report that identifies critical enablers based on international experiences and offers recommended solutions.

In **Indonesia**, F4D is supporting the government to enhance the distribution mechanism for vital government assistance programs while strengthening the technical capabilities of the ID authority and regulatory framework. Leveraging digital technology, the program aims to reduce barriers, lower costs, and mitigate fraud associated with account opening and financial services for unbanked and vulnerable populations. The team is in the process of preparing a system that facilitates data sharing among various G2P programs and the social registry.

During the summer of 2023, the team organized an Indonesia-Singapore digital ID and digital government knowledge exchange event in Singapore, inviting participation from various government agencies. The event's objective was to foster collaboration, share best practices, and advance implementation of the digital ID system across diverse sectors, including the financial sector.

Indonesia-Singapore knowledge exchange event



IN FOCUS: Fast Payment Systems Are Revolutionizing Domestic and Cross-Border Digital Payments

WHAT IS A FAST PAYMENT SYSTEM?

Fast payments are characterized by the instant transmission of the payment message and by the immediate availability of funds to the beneficiary on a 24/7/365 basis. They can bring substantial benefits to the way individuals, businesses, and governments make and receive payments.

WHY IS IT IMPORTANT?

Fast payments can drive financial inclusion, particularly in developing economies, where over 30 percent of adults lack formal transaction accounts, and over 40 percent do not engage in digital payments, as per the World Bank's Global Findex Database 2021. Moreover, fast payments can enhance remittances' efficiency, allowing real-time transfers for migrants to support their families and lowering transaction costs, moving closer to the UN SDG target of less than 3 percent. While the global average remittance cost is 6.25 percent, digital remittances stand at just under 4.72 percent.⁸

With the right support and enabling environment, fast payments can further expand, granting broader access to financial services, resulting in stronger growth and poverty reduction.

HOW IS F4D SUPPORTING THE AGENDA?

The World Bank's [Project FASTT](#) (Frictionless Affordable Safe Timely Transactions) drives global fast payment adoption. It entails:

- Building capacity in central banks and key institutions;

- Raising awareness and advocating for fast payment adoption, with a focus on low- and middle-income nations;
- Convening global stakeholders and international bodies to create a collaborative development agenda;
- Providing technical assistance for fast payment system improvements and new implementation;
- Generating and disseminating cutting-edge knowledge in fast payment systems.

GLOBAL KNOWLEDGE

During FY23, the team made significant advancements in data and research, advocacy work, and capacity building. The grant financed publication of new case studies and technical focus notes on topics such as the future of Fast Payment Systems (FPS), fraud risks, open banking, and customer authentication 2.0. Through workshops, articles, and media channels, the program is actively disseminating knowledge and experiences, and leading technical discussions as a front-runner in this area. Furthermore, capacity-building events and bilateral workshops were delivered. Details of the global knowledge work is available on the program's enhanced [website](#).

COUNTRY SUPPORT

F4D's Umbrella Trust Fund manages direct country initiatives and technical assistance across multiple nations/projects. The active portfolio includes the following countries and regions: Angola, Cabo Verde, Colombia, Iraq, Madagascar, Peru, Uruguay, WAEMU,

⁸ Pesme, Jean. "Fast Payments Offer Potential for Faster Digital Financial Inclusion and Faster Growth." World Bank Blogs, September 28, 2023.

and Zambia. In the second quarter of FY24, activities in the following countries will enter implementation: Nigeria, Uganda, Africa Wide Regional Payments Platform project, Uzbekistan, Kyrgyzstan, Georgia, and Paraguay.

Angola

Development of an open finance framework which will enable more payment service providers to connect to the fast payment system via the open API - once an API framework has been established - and can help build additional overlay services on the fast payment system to help unlock the full potential of fast payments in the country.

Cabo Verde

Constitution of a National Payments Council with the mandate to facilitate the wider introduction of payment system innovations and notably a fast payment interoperable infrastructure to promote formalization of the economy and transition to more digital payments.

Colombia

Supporting the Central Bank of Colombia in developing a first draft regulation on interoperability of low value fast payments. The team is already working to inform other potential regulatory needs. In coordination with other World Bank units such as Social Protection, G2P Payments, and Consultative Group to Assist the Poor, the team is working on government payment digitization under a broader engagement.

Iraq

Supporting the Central Bank of Iraq in developing and implementing fast payments in the country by ensuring

adequate management of the fast payment implementation process. The Central Bank of Iraq and the World Bank team are setting up implementation arrangements for planning, development, and monitoring of the implementation of a fast payment system, and the Bank team is providing advice on critical areas to develop which will inform the implementation plan.

Madagascar

Development of fast payments capabilities in the country along with the uptake in digital transactions and acceptance of electronic payments in the merchants' ecosystem based on the new national switch funded through a World Bank lending operation.

Nigeria⁹

Development of technical specifications of overlay services on top of the fast payment system in the country such as request-to-pay, and proxy identifiers to increase uptake and enhance customer experience.

Peru

Supporting financial sector authorities to develop reforms enabling fast and interoperable payment services. The key focus of the technical assistance is on providing comprehensive guidance to authorities in the design and implementation of fast payments, on aspects such as policy and governance, operations, functionality, legal/regulatory, risk management, and consumer protection. The team undertook a virtual mission to prepare a background note on current initiatives and market challenges in expanding fast and interoperable payments; this analysis will inform subsequent technical assistance and may be expanded to cover additional topics next calendar year. The team has also

provided several rounds of comments and technical discussions with authorities on regulatory reforms drafted by Banco Central de Reserva del Perú (e.g. on a new general regulation for payment service providers) and has delivered three capacity-building sessions to financial sector authorities on underlying technologies for open finance, jointly with the World Bank's Innovation Lab.

Uruguay

Supporting the Central Bank of Uruguay in the development and implementation of a fast payment system, incorporating a variety of use cases relevant to the country context. So far, the assistance has been focusing on activities related to QR code standards for fast payments, assisting the Central Bank of Uruguay on the regulation regarding interoperability of QR codes for Person-to-Merchant fast payments and delivering a workshop to their staff on the use of QR codes for fast payments, based also on international experience and best practices.

WAEMU (West African Economic and Monetary Union) Region

Supporting fast payments and interoperability through a series of workshops to conceptualize the WAEMU approach to fast payments, as well as regulatory reforms on payment systems for a coordinated and comprehensive approach to payment systems and services, including innovative payment services provided by fintech.

Zambia

Providing technical assistance to the Bank of Zambia in the implementation of a fast payment system, which will enable innovation in DFS and further integrate retail payments.

Click [here](#) to learn more about the World Bank's work on Fast Payments.



9 Grant will become active in FY24.

Pillar 3: Financing the Real Economy

Objective

Reduced financing gaps and broader coverage for business.

Overview

Emerging markets and developing economies (EMDEs) require private sector financing to support vital sectors like corporations, Micro, Small & Medium Enterprises (MSMEs), infrastructure, housing, and agriculture. F4D aids countries in filling these critical gaps by focusing on corporate and MSME finance, corporate debt restructuring, and insolvency regimes.

Priority Areas



Corporate and MSME Finance: F4D facilitates access to tailored financial services for MSMEs, including support for community-based financial institutions and microfinance. It promotes transparent financial reporting by SMEs, women entrepreneurship, and reforms in Development Finance Institutions. The initiative diversifies funding sources with innovative capital market solutions and equity funding options like angel funds, private equity, venture capital, and dedicated stock exchange compartments.

Corporate Debt Restructuring and Insolvency: F4D supports countries in developing insolvency and debt resolution regulatory frameworks. Activities encompass analysis of the legal framework, training for regulators and judges, and the establishment of asset-management companies.

Infrastructure Finance: F4D focuses on addressing market constraints in infrastructure finance, including deepening local currency markets, aligning projects with SDGs and climate change goals, and enhancing capacities among domestic investors.

Housing Finance: F4D aims to create resilient and affordable housing finance markets through diagnostics and knowledge dissemination, linking with financing operations, and leveraging the private sector.

Agricultural Finance: F4D provides policy advisory, strengthens stakeholders, and develops innovative products to improve access to finance for farmers and agribusiness SMEs.

Global Initiatives: F4D is developing a toolkit for enhancing SME financing through lending operations. This toolkit offers a framework for addressing SME financing gaps and assessing interventions' impact, challenges, and design lessons.



F4D aims to assist policymakers in designing SME finance programs that foster SME sector growth, resulting in higher overall economic growth, increased productivity, and job creation.

For example, at the global level, **the team is developing a practical toolkit on how to design lending operations to enhance SME financing.** The toolkit will help World Bank teams provide better support to governments of EMDEs as they seek to bridge the SME finance gap. It will provide a framework to evaluate typical SME financing interventions, identify the specific challenges or market failures they target, their pros and cons, and present global evidence of their effectiveness. Additionally, it will provide insights and lessons learned from the implementation of these types of interventions across countries.



IN FOCUS: Providing Access to Financing for Critical Sectors for Economic Growth in India

India's [Systematic Country Diagnostic](#) emphasizes the country's need to accelerate infrastructure investment to 8.8 percent of GDP, on a climate-adjusted basis, from 2016 to 2030, to achieve its growth agenda. The [Country Partnership Framework](#) highlights the importance of increased infrastructure investment to support rapid urbanization and address the resulting pressure on urban services such as water, housing, and transportation. Additionally, it recognizes the role of the private sector in catalyzing investments for critical infrastructure development.

The F4D grant is providing analytical work and technical support to the Government of India to address the significant financing gap in infrastructure and to advance the ecosystem for green financing.

In FY23, the team initiated research on the operational model of the Credit Enhancement Fund. This fund could be established either as a separate company or as a fund under NaBFID (a development finance institution in India, specifically for the infrastructure sector). A new facility is also being considered to support state governments and municipalities in improving infrastructure planning and financing. The team is currently working on a report on municipal bonds and other innovative mechanisms.

To support the government's **green finance agenda**, the team provided support to the Ministry of MSMEs in defining a green taxonomy for green projects. A report on energy service companies has also been shared with the Ministry to inform their decarbonization plan.



Pillar 4: Developing Financial Markets

Objective

Enhancing financial markets' development and competitiveness while increasing private sector participation.

Overview

Many countries seek assistance in strengthening and diversifying their financial systems to facilitate greater long-term finance through capital markets and bolster domestic institutional investors. This approach helps deepen the overall financial sector, stimulate competition and innovation, and shift long-term local currency funding from banks to institutional investors. Under this pillar, **F4D supports countries in mobilizing long-term finance by attracting private capital**, with a focus on various aspects of capital markets (such as bond markets, sukuk, private equity, venture capital, and equity), derivatives, structured finance, securities market infrastructure, institutional investors (including pensions, insurance, and investment funds), and fostering competition within the financial system.

Priority Areas



Capital Markets Development and Deepening: F4D focuses on providing guidance and strengthening institutions to create the prerequisites necessary for capital markets to develop. Our projects assist countries in enhancing specific market segments, starting with equity markets, money markets, and corporate bond markets. These segments play a vital role in economic growth and financing for banks, corporations, and SMEs. The team also supports the establishment or modernization of securities market infrastructure, which is crucial for ensuring market efficiency, equitable access, low transaction costs, and asset integrity.

Pension, Insurance, and Investment Funds: F4D focuses support on strategic reforms to ensure sufficient supply of institutional investors' assets for secure long-term investment for quality insurance products. Another line of work supports the establishment of pension consortium groups to coinvest in infrastructure projects. We provide legal, regulatory, and capacity-building support to insurance sector regulators to develop local markets or prepare more advanced economies for adopting international regulatory standards.

Enhancing Competition in the Financial System: F4D's work aims to foster more competitive financial systems in EMDEs by creating a level playing field among different lenders, including state-owned banks, private banks, non-bank lenders, and between the banking sector and capital markets. F4D promotes competition policies and institutional arrangements, and measures to lower entry barriers. Efforts extend to defining open and interoperable market architectures including trading and post-trading platforms and payment systems that serve all market stakeholders, prevent concentration, and limit monopolies. Additionally, F4D assists countries in developing digital finance policy and regulatory frameworks to support competitive financing markets, such as "open finance/banking" models.



