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World Bank Reimbursable Advisory Services

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Equatorial Guinea
Africa

Human Development

Equatorial Guinea

Improving Skills in Equatorial Guinea to Meet Changing Labor Market Demands

Start of RAS: December 2012

Completion date/expected completion date: December 2014

Problem

Equatorial Guinea faces twin challenges: to make growth more sustainable, by developing commercially viable new activities beyond hydrocarbons and public investment; and to make it more inclusive, by creating economic opportunities and enabling Equatoguineans to seize them. To address these challenges, the government is seeking to better integrate human capital development into a successful strategy for economic diversification.

Unlocking new sources of growth requires a process of removing binding constraints that currently prevent private sector investment. In Equatorial Guinea, a human capital deficit is clearly a binding constraint, and substantial institutional challenges remain. As a consequence, risks at both macro and micro levels create disincentives for investment.

Approach

Steps are being taken to address the immediate human resources development needs. In addition, in the short and medium terms, key actions also need to include:

- **Setting ambitious targets for human development,** backed by sufficient resource allocation and a clear distribution of responsibilities among the agencies involved.
- **Focusing on quality and measuring results** rigorously in order to detect and address weaknesses in the system that may not be apparent from measuring inputs such as spending or the number of schools or activities, like enrolment.
- **Ensuring that skills are relevant to the labor market** for a country undergoing rapid transformation that is likely to result in substantial changes in labor demand over the coming years, by drawing on principles that can help to avoid skills mismatches, such as ensuring an active role of the private sector in defining priorities for the education system and putting in place an effective labor market information system.
- **Using new social protection tools,** such as conditional cash transfers, to alleviate chronic poverty and catalyze human capital development.

As a first decisive action towards addressing the human development constraint, the Government of Equatorial Guinea sought World Bank technical assistance with the signing of a Reimbursable Advisory Services Agreement covering competencies and skills in