The work within this Pillar primarily supports client governments in developing more competitive financial markets and increasing private sector leverage. This involves conducting diagnostics and providing technical assistance to governments for implementing reforms focused on:

- Deepening and strengthening capital markets and securities markets;
- Strengthening financial markets;
- Developing and implementing pension systems and reform strategies;
- Enhancing the capacity of insurance sector regulators and building insurance markets; and
- Supporting the development of financial products to facilitate long-term financing for sectors like housing and infrastructure.

In **Zambia**, the market capitalization of listed domestic companies is low at 12 percent, according to the Securities and Exchange Commission, and the variety of products is very limited. The government recognizes the need to expand the breadth and depth of the market to transform Zambia's capital market as an attractive destination for international long-term investment and a primary source of long-term capital. The new Capital Market Masterplan, approved in 2022, aims to implement reforms to unlock long-term domestic finance for development. Teams are providing technical assistance to the Securities regulator to implement the plan.



IN FOCUS: Regional Integration to Build Stronger Capital Markets in Central Africa

The development of regional capital markets has been a priority for **CEMAC (Central African Economic and Monetary Community)** since 2018. Historically, the development of capital markets in CEMAC has been hindered by rivalries between the regional stock exchange, BVMAC (Bourse des Valeurs Mobilières de l'Afrique Centrale), and the Cameroon Stock Exchange. However, under the leadership of the BEAC (Banque des États de l'Afrique Centrale), the two stock exchanges merged in 2019.

The World Bank has been supporting the BEAC throughout this reform process through two projects. These projects financed technical assistance for the development of new regional capital markets regulations, conducted analytical studies on private equity and venture capital and Real Estate Investment Trusts, and supported investments in the acquisition of a centralized securities depository and capacity-building initiatives. The authorities remain committed to this agenda and aim to consolidate their efforts with second-generation reforms to develop dynamic and sustainable capital markets.

The F4D grant supports regional authorities to develop inclusive and sustainable capital markets that effectively contribute to expanding long-term finance in the region. This work aligns with the updated [Regional Integration Strategy](#) (FY21-23), which focuses on supporting the continent's recovery from crises and promoting economic transformation through regional integration. The strategy emphasizes trade and market integration and identifies the development of long-term financial markets for infrastructure, housing, and SMEs as a priority.

The team plans to support the Commission de Surveillance du Marché Financier de l'Afrique Centrale in drafting instructions to facilitate the implementation of the regional capital markets law as well as supporting the development of market instruments such as Venture Capital and Private Equity as well as Real Estate Investment Trusts.



Cross-cutting themes

Gender | Climate Change | Digital

F4D's cross-cutting themes reflect broader developmental trends that carry deep and irreversible impacts on the evolution of financial systems.

All F4D active grants incorporate at least one cross-cutting theme in their scope.



Financing Solutions to Close Gender Gaps



Systematically including gender considerations and responding to women's financial needs within program implementation is indispensable to support the [World Bank's Gender Strategy](#).

F4D activities aim to incorporate gender-sensitive components to projects where possible, both by incorporating gender-sensitive analysis in the design of projects and by adding sex-disaggregated indicators throughout. While systematic efforts will be made to mainstream gender across all F4D pillars, gender-sensitive activities are more closely related to Pillar 2 *Financing the Poor and the Vulnerable* and Pillar 3 *Financing the Real Economy*.

F4D's financial inclusion program supports activities related to financial services for micro enterprises including projects focused on women's financial inclusion, financial consumer protection, financial education, and financial capability activities directed to the needs of women as well as digitalization of remittances for women remittance receivers. Across Pillar 2, gender-related activities focus on:

- building foundational knowledge and data related to gender gaps in financial access and usage;
- providing project design and implementation guidance to operationalize gender-smart solutions through products such as National Inclusion Strategies, National Fintech/DFS Landscaping, and National Payment System Strategies.

For example, the Inclusive **Digital Financial Services Reference Guide** now includes a module on how DFS can address the gender gap in financial access. The Reference Guide, initially developed in 2019 and updated in 2022, is an online tool to assist regulators in exploring policy options to drive financial inclusion through DFS. As the field continues to advance, this guide will keep current with the latest topics, case studies, and the data/trends it presents.

In **Mexico**, jointly with IFC and CGAP, the World Bank teams will develop guidance and a toolkit for financial institutions to better serve women customers, with plans to evaluate their impact over time.¹⁰ A progress dashboard will also be developed to track the financial institutions' adoption of the guidelines. To capture the customers' perspectives, surveys will be conducted for women to gauge the value of services offered by the financial institutions.

Across Pillar 3, gender-sensitive activities include analysis of gender-related issues in key sectors such as MSME, housing and agriculture finance, formulating relevant policies to address them, and providing technical assistance to client governments on design and implementation of gender-smart interventions in those sectors.

In FY24, F4D will continue to prioritize gender-sensitive project designs, with a forthcoming F4D Approach Note on Gender and an accompanying Gender Guide for the Operational Teams to help task teams through the process of designing, setting up, and measuring promising gender interventions

¹⁰ While the preparation started in FY23, the grant will become active in FY24, following internal processing steps.



Advancing Digitalization

The World Bank's new vision emphasizes the critical importance of accelerating digitalization at scale to address global challenges.

DFS are central to the digitalization agenda, enabling the development of vibrant, inclusive, and safe digital economies. **DFS lower costs, increase speed, security and transparency, and allow for more tailored financial services that serve the poor at scale.** DFS address both supply-side issues (like high operating costs and limited competition) and demand-side challenges (such as unstable and low incomes, lack of trust and formality, and geographic barriers) that hinder access to financial services.

Currently 90 percent of the active F4D portfolio grants across all pillars embed digital technology in their scope, with this percentage expected to rise in FY24 as more F4D activities enter implementation. Notably, **100 percent of the grants under Pillar 2, Financing the Poor and Vulnerable, use digital technology** to enhance the efficiency and effectiveness of financial systems for faster financial inclusion.



In **Morocco**, F4D is supporting the country's efforts to position itself at the forefront of digitalization of the financial sector in the region, while addressing gender gaps. The *Digital Finance for Morocco's Economic Transformation* and the *Remittances and Payments* project aim to reduce the gender gaps and boost the use of electronic transactions, through targeted awareness-raising and training programs for women. Ongoing discussions are being held with the Central Bank of Morocco to expand the financial literacy activities in light of a new National Financial Inclusion Strategy.

In **Madagascar**, while the financial sector is growing, many people lack access to financial services. The World Bank team is supporting the development of fast payments capabilities and fostering uptake in digital transactions and acceptance of electronic payments in the merchants' ecosystem based on the new national switch. In FY23, the first workshop on the operating rules of instant payments and capacity-building sessions on fast payments was delivered to the Central Bank of Madagascar.



Climate Change and Sustainable Finance

Strengthening the ability of people and countries to prevent, prepare, and recover from shocks, including against climate crises, is one of the critical elements of the World Bank's vision and mission.

Climate change poses significant risks to the financial system, as acknowledged by central banks, regulators, and market participants.

These risks come in two forms: physical risks and transition risks. Physical risks involve more frequent and severe natural disasters like droughts, hurricanes, and floods, as well as long-term changes such as rising sea-level and temperatures. Transition risks are related to the revaluation of assets due to climate policies (like carbon taxes), technological advances, and shifting consumer preferences, which may lead to assets losing value or becoming obsolete ("stranded"). These changes can increase credit, operational, and market risks for lenders, raise the risk exposure for insurers and reinsurers, and impact the investment portfolios of institutional investors.

F4D supports green and sustainable finance markets with the development of instruments (e.g., green bonds, green infrastructure investment, green mortgages, sustainable agriculture finance), environmental, social and governance integration by institutional investors, as well as green and sustainable finance roadmaps, taxonomies, and disclosure regulation. Country engagements often cover both the risk and opportunity dimensions, aimed at strengthening financial sector resilience and deepening of green markets.



Climate change and sustainable finance are key priorities in F4D's agenda, with specific climate-related components embedded into the scope of select grants. At the global level, for example, teams are developing a toolkit to design more effective interventions aimed at expanding financing to SMEs for climate adaptation and mitigation. At country level, activities across Africa, Middle East and North Africa, and South Asia have embedded climate considerations in project design. Most of the technical assistance grants are designed to inform large-scale World Bank financing operations to accelerate efforts to reduce the impact of climate change.

In **India**, F4D supports the country's commitment to promoting green and sustainable finance, mobilizing private capital for green investments, and addressing climate change challenges through innovative financial mechanisms. The team is providing technical assistance on the green finance agenda, including de-risking strategies, environmental, social, and governance lending, energy service company models, and dispute resolution, among others. Support was provided to the Ministry of Micro, Small & Medium Enterprises to define a green taxonomy for green projects, and F4D-funded research on energy service companies is informing the design of the Ministry's MSME decarbonization plan.

In **Madagascar**, F4D promotes the creation of a green window in the partial portfolio credit guarantee scheme that was supported through the *Financial Inclusion Project*, a World Bank financing operation. The team is providing technical assistance to the Minister of Finance to create a green window that will cover a portion of the credit losses emanating from loans to MSMEs that are impacted by a climate shock and/or that undertake investments for climate adaptation. This technical assistance will support the preparation of a financing operation that will use this green window to channel emergency liquidity to MSMEs in case of a climate disaster, ensuring the preservation of jobs in affected areas. This activity also responds to some of the recommendations from the financial chapter of the Country Climate and Development Report for Madagascar, which was delivered with the support of F4D.

Associated Single-Donor Trust Funds





Albania: Enhancing Financial Resilience and Access to Green and Innovative Finance



Relevant Pillars:

Pillar 1, Pillar 3,
Pillar 4



Relevant Cross-cutting themes:

Climate, digital financial services



Select Targets:

- Adoption of Action Plan for Enhancing Access to Finance
- 13,000 new members of private pension schemes
- 50% of insurance market exercising EU Solvency II capital requirements

Challenge

While the Albanian economy continued to rebound strongly despite consecutive shocks since 2019-2020, its growth remains vulnerable. Financial sector's contribution to financing the economy is limited, resulting in access to finance becoming one of the biggest constraints limiting firm growth, employment, and productivity. The government has identified access to finance for priority sectors and business segments as an area that requires targeted improvement and support.

Solution

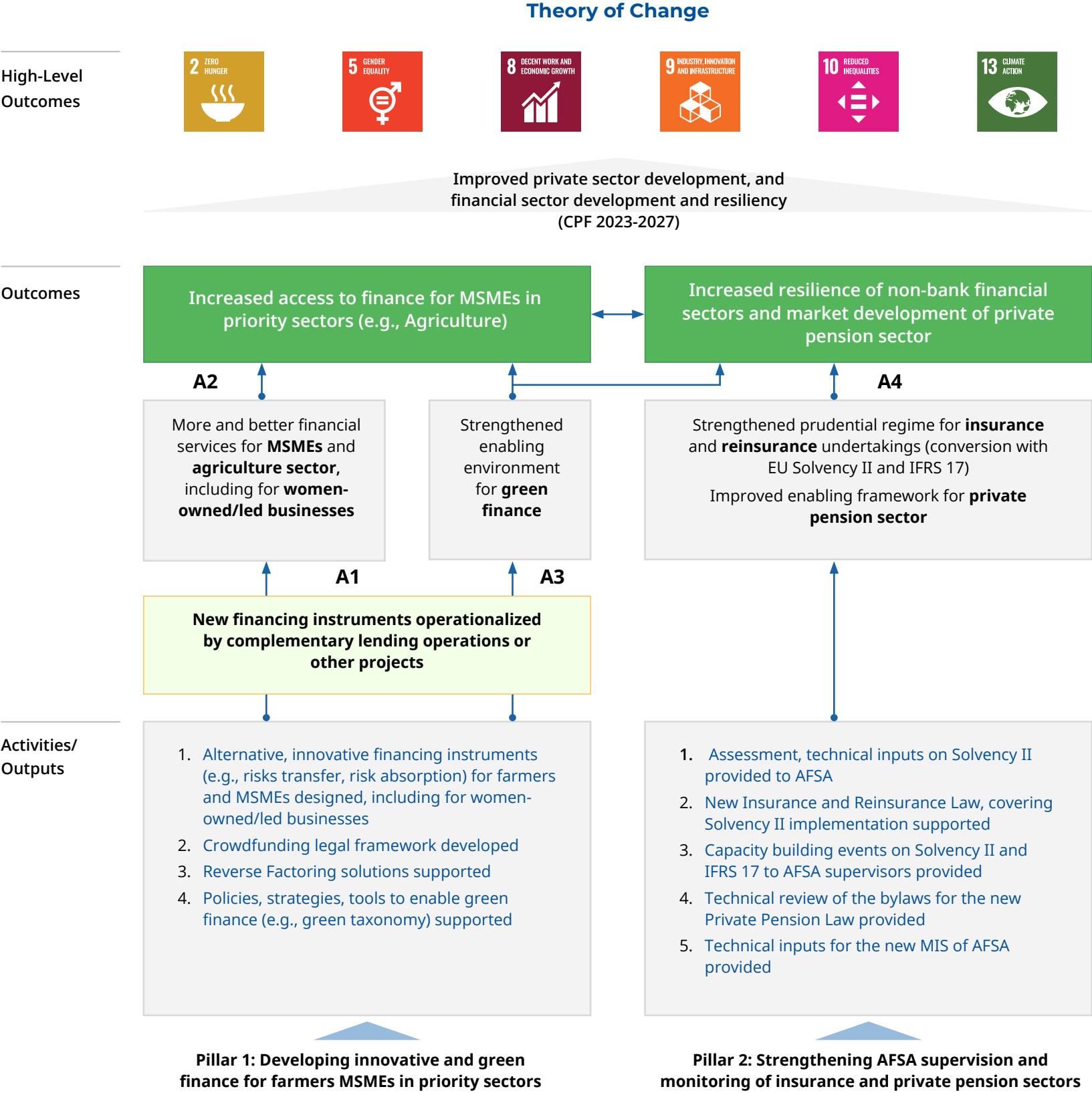
The multi-year technical assistance program is supporting activities that enhance access to green and innovative finance for farmers and MSMEs in Albania in line with the authorities' strategic priorities, while further strengthening capacities of the Albanian Financial Supervision Authority to supervise the insurance sector, and private pension funds.

The team provides guidance and technical expertise to catalyze private capital mobilization with a special attention to target farming and women businesses. One of the paths to be considered is to use public funding as concessional finance to be blended with private capital of banks and micro finance entities as way to improve their capacities to absorb more risk, explore credit guarantee products, mobilization of remittances, etc. Activities also support development of a crowdfunding legal framework, address the country's liquidity challenge, and assist national green activities. A dedicated pillar of the program focuses on further strengthening the Authority's supervision and monitoring of insurance and private pension sectors to improve management of these sectors.

Progress and next steps

In fiscal year 2024, the team plans to deliver a high-level insurance sector development conference in October 2023, and kick off implementation of access to finance activities, technical assistance to AFSA on Solvency II and IFRS 17 introduction for insurance sector, and preparation of regulations of the new private pensions law.





Critical Assumptions:

A1: Smooth operationalization of related lending operations to enable the new instruments introduced to the MSMEs and farmers through financial institutions

A2: Favorable macroeconomic conditions which enable financial institutions to expand lending.

A3: Good coordination of relevant agencies (MoF, AFSA, Central Bank) in operationalizing green finance policies.

A4: Favorable conditions exist for insurance companies to comply with the enhanced prudential regime





Azerbaijan: Financial Sector Mod- ernization



Relevant Pillars:

Pillar 1, Pillar 2,
Pillar 3



Relevant Cross-cutting themes:

Digital financial services



Select Targets:

- 50% of adults that made or received a digital payment
- 53% of adults with an account in a financial institution or mobile money service providers
- 2 Basel Core Principles on which there is an observed improvement in compliance

Challenge

While system-wide financial soundness indicators have improved significantly since the compounding crises over the past years, the financial sector continues to experience significant challenges, including persistent structural vulnerabilities, low credit intermediation, and limited financial inclusion. Continued efforts to strengthen the regulatory and supervisory capacity and to promote improved access to finance and inclusive growth are required for macro-financial stability and economic diversification.

Solution

The program builds on continued financial sector engagements by the World Bank in Azerbaijan over the past decade, with the support of SECO, and is aimed at supporting financial sector authorities of Azerbaijan in their efforts to build a more resilient and inclusive financial sector. It contributes to the National Socio-Economic Development Strategy 2022-2026, which includes priority activities and objectives related to aligning the financial stability frameworks with international standards and implementing a financial inclusion program.

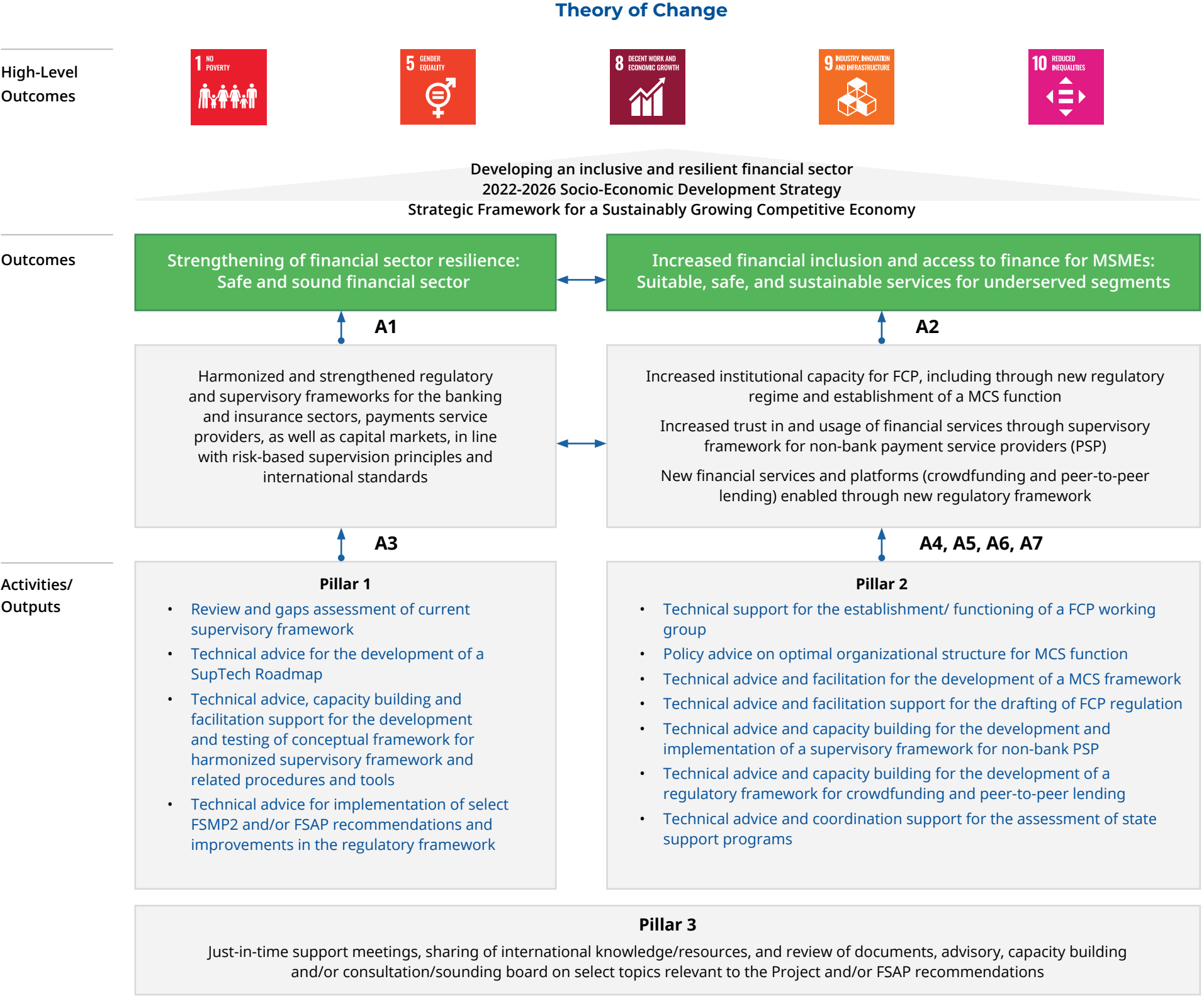
To strengthen financial stability, the team plans to support the development and implementation of a harmonized approach to risk-based supervision, across banking, insurance and capital markets, based on international standards and best practices, risk assessment methodologies and supervisory tools, as well as complementary development of Suptech to support reporting, analytics, and supervisory planning and decision making for effective supervision. The team will also provide targeted assistance for AML/CFT oversight based on the recommendations from the forthcoming MONEYVAL mutual evaluation report. In supporting the implementation of the national financial inclusion program, the team will provide technical assistance to develop a financial consumer protection and market conduct supervision framework, regulatory and oversight framework for select areas of digital financial services, as well as other targeted support, including an assessment of state support programs for SME access to finance and policy options for improving their effectiveness, in line with the recommendations of the 2022 Financial Sector Assessment Program. Just-in-time capacity building on bank resolution and operationalization of the newly established Resolution Unit of the Central Bank of Azerbaijan will also be delivered.

Progress and next steps

Despite the identified risks of weak institutional capacity and client ownership, program implementation kicked off in September and solid progress was made in identifying priorities and defining workplans in key workstreams such as the risk-based supervision, financial consumer protection, Suptech, bank resolution, and DFS. High-level buy-in was obtained through an extensive multi-stakeholder engagement as part of the project's kick-off. Implementation details are expected to be agreed with Central Bank of Azerbaijan (including the workplans, key milestones and timeline for the risk-based supervision and financial consumer protection workstreams, as well as institutional and program management arrangements) at the start of calendar year 2024.

The second implementation mission is planned in December 2023 to discuss priorities for bank resolution framework and resolution planning and for the development of a Suptech roadmap. The team has also conducted initial scoping discussions virtually on sector-specific issues related to insurance and capital market supervision, and on DFS.







Kyrgyz Republic:
Enhancing Financial Stability and Promoting Innovative Finance and Inclusion



Relevant Pillars:
Pillar 1, Pillar 2,
Pillar 3



Relevant Cross-cutting themes:
Gender, Digital financial services,
Climate



Select Targets:

- 55% of the population of Kyrgyz Republic with access to and usage of financial services
- 3,000 new Micro, Small & Medium Enterprises financing facilitated
- 10 laws/regulations supported

Challenge

The Kyrgyz financial sector is facing increased risks due to increasing non-performing loans. Banking supervisors need to closely monitor the asset quality—especially the forward-looking considerations of the borrowers’ likelihood to repay. In addition, enhanced measures for banks dealing with high non-performing loans should be introduced. Against the backdrop of uncertainty in global economic recovery, financial sector authorities need to enhance bank resolution, financial safety nets and crisis preparedness, while allowing innovations in the financial sector to emerge amid greening the financial sector.

Solution

The project is supporting the Kyrgyz authorities in their effort to continue financial sector reforms in multiple areas. These include enhancing banking stability, strengthening insolvency regimes, modernizing financial infrastructure, expanding financial inclusion, and catalyzing green and sustainable finance. The activities are expected to take the financial sector reforms to the next level by modernizing legal, regulatory, and supervisory frameworks to enhance financial stability, while supporting financial deepening and inclusion through innovative new products and expansion of existing ones.

Technical assistance aims to support regulatory and supervisory framework for banks, micro finance organizations and credit unions to strengthen financial safety net, crisis preparedness, and contingency planning. Reforms on

debt resolution and insolvency will also be supported. To enhance financial inclusion, the project will help with the development of new innovative products such as Portfolio Risk Sharing Facility, green guarantees, green finance, export finance and export guarantees. Advisory support will be delivered to establish and manage financial market infrastructure such as a fast/instant payment system, a retail Central Bank Digital Currency system and open finance. Modernization of secured transactions and credit reporting will also be supported.

Progress and next steps

The project activities will kick off in December 2023, building on the predecessor partnership, Financial Sector Development Project.



High-Level Outcomes



Theory of Change

Outcomes

Enhanced banking sector stability and confidence in the financial system

Increased access to finance for especially MSMEs

Expanded financial inclusion

Strengthened risk-based supervision for banks, microfinance organizations, and credit unions in accordance with best international practice, including disclosure of climate related financial risk

Enhanced NBKR's capacity to undertake market conduct supervision and strengthen financial consumer protection measures

Strengthened financial safety net and crisis preparedness framework

New, innovative products launched for MSMEs

Enhanced debt resolution and insolvency framework, facilitating access to finance for viable companies

Increased availability of **suitable movable-assets-based financial products** for MSMEs

Improved data sharing and access to alternative data to support financial inclusion and prevent over-indebtedness

Enhanced digital financial infrastructure including Fast Payment System and digital currency to enable innovations in financial inclusion

Activities/ Outputs

- Internal Capital Adequacy Assessment: process, regulations, methodology developed
- Risk-Based Supervision methodology, manuals, tools, capacity building provided
- Guideline on governance risk management and disclosure of climate related financial risk developed

- Market conduct supervision manual and related tools developed
- Staff trained
- Technical inputs for enhancing the Internal Dispute Resolution mechanism provided

- Legal framework for emergency liquidity assistance and other related regulations amended
- DPA operational process in payout and resolution financing; contingency backup funding mechanism developed
- Cooperation arrangement between safety net participants developed/ strengthened

- New, innovative products designed and launched (e.g., PRSF, green guarantees, green finance, export finance)
- SDB operationalized

- Legal and regulatory framework for insolvency developed/ strengthened
- Insolvency administrators trained
- Awareness raising materials and events organized

- Legal and regulatory framework for ST amended
- New collateral registry specifications developed and implemented

- Legal and regulatory amendments to allow FIs to share credit information with Credit Bureau (CB) drafted and adopted
- Technological connection between CB and business registration system developed and adopted
- Specifications for technology of CB developed and implemented
- Training provided

- Design of Fast Payment System developed and adopted
- Open APIs regulation developed and adopted
- Design options of the digital currency developed and adopted

Provide TA, and capacity building to NBKR on supervisory frameworks:

- Risk-Based Supervisory Frameworks for banks, MFO, CUs;
- Green finance and climate risk in banking supervision;

Provide TA, and capacity building to NBKR on market conduct and consumer protection:

- Market conduct supervision manual and tools
- Internal Dispute Resolution mechanism

Provide TA, and capacity building to NBKR on:

- Legal and regulatory framework for crisis preparedness and contingency planning
- CB for Deposit Protection Agency
- Arrangement between safety net participants

Support with new innovative products (PRSF, green guarantees, green finance, etc.) and operationalization of the new State Development Bank (SDB)

Provide TA, and capacity building on:

- Legal and regulatory framework for insolvency
- Training and awareness raising materials

Provide TA, and capacity building on modernizing Secured Transaction legal, regulatory framework and infrastructure

Provide TA, and capacity building on modernizing the Credit Reporting System's legal, regulatory framework and infrastructure

Provide TA, and capacity building on developing digital financial infrastructure, including Fast Payment System, digital currency, and Open API

1. Enhanced banking sector stability and confidence in the financial system

2. Financial Safety Net, Crisis Preparedness, and Contingency Planning

3. New Innovative Products and Institutional Development

4. Debt Resolution and Insolvency

5. Secured Transactions

6. Credit Reporting System

7. Financial Market Infrastructure



Tajikistan: Strengthen- ing the Finan- cial Sector Phase II



Relevant Pillars:

Pillar 1, Pillar 2,
Pillar 3, Pillar 4



Relevant Cross-cutting themes:

Digital financial services, Gender



Select Targets:

- Basel II/III capital framework developed and implemented
- 50 percent of guaranteed loans extended to female-owned MSMEs
- 4 policies supported for capital markets development

Challenge

The relatively low levels of financial development and financial stability challenges that currently prevail in Tajikistan weigh on the country's macroeconomic outlook. Recent external shocks and the tightening of global financial conditions pose significant challenges to the sector. Continued efforts are needed to reduce vulnerabilities to complement the financial sector reforms being undertaken by the authorities to safeguard the stability of the financial system and deepening financial intermediation.

Solution

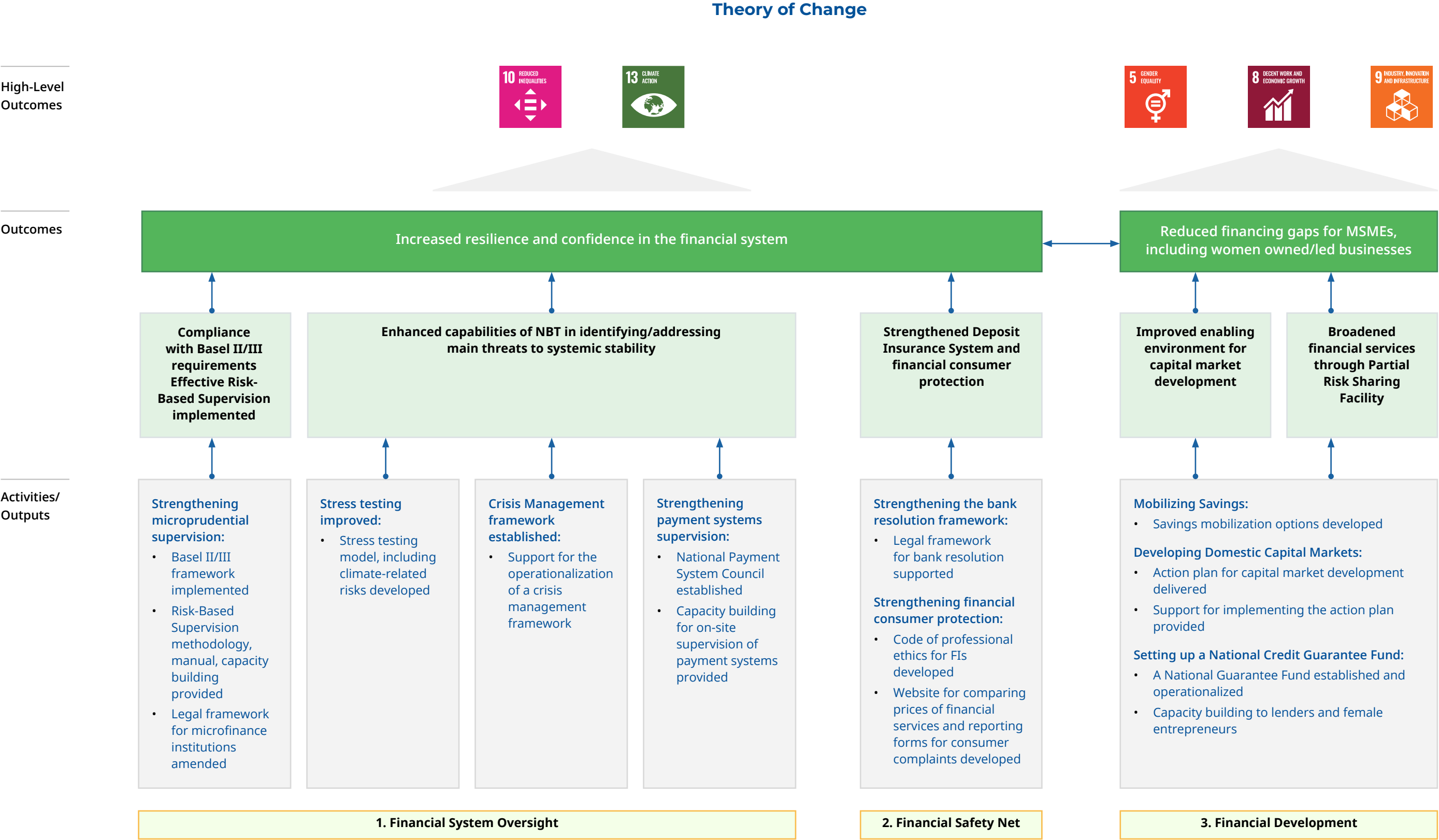
The project is supporting the country to increase the resilience and confidence in the financial system while tackling some of the longer-term structural impediments to financial development in Tajikistan. By spurring structural reforms and strengthening institutional capacity, the project is expected to lead to increased savings mobilization and financial intermediation backed by strengthened regulatory and supervisory frameworks. The activities are organized around three mutually reinforcing pillars: financial system oversight, safety nets and financial development.

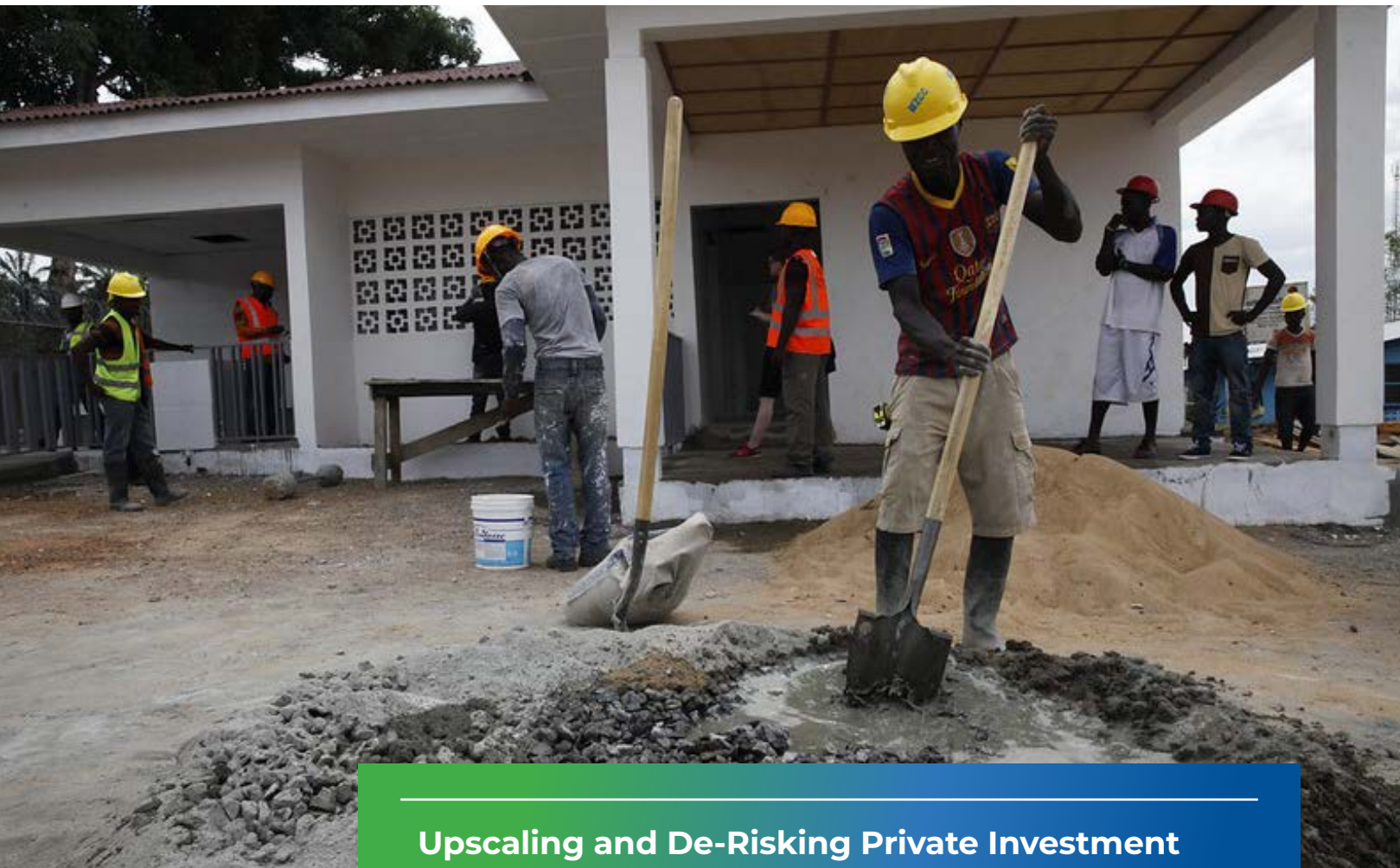
The project plans to provide technical support and capacity building to the National Bank of Tajikistan to help move microprudential supervision gradually towards Basel II/III, enhance its stress-testing framework as well as payment system supervision. To comprehensively strengthen the ability of the financial firms, their clients, and the authority to withstand shocks, the team will provide technical assistance and training to enhance the deposit insurance and resolution framework and strengthen consumer protection. Finally, for financial deepening the activities will focus on strategy development and implementation for savings mobilization, domestic capital market development and implementation of a national credit guarantee fund for MSMEs.

Progress and next steps

Prior to the project's official kick-off in September 2023, multiple stakeholder engagements took place to agree on project deliverables and processes such as the log frame and timelines. Meetings with development partners identified areas of overlap and decisions were made on a collaboration implementation structure. Given the multiple stakeholders working with the government of Tajikistan to develop its financial system, the team will continue to coordinate with key partners to strategize and decide on joint action. The team will also utilize a combination of trainings, on-the-job mentorship, and peer learning to support with institutional capacity development within the government.







Upscaling and De-Risking Private Investment in Affordable Green Housing Supply in Kenya

Challenge

Kenya's population is young and urbanizing rapidly, putting strong pressure on housing needs. However, urban housing is not affordable due to the cost of financing, the short loan tenors, and the high cost of properties. There is an opportunity to unlock the supply of affordable green housing developments by using innovative financial solutions to de-risk private investment at scale and enhancing capacity of the state to attract private investment into energy efficient, climate-resilient affordable housing.

Solution

The project intends to promote the delivery of green affordable housing in Kenya while minimizing the fiscal burden on government at both national and subnational levels. Activities envisioned consist of upstream investments focusing on technical and financial support to the public institutions to strengthen market enabling policy and regulatory frameworks. Embedding environmental-friendly and low-carbon solutions would be a key element of the support. Downstream investments will support the design of an investment strategy that leverages financial instruments and impact financing to de-risk and enhance bankability of climate resilient transactions.

This project has a strong potential to scale its impact through ongoing and planned World Bank projects. It informs the Kenya Affordable Housing Project which aims to close the gap in housing demand by supporting the expansion of affordable housing finance via the provision of long-term funding and addressing structural constraints in the land management system in Kenya. The project is also expected to contribute to a pipeline regional project that aims to expand access to green, resilient and inclusive housing for target beneficiaries in Eastern and South Africa, particularly via private capital mobilization.

Progress and next steps

Initial focus has been on engaging with the new administration to align offering to the Bottom-Up Economic Transformation Agenda priorities. Additionally, in preparation for rollout, the team engaged with the government to prepare for implementation, including finalizing the fiduciary assessment of the implementing entity, the State Department of Housing and Urban Development (SDHUD), as well as the initial environmental and social review of the project. Due to internal operational issues, grants under the Associated SDTF have not yet entered implementation and are pending country-level clearances.



Monitoring and Evaluation

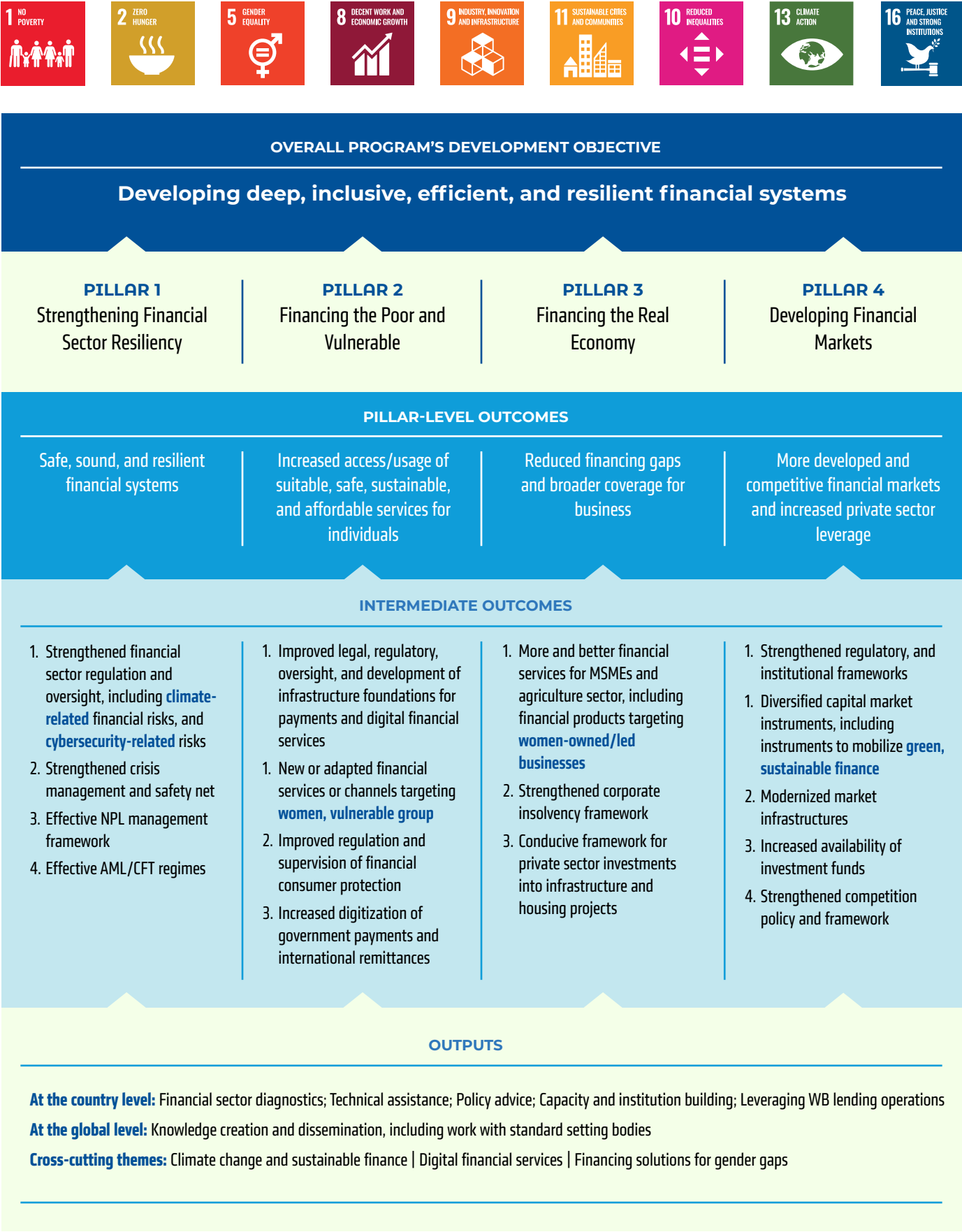


A strong focus on results is at the core of F4D’s program delivery. A well-functioning monitoring and evaluation system not only serves as an accountability and transparency mechanism, but, most importantly, supports learning and evidence-based decision making.

In FY23, F4D developed a rigorous M&E Framework which articulates the program’s results-based management approach. The Theory of Change, Results Framework, and Evaluation and Learning Plan will be used as tools for accountability, effective communication, strategic decision-making, and learning. In its results measurement approach, **F4D particularly emphasizes the importance of outcomes**, reflecting the advantage of pooling funds together to deliver results at scale as envisioned by the Umbrella concept.



F4D Umbrella Program Theory of Change



F4D reports results using a three-tier approach. F4D's Results Framework serves as a key management tool to monitor the progress and report on the results expected, as presented in F4D's Theory of Change.

Tier 1: Development Results

show what development outcomes and impacts F4D contributes to. These are long-term outcomes that are expected as the collective efforts of countries and their development partners take hold and can be influenced by external factors.

Tier 2: Enabling Foundations

capture intermediate results (outputs and short-term outcomes) which are directly attributed to F4D grants. These illustrate the enabling foundations needed as preconditions for Tier 1 development outcomes to happen.

Tier 3: Operational Performance

shows development effectiveness of F4D with the projects' quality and performance, and the value of F4D's comparative advantage in leveraging World Bank lending operations.

This year, the Results Framework shows aggregated target values from active grants as of September 2023.
[Annex 3.](#)

At the grant level, results are fully embedded throughout the project cycle. This entails designing projects with a clear Theory of Change and strategic objectives, identifying results indicators, making necessary course corrections during implementation, and communicating results stories using solid evidence. It also involves generating knowledge and maximizing lessons learned to inform future projects.

F4D's results architecture is flexible. To respond to a fluid and dynamic global context, F4D will regularly review and update its Results Framework by revising indicators and updating targets based on shifts in the portfolio, while retaining a line of sight to high-level outcomes.

Systematically drawing on lessons learned, capturing best practices, disseminating findings, and feeding the knowledge into grant design and implementation help amplify F4D's impact. F4D developed an Evaluation and Learning approach to embed a solid knowledge and learning loop into the program. It serves as a mechanism to inform the decision-making to prioritize thematic areas, funding, and future programming of F4D.

Leveraging the M&E framework, the Evaluation and Learning program includes evaluations, assessments, and surveys to generate evidence of results and enhance the value add of F4D in contributing to the overall financial sector reform agenda. The data generated from such assessments will be turned into practical insights and shared among practitioners and the Development Partners to scale up successful cases, learn from failure, promote accountability, and ultimately maximize development outcomes.

Evaluations and Learning Plan

TYPE OF EVALUATIONS	TARGET AUDIENCE	PRODUCTS	DISSEMINATION CHANNELS
INDEPENDENT EVALUATIONS			
Mid-Term Evaluation	FCI Management and F4D partners	• Mid-Term Evaluation Report • FCI Management's response to evaluators' recommendations • Record of recommendations' implementation	• Partnership Council Meeting(s) • F4D website
Final-Term Evaluation	FCI Management and F4D partners	• Final-Term Evaluation Report • FCI Management's response to evaluators' recommendations • Record of recommendations' implementation	• Partnership Council Meeting(s) • F4D website
LEARNING ACTIVITIES / DEMAND-DRIVEN SELF-EVALUATIONS			
Rapid country assessments and selected project reviews – to be selected based on grant value, innovation, or strategic decision needs	WB; F4D partners; Development practitioners	• Country Case Studies • Results Stories and Lessons Learned • Videos /photos if feasible	• F4D website, intranet • Knowledge session series (internal and external) • F4D Annual Progress Report • Annual Capturing our Impact E-book
Thematic evaluations (e.g., SupTech, Fast Payment, SMEs financing solutions, partial credit guarantee models, gender, climate finance, Risk-Based Supervision, etc.) – to be identified based on portfolio	WB; F4D partners; Development practitioners	• Thematic Notes and Lessons Learned • Webinars • Videos / photos if feasible	• F4D website, intranet • Knowledge session series (internal and external) • F4D Annual Progress Report • Annual Capturing our Impact E-book
Client Surveys	WB; F4D partners	Aggregated satisfaction ratings and feedbacks	F4D Annual Progress Report
Task Team Surveys	WB; F4D partners	Evidence of knowledge tools, and products used by WB experts for downstream work	F4D Annual Progress Report

Strategic Communications & Knowledge Management



Strategic communications is key to success of the F4D Umbrella Program

F4D’s communications and visibility framework has the following key objectives:

- Raise visibility:** Increase the visibility of F4D and establish a strong dialogue with existing and potential development partners to increase coordination, avoid duplication of efforts, maximize impact, and amplify the work of the partners and the World Bank.
- Enhance operational impact:** Communicate the importance of resilient, transparent, and smooth-functioning financial systems and capital markets, and continuously amplify the impact of the activities of the trust fund finances.
- Promote knowledge sharing:** Disseminate results, capture best practices and lessons learned to increase knowledge sharing and learning, both internally and externally.
- Increase transparency and accountability:** Contribute to the program’s results measurement and learning and evaluation framework through storytelling, photo/video materials (among other digital or print media), highlighting the human angle of the work.

In FY23, F4D established a comprehensive foundational communication infrastructure by creating a communication and visibility plan, a cohesive brand for the program, and establishing transparent systems and protocols to support the program's task teams. These new systems will ensure a consistent approach toward communications and visibility moving forward.

Communication and Visibility Plan (CVP)

In FY23, the F4D team developed a comprehensive Communication and Visibility Plan (CVP), which aligns strategic communication efforts with the objectives of F4D and outlines a high-level communication framework for consistent communication about all activities funded by the Umbrella program. It defines strategic objectives, target audiences, key messages, and progress to build awareness and buy-in among key target audiences throughout the lifespan of the program.

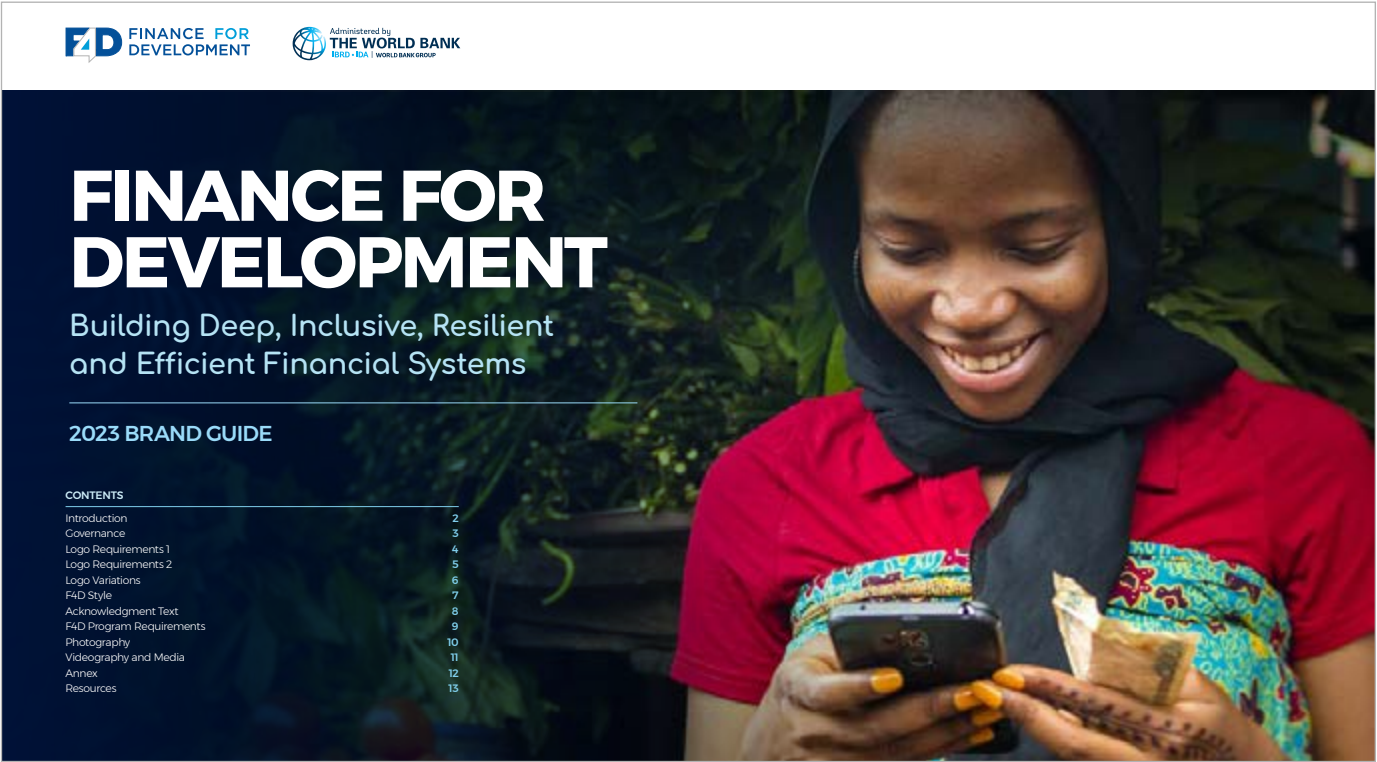
Clear Visual Identity and Guidance

The team also developed a dynamic and cohesive F4D logo and an accompanying brand book to establish a clear and recognizable brand and consistent visual representation of the program.



The comprehensive brand guidebook for F4D team leads now ensures cohesive and consistent design across all of F4D's marketing collateral.

The guidelines set out design parameters and acknowledgment requirements and provide the strategic aims of prioritizing impact and results through visuals and compelling storytelling.



Online Platform

In FY23, the team started to develop a dedicated external F4D platform as a one-stop shop for key program information, portfolio and results dashboard, impact stories, publications, and news features. The website will be launched in FY24. In addition, a dynamic password-protected Partners Hub was launched in June 2023 to assist donors with access to the latest program documentation (including a Partnership Document, meeting minutes, and more).

Knowledge Management

F4D prioritizes systematic knowledge sharing, both internally and externally, as a way to increase operational impact and foster collaborative approaches within the World Bank and with partners.

F4D Insights is a knowledge series bringing together World Bank experts and development partners to facilitate discussions on emerging issues, capture best practices and lessons learned, and enhance technical exchange and knowledge sharing. The series will be launched in FY24.



A series of bi-monthly **F4D Learning Bootcamps** are organized to provide technical support to the TTLs on the implementation of the F4D projects, share lessons, and increase awareness of the program's requirements.



Looking Ahead



Amid multiple overlapping crises, a well-functioning financial sector is the core foundation and a prime enabler of private-led, inclusive, and green economic growth. In FY24, demand for strategic technical assistance around financial sector reform implementation is expected to grow, as countries are keen to harness the potential of digitalization, innovate with new solutions, and use financial sector tools to help transition to a low-carbon, climate-resilient global economy, while enabling and mobilizing the much-needed private capital – domestic and international. This will continue to require preserving the stability and integrity of financial systems.

By complementing IBRD and IDA financial resources with global thought leadership, technical assistance, capacity building, policy advice, and partnerships activities, F4D will be instrumental in supporting the World Bank’s scaling-up efforts in the financial sector, particularly in fragile and conflict-affected countries. F4D will also remain a critical platform to shape the global discussion on financial sector issues, through a development lens, and nurture strategic partnerships.

In FY24, F4D will focus on ramping up implementation of its current activities and growing portfolio, leveraging knowledge and partnerships to drive impact, and mobilizing additional resources to deliver on its mission. Importantly, in line with the World Bank’s new vision and mission, there will be a stronger focus on supporting private capital enabling reforms, spurring climate-smart solutions, leveraging digital technologies to transform the financial sector, and improving opportunities for women, youth, and vulnerable and marginalized people.

In addition, F4D will contribute to the World Bank’s Knowledge Compact and strive to reinforce knowledge sharing to guide the program’s work at all levels of client engagement, capture best practices, and draw on lessons learned. Relatedly, strategic communications activities will help amplify F4D’s impact story, disseminate the findings, and bolster influence.

Finally, expanding partnerships with both public and private sector stakeholders and mobilization of resources will remain the top priority. This will allow the Umbrella Program to better prioritize and effectively respond to the increasing demand, deepen its global thought leadership, expand geographic reach, and leverage large-scale World Bank lending to maximize development impact.

Additional resources:
[World Bank’s Evolution Roadmap](#)
[World Bank’s Bold New Vision](#)



Annexes



Annex 1. Financial and Portfolio Overview¹¹

Development Partner Contributions

Collectively, US\$40.1 million in signed contributions has been committed to the F4D Umbrella. Of this, US\$26.9 million has been committed to the Anchor MDTF. The Anchor MDTF is currently supported by signed-in contributions from:

- BMGF for a total contribution of **US\$13.9 million**
- GAC for a total contribution of **US\$2.5 million**
- SECO for a total contribution of **US\$10.6 million**

An additional US\$9.7 million is contributed by SECO through an associated SDTF, supporting SECO priority countries in ECA. The EC formally joined the F4D Umbrella in FY23, with a signed contribution of US\$3.5 million for the Associated Kenya SDTF.¹²

Of the total signed contributions, US\$22.4 million has been received from inception till date. Table 1 shows a summary of the overall signed and paid-in contributions across the Anchor MDTF and the two Associated SDTFs.

Table 1. Contributions Summary

Total Contributions Summary	Anchor MDTF (in US\$ m)	SECO Associated SDTF (in US\$ m)	EC Associated SDTF (in US\$ m)	Total Amount (in US\$ m)
Total signed contributions	26,944,902	9,676,067	3,463,694	40,084,664
Total paid-in contributions	14,766,230	5,468,537	2,131,000	22,365,768
Total contributions unpaid	12,178,671	4,207,529	1,332,694	17,718,895

11 The data covers a period from inception to September 30, 2023.

12 Activities under the SDTF are not yet active.

Figure 1. Signed vs. Paid-in Contributions

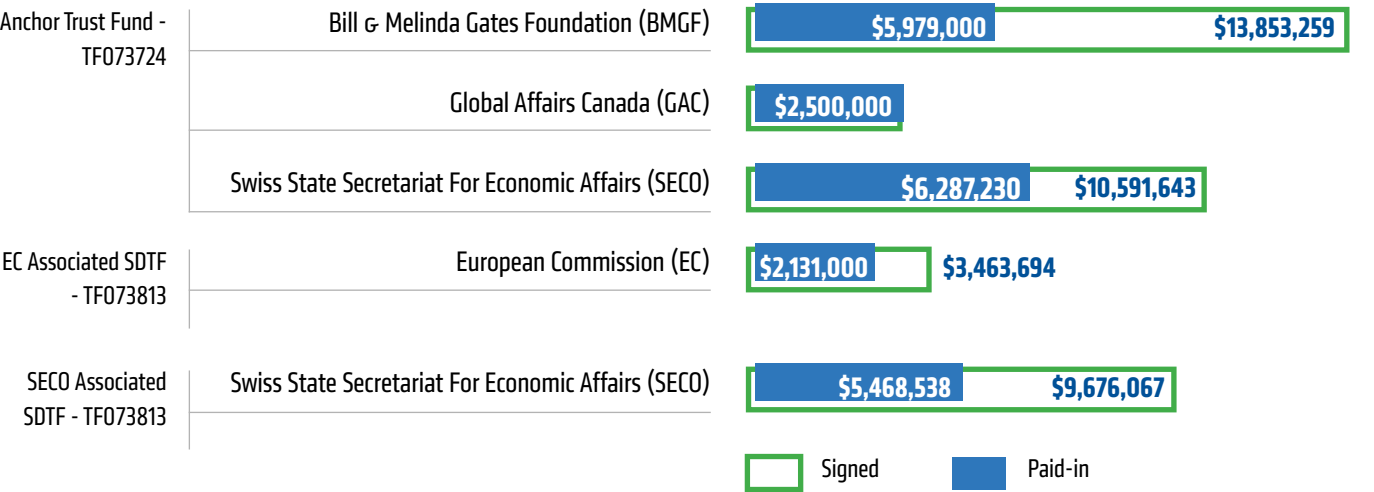


Table 2. Donor Contributions by FY

Development Partner	Signed Currency	Signed amount in contributing currency	Signed amount in holding currency (US\$)	Paid in contributions (US\$)			Unpaid contributions (in US\$)
				FY22	FY23	FY24	
Anchor MDTF							
Bill & Melinda Gates Foundation	USD	13,853,259	13,853,259	784,000	5,195,000	-	7,874,259
Global Affairs Canada	USD	2,500,000	2,500,000	2,500,000	-	-	-
Swiss State Secretariat for Economic Affairs	CHF	10,000,000	10,591,643	-	5,141,755	1,145,475	4,304,413
Total			26,944,902	3,284,000	10,336,755	1,145,475	12,178,67
SECO Associated SDTF							
Swiss State Secretariat for Economic Affairs	CHF	9,000,000	9,676,067	-	2,046,224	3,422,313	4,207,529
EC Associated SDTF							
European Commission	EUR	3,210,000	3,463,694	N/A	2,131,000	-	1,332,694
Total			40,084,664	3,284,000	14,513,979	4,567,789	17,718,895

Portfolio Overview

Grant Commitments vs. Allocations

US\$23.7 million has been committed to grants. Of this, US\$9.9 million has been allocated to active grants (i.e. active portfolio, Table 4), with the remaining allocations to be completed throughout the first and second quarters of FY24.

Project Management and Administration (PMA) expenditures: The cost of the PMA activities was agreed to be shared across the Anchor MDTF and all Associated Trust Funds. As endorsed by donors in the F4D Umbrella Partnership Document, 10 percent of paid-in contributions is reserved to cover PMA, with costs shared across the Umbrella based on a pro rata share of paid-in contribution amounts for each trustee level trust fund. This approach is adjusted when new contributions are received, or new Associated Trust Funds are established.

As common in trust-funded programs, early establishment phases have relatively higher costs due to the upfront set-up costs and lower funding available. It is expected that the PMA percentage share decreases over time. F4D will strive to keep the PMA costs at a minimum. The PMA percentage share will be re-evaluated by the end of FY24.

Table 3. Contribution Summary, PMA Costs, and Funding Details for Active Grants (in US\$)

	Anchor MDTF	SECO Associated SDTF	EC Associated SDTF	Total Amount
Contributions Signed-in (as of September 2023)	26,944,902	9,676,067	3,463,694	40,084,664
of which:				
Contributions Paid-in	14,766,230	5,468,537	2,131,000	22,365,768
Investment Income	664,986	139,629	42,898	847,513
Total Contributions	15,431,217	5,608,167	2,173,898	23,213,281
PMA (10%)	1,543,122	560,817	-	2,103,938
Admin fees (12%)	1,851,746	672,980	260,868	2,785,594
Total grant amount towards active portfolio	15,154,120	8,500,000	-	23,654,120
Allocations toward active grants	7,655,870	2,217,647	-	9,873,517

Active Portfolio

F4D's active portfolio includes 35 grants as of September 2023. This is represented by 31 grants under the anchor MDTF and 4 SECO country programs under the associated SDTF. US\$9.9 million is allocated to these active grants (see Table 4).

Table 4. Active portfolio under F4D umbrella

Country	Project Title	Approved Amount in US\$	Approved Fiscal Year	Closing Date	Objectives
EASTERN AND SOUTHERN AFRICA					
Angola	Finance for Development in Angola	100,000	FY24	6/30/2025	Support the Central Bank of Angola to develop an Open Finance Framework to expand access and usage of financial services for firms and individuals in Angola.
Madagascar	Financial Sector Development Program in Madagascar	150,000	FY24	6/30/2025	Support the implementation of the Government of Madagascar's financial sector reform programs to strengthen the resilience of the sector.
	Mainstreaming Fast Payment System in Madagascar	150,000	FY24	6/30/2025	Develop fast payments capabilities in Madagascar and expand the uptake of digital transactions and acceptance of electronic payments in the merchants' ecosystem.
Zambia	15,431,217	150,000	FY24	5/31/2024	Support the Government of Zambia to implement and manage fast payments towards expanding the use of digital financial services.
	1,543,122	250,000	FY24	5/31/2024	Strengthen the capacity of the Government of Zambia to implement the country's priority reform agenda to promote an inclusive and sustainable financial sector.
WESTERN AND CENTRAL AFRICA					
Cabo Verde	Improving MSME Access to Finance and Digital Financial Services in Cabo Verde	90,000	FY24	5/30/2025	Support the Government of Cabo Verde to improve the enabling environment for Micro, Small & Medium Enterprises' access to finance and expand the deployment of DFS and payments.
CEMAC Countries	Sustainable and Inclusive Long-Term Finance in CEMAC region- Phase 2		FY24	12/31/2024	Support regional authorities in the CEMAC region to develop inclusive and sustainable capital markets that can effectively contribute to expanding long-term finance.

Country	Project Title	Approved Amount in US\$	Approved Fiscal Year	Closing Date	Objectives
Western and Central Africa	Promoting Digital Financial Services and Greening the Financial Sector in the WAEMU Region		FY24	4/30/2025	Support fast payments and interoperability in the WAEMU Region to conceptualize a common approach to fast payments, as well as regulatory reforms on payment systems for a coordinated and comprehensive approach to payment systems and services.
EAST ASIA & PACIFIC					
Indonesia	Indonesia Financial Inclusion Ecosystem Program	1,560,000	FY23	11/30/2024	Strengthen capacity of the Government of Indonesia to detect financial risks and improve payment distribution of government assistance programs to citizens.
EUROPE AND CENTRAL ASIA					
Ukraine	Remittances and Payments Program in Ukraine - Phase 2	528,000	FY23	5/31/2025	Support the Ukrainian authorities in the adoption and usage of digital payments, remittances, and other FS to expand financial inclusion.
Western Balkans	Western Balkans Remittances and Payments Program 2	1,584,00	FY23	1/31/2026	Support the authorities in the Western Balkans to improve financial inclusion through increased uptake and use of digital payments and remittances, as well as other DFS, contributing to the development of a digital economy.
LATIN AMERICA AND CARIBBEAN					
Colombia	Inclusive Financial System in Colombia	100,000	FY24	5/31/2025	Support the Central Bank of Colombia in developing and implementing a fast payment system relevant to the country context.
Ecuador	Suptech Tools for Market Conduct Supervision in Ecuador	171,600	FY23	2/28/2025	Strengthen capacity of financial authority to implement systems to increase efficiency and effectiveness of supervision and enhance public trust in the financial sector.
Haiti	Digital Financial Services and Remittances in Haiti	300,000	FY23	5/31/2024	Strengthen the capacity of the Government of Haiti to expand access to digital payments and remittances for households.
Jamaica	Financial Sector Innovation and Greening in Jamaica	150,000	FY24	11/30/2024	Support the Bank of Jamaica in the preparation and early implementation of the reform on account portability and access to additional financial services for increased competition in the financial sector.
Peru	Fostering an Inclusive Digital Payments Ecosystem in Peru	150,000	FY24	6/30/2025	Support financial sector authorities in Peru to foster an inclusive digital payments ecosystem through reforms that enable fast and interoperable payment services and regulate the market to be competitive.
Uruguay	Digital financial services, fintech and sustainable finance in Uruguay	75,000	FY24	5/31/2025	Support the Central Bank of Uruguay in the development and implementation of a fast payment system.

Country	Project Title	Approved Amount in US\$	Approved Fiscal Year	Closing Date	Objectives
MIDDLE EAST AND NORTH AFRICA					
Iraq	Fast Payment System in Iraq	250,000	FY24	1/31/2024	Strengthen the capacity of the Central Bank of Iraq to set up and manage a fast payment system in the country to enhance competition and realize efficiency gains in the Iraqi financial market.
Morocco	Morocco Remittances and Payments	528,000	FY23	1/31/2026	Strengthen the capacity of the Central Bank of Morocco to prepare for a retail payment strategy to enhance usage of digital payments and increase transparency and consumer protection for remittances transfers.
Morocco	Digital Finance for Morocco's Economic Transformation	200,000	FY24	12/31/2024	Support Morocco's Central Bank to strengthen digital financial infrastructure and services to boost the use of electronic transactions by individuals, particularly women and rural populations, and Micro, Small & Medium Enterprises.
SOUTH ASIA					
India	Financing the Real Economy Needs of India	400,000	FY24	5/31/2024	Support the Government of India to expand infrastructure finance, strengthen non-banking financial sector, and make progress in its green finance agenda.
Pakistan	Supporting Resilience and Stability in Pakistan	400,000	FY24	12/31/2025	Strengthen the capacity of the State Bank of Pakistan for crisis preparedness and financial sector monitoring and supervision to ensure financial resilience and stability.
GLOBAL					
Global	Remittances Payments Worldwide (RPW) - Canada	500,000	FY23	7/31/2025	Contribute to the tracking of an SDG on remittance costs with reliable and consistent global data.
	Accelerating Adoption of Fast Payments	4,626,000	FY23	6/30/2026	Contribute to advancing global and country-level agenda on payment systems and remittances through generation of global knowledge and technical tools.
	Remittances Payments Worldwide (RPW) Phase - 2	500,000	FY24	7/31/2025	Contribute to the tracking of an SDG on remittance costs with reliable and consistent global data.
	SOFIs: Stability, Sustainability, and Inclusion	275,000	FY24	8/31/2025	Contribute to refinement and consensus the World Bank's approach to State Owned Financial Institutions (SOFIs) and improve analytical tools and better dialogue around SOFIs.

Country	Project Title	Approved Amount in US\$	Approved Fiscal Year	Closing Date	Objectives
Global	Digital Financial Services (DFS) Reference Guide	611,520	FY23	1/31/2025	Support policymakers and regulators worldwide with accessible, relevant, and up-to-date resources on DFS.
	Suptech Adoption Acceleration	125,000	FY24	6/30/2024	Expand the adoption of Suptech among supervisory authorities for better informed supervisory decisions and improved crisis prevention capabilities.
	Payments and Remittances Knowledge Management - SECO	480,000	FY23	6/30/2026	Generate frontier knowledge and data to inform tools used in World Bank technical assistance and capacity-building activities to advance the role of payments, remittances, and digital financial services at the global and country level.
	Strengthening FCI Approach to SME Financing	100,000	FY24	5/31/2024	Improve the quality of guidance for World Bank staff to enhance effectiveness of World Bank lending operations for SME financing.
	Payments and Remittances Knowledge Management - GAC	400,000	FY23	1/31/2026	Generate frontier knowledge and data to inform tools used in World Bank technical assistance and capacity-building activities to advance the role of payments, remittances, and DFS at the global and country level.
SECO ASSOCIATED SDTF					
Albania	Financial Resilience and Development Project: Enhancing Financial Resilience and Access to Green and Innovative Finance	2,000,000	FY24	6/30/2027	Strengthen the Albanian Financial Supervisory Authority's regulatory and supervision capacities on capital markets, insurance sector, and private pensions.
Azerbaijan	Financial Sector Modernization 3 in Azerbaijan	2,000,000	FY24	6/30/2026	Strengthen the policymaking and regulatory and supervisory capacity of the financial sector authorities of Azerbaijan for promoting a sound, resilient, and inclusive financial sector.
Kyrgyz Republic	Financial Stability, Deepening, and Inclusion II	2,000,000	FY24	12/31/2026	Support Kyrgyz authorities to continue financial sector reforms aimed at enhancing banking stability, strengthening insolvency regimes, modernizing financial infrastructure, expanding financial inclusion, and catalyzing green and sustainable finance through innovative financing.
Tajikistan	Strengthening the Financial Sector in Tajikistan – Phase II	2,500,000	FY24	2/28/2026	Strengthen the Government of Tajikistan's capacity in financial system oversight, financial safety nets, and addressing selected longer-term structural impediments.



Annex 2: World Bank Lending Informed by F4D grants

Country	F4D Grant ¹³	Total grant amount	World Bank Lending Operation Informed	Volume of a lending operation
Haiti	Digital Financial Services and Remittances in Haiti	US\$300,000	Digital Acceleration Project	US\$60 million
Indonesia	Indonesia Financial Inclusion Ecosystem Program	US\$1.56 million	ID for Inclusive Service Delivery and Digital Transformation Project	US\$250 million
Morocco	Digital Finance for Morocco's Economic Transformation	US\$200,000	Third Financial and Digital Inclusion Development Policy Lending	US\$450 million
Angola	Finance for Development in Angola	US\$100,000	Accelerating Economic Diversification and Job Creation Project	US\$300 million
Tajikistan	Strengthening the Financial Sector in Tajikistan – Phase II	US\$2.5 million	Financial and Private Sector Development Project	US\$50 million
Zambia	Financial Sector Development in Zambia	US\$250,000	Agribusiness and Trade Project - II	US\$170 million
Cabo Verde	Improving MSME Access to Finance and Digital Financial Services in Cabo Verde	US\$90,000	Resilient Tourism and Blue Economy Development Project	US\$45 million
Kyrgyz Republic	Financial Stability, Deepening, and Inclusion II	US\$2 million	Emergency Support for MSMEs Project	US\$150 million

13 Grants that are active as of September 30, 2023.

Country	F4D Grant ¹³	Total grant amount	World Bank Lending Operation Informed	Volume of a lending operation
Global	Accelerating Adoption of Fast Payments	US\$4.63 million	Liberia: Investment, Finance and Trade Project	US\$7.5 million
			Sierra Leone: Financial Inclusion Project	US\$11 million
			Somalia: Capacity Advancement, Livelihoods and Entrepreneurship, through Digital Uplift Project (SCALED-UP) Additional Financing	US\$10 million
			Central African Economic and Monetary Community Region (CEMAC): Strengthening the Capacity of Regional Financial Institutions	US\$8 million
			South Africa: The Southern African Development Community (SADC) Transactions Cleared on an Immediate Basis Payment Scheme Project	US\$0.5 million
			Eastern Africa Region: Digital Integration Project	US\$1 million
			Georgia: Relief and Recovery for MSMEs	US\$5 million

Annex 3: Results Framework



F4D Results Framework

Tier 1	DEVELOPMENT RESULTS		
	Outcomes and impacts <u>contributed</u> by F4D; jointly achieved by all stakeholders		
OUTCOME INDICATORS		TARGETS ¹⁴	ACHIEVED
Pillar 1: Strengthening Financial Sector Resiliency - <i>Safe and sound financial systems</i>		4	
Number of beneficiary countries with improved compliance to relevant financial sector international standards			
Number of beneficiary countries with effective AML/CFT regime in place			
Pillar 2: Financing the Poor and Vulnerable - <i>Increased access to and usage of suitable, safe, sustainable, and affordable financial services for poor and vulnerable groups</i>			
Number of beneficiaries reached with financial services ¹⁵		272 million	
of which women		84 million	
Number of people sending remittances through new or improved financial services			
of which women		6% - 7.2% ¹⁶	
Cost of sending \$200 in remittances			
Pillar 3: Financing the Real Economy - <i>Reduced financing gaps and broader coverage for business in real sectors</i>			
Number and value of MSMEs financing facilitated, of which to women owned/led MSMEs		8,000	
Number of households with access to housing finance			
Number of farmers with access to core financial services			
of which women			
Value of private sector investments catalyzed for infrastructure projects			
Pillar 4: Developing Financial Markets - <i>More developed and competitive financial markets and increased private sector leverage</i>			
Value of investments for start-up/early-stage firms facilitated			
of which firms led or owned by women			
Value of investments by institutional investors in private sector instruments (fixed income and equity)			
Value of green finance facilitated			
Number of people with access to pension schemes		13,500	
of which female			

¹⁴ Targets for Tier 1 indicators are not directly attributable to projects financed by F4D grants. Data is an aggregation of target values submitted by grants approved during the reporting fiscal year, only when such data is provided. Data is not projected values based on historical trends and or/pipeline operations. It does not imply an expectation of achieving the value within the reporting fiscal year. Target values will be updated as the portfolio grows and if there are shifts in the portfolio due to changes in client demand and priorities.

¹⁵ National and/or sub-national level targets, if submitted in percentage, were converted to number, based on latest available population data at the time of data calculation.

¹⁶ Haiti and Western Balkans.

Tier 2 ENABLING FOUNDATIONS Intermediate Results (outputs and short-term outcomes) <u>directly attributed</u> to F4D grants		
INTERMEDIATE OUTCOMES INDICATORS	TARGETS ¹⁷	ACHIEVED ¹⁸
Pillar 1: Strengthening Financial Sector Resiliency		
Number of laws, regulations enacted	14	
Number of beneficiary countries with effective Risk-Based Supervision implemented	4	
Number of beneficiary countries with methodologies, tools for assessing/monitoring climate-related and environmental risks adopted	3	
Number of beneficiary countries with effective deposit insurance system or liquidity assistance facility or financial stability unit established	2	
Number of beneficiary countries with solutions, tools, policies, regulations adopted and/or institutions for effective non-performing loans (NPL) management created		
Number of beneficiary countries with strengthened Risk-Based Approach in assessing money laundering and terrorist financing (ML/CF) risks		
Pillar 2: Financing the Poor and Vulnerable		
Number of laws, regulations enacted	11	
Number of beneficiary countries with financial infrastructures for payments and digital financial services modernized	19	
Number of beneficiary countries implementing digitalization of government payments	1	
Number of new or adapted financial services or channels targeting women, vulnerable groups introduced	15	
Number of new or adapted financial services or channels supporting MSMEs introduced	2	
Number of financial consumer protection laws, regulations enacted	1	
Number of financial consumer protection mechanisms established or improved	3	
Number of people benefiting from financial education initiatives	51,000	
Pillar 3: Financing the Real Economy		
Number of beneficiary countries adopting policies, regulations, or solutions to facilitate the expansion of MSME finance, including for women, vulnerable groups	4	
Number of beneficiary countries adopting policies, regulations, or solutions to facilitate the expansion of agricultural finance		
Number of beneficiary countries adopting policies, regulations, or solutions to facilitate the expansion of affordable housing		
Number of beneficiary countries with improvement in the Insolvency Framework	3	
Number of beneficiary countries adopting policies, regulations, or solutions to incentivize private sector investments in infrastructure projects	1	

17 Target values will be updated as the portfolio grows and if there are shifts in the portfolio due to changes in client demand and priorities.

18 Data based on active F4D portfolio as of September 30, 2023.

Tier 2 ENABLING FOUNDATIONS Intermediate Results (outputs and short-term outcomes) <u>directly attributed</u> to F4D grants		
INTERMEDIATE OUTCOMES INDICATORS	TARGETS ¹⁷	ACHIEVED ¹⁸
Pillar 4: Developing Financial Markets		
Number of laws, regulations enacted	4	
Number of beneficiary countries adopting climate change measures into financial sector policies, strategies, roadmaps, including taxonomies, standards for green finance	5	
New capital market instruments implemented	1	
Number of financial markets infrastructure modernized		
Number of investment funds licensed	13,500	
OUTPUT INDICATORS		
Pillar 1: Strengthening Financial Sector Resiliency		
Number of laws, regulations supported	10	
Number of countries supported with Risk-Based Supervision	7	
Number of countries supported with methodologies, tools for assessing/monitoring climate-related and environmental risks	4	
Number of Deposit Insurance Systems, liquidity assistance facilities, financial stability units supported	2	
Number of countries supported with solutions, tools, policies, regulations and/or creation of institutions for effective NPL management	1	
Number of countries supported with Risk-Based Approach in assessing money laundering and terrorist financing (ML/CF) risks		
Pillar 2: Financing the Poor and Vulnerable		
Number of laws, regulations supported	17	
Number of countries supported with financial infrastructures for payments and digital financial services	30	
Number of countries supported with digitalization of government payments	1	
Number of new or adapted financial services or channels targeting women, vulnerable groups developed	9	
Number of new or adapted financial services or channels supporting MSMEs developed	3	
Number of financial consumer protection laws, regulations supported	2	
Number of financial consumer protection mechanisms supported	1	
Number of countries supported with financial education initiatives	14	

19 Target values will be updated as the portfolio grows and if there are shifts in the portfolio due to changes in client demand and priorities.

20 Data based on active F4D portfolio as of September 30, 2023.

Tier 2ENABLING FOUNDATIONS		
Intermediate Results (outputs and short-term outcomes) directly attributed to F4D grants		
OUTPUT INDICATORS	TARGETS ¹⁹	ACHIEVED ²⁰
Pillar 3: Financing the Real Economy		
Number of countries supported with policies, regulations, or solutions to facilitate the expansion of MSME finance, including for women-owned/led businesses	5	
Number of countries supported with policies, regulations, or solutions to facilitate the expansion of agricultural finance	1	
Number of countries supported with policies, regulations, or solutions to facilitate the expansion of affordable housing		
Number of countries supported with corporate debt resolution mechanisms	1	
Number of countries supported with policies, regulations, or solutions adopted to incentivize private sector investments in infrastructure projects	1	
Pillar 4: Developing Financial Markets		
Number of countries supported with the development of a liquid government yield curve		
Number of countries supported with climate change measures for financial sector policies, strategies, roadmaps, including taxonomies, standards for green finance	5	
Number of new capital market instruments developed	1	
GLOBAL KNOWLEDGE		
Number of downloads of knowledge publications or visitors of data portals/websites		
Number of World Bank operations benefited from F4D knowledge products ²¹	NA	15
Number of knowledge products (guidance, tools, data) developed and disseminated	26	

21 Number of World Bank financing operations approved by the Board of Executive Directors which are being informed by F4D grants.

Tier 2OPERATIONAL PERFORMANCE		
Grant-level performance Thematic alignment Catalytic effects		
PERFORMANCE INDICATORS	TARGETS	ACHIEVED
Performance and Quality		
Percentage of grants completed with satisfactory rating and above as rated by independent evaluators	75% ²²	
Percentage of clients reporting satisfied or very satisfied with support received through F4D grants	75%	
Strategic Themes ²³		
Percentage of portfolio supporting gender solutions	60% ²⁴	43%
Percentage of portfolio addressing climate-related risks	35% ²⁵	29%
Percentage of portfolio leveraging digital technology	50%	89%
Catalytic Effects ²⁶		
Value of World Bank Group lending operations informed ²⁷	\$1 billion	\$1.5 billion

22 Same target level as the lending operations in the World Bank’s Scorecard.
23 “Achieved” data based on active F4D portfolio as of September 30, 2023.
24 F4D targets to have gender focus in all grants dedicated for financial inclusion and MSME access to finance. 60% represents an estimated “diluted” focus when taking into calculation non-financial inclusion grants.
25 Demand for climate-related activities is high, however, climate components of some F4D activities are co-funded through other World Bank trust funds (e.g. Climate Support Facility).
26 Targets and actuals (“Achieved”) for Catalytic Effects are based on targets/achievements at grant level.
27 Amount of World Bank financing operations approved by the Board of Executive Directors which are being informed by F4D grants.

Annex 4: Key Umbrella Program Information



Finance For Development - F4D Umbrella Program

Managing Unit	Finance, Competitiveness and Innovation Practice
Global Director	Jean Pesme
Anchor Trust Fund	Anchor - TF073724
Effectiveness Date/ End disbursement Date	24-Sep-2021/31-Dec-2029
Program Manager	Elena Babkova
Senior Monitoring and Evaluation Officer	Sara Okada
Operations Analyst	Padmashree Sidarth
Associated SDTF - SECO	Associated - TF073787
Effectiveness Date/ End disbursement Date	03-Jun-2021/31-Dec-2029
Country programs: Albania, Azerbaijan, Kyrgyz Republic, and Tajikistan	
Associated SDTF - European Commission	Associated - TF073813
Effectiveness Date/ End disbursement Date	08-Dec-2022/31-Dec-2027
Team Lead - Senior Financial Sector Specialist	Uloaku Oyewole
Co-financing mechanism to support affordable green housing supply in Kenya (not active, pending)	
F4D Progress Reports	
Annual Report	Annually by fiscal years. Next report due Dec-2024
Development Partner Center	The Development Partner Center is a single-stop portal for development partners to access their World Bank Group financing portfolios. The Development Partner Center is accessible for registered users through http://clientconnection.worldbank.org .
F4D Partnership Council Meeting	
Partnership Council Meeting	Annually in May-June

Annex 5: Acronyms and Abbreviations

AFSA	Albanian Financial Supervision Authority
AML/CFT	Anti-Money Laundering/Countering the Financing of Terrorism
API	Application Programming Interface
BMGF	Bill & Melinda Gates Foundation
CEMAC	Economic Community of Central African States
CGAP	Consultative Group to Assist the Poor
DFS	Digital Financial Services
EAP	East Asia & the Pacific
EMDE	Emerging Markets and Developing Economies
EC	European Commission
ECA	Europe and Central Asia region
F4D	Finance for Development
FATF	Financial Action Task Force
FCI	Finance, Competitiveness and Innovation (Global Practice)
FPS	Fast Payment Systems
FSRB	FATF-Style Regional Bodies
G2P	Government-to-Person
GAC	Global Affairs Canada
IFC	International Finance Corporation
IMF	International Monetary Fund
LAC	Latin American & the Caribbean

M&E	Monitoring and Evaluation
MDTF	Multi-Donor Trust Fund
MENA	Middle East and North Africa
MIGA	Multilateral Investment Guarantee Agency
MSME	Micro, Small and Medium-Sized Enterprises
NPL	Non-Performing Loans
PMA	Project Management and Administration
RPP	Remittances and Payments Program
RPW	Remittances Prices Worldwide
SA	South Asia
SADC	Southern African Development Community
SDG	Sustainable Development Goal
SDTF	Single-Donor Trust Fund
SECO	State Secretariat for Economic Affairs
SME	Small and Medium-Sized Enterprises
SOFI	State-Owned Financial Institution
SSA	Sub-Saharan Africa
Suptech	Supervisory Technology
TAG	Technical Advisory Group
TCC	Technical Coordination Committees
TTL	Task Team Leaders
WAEMU	West African Economic and Monetary Union

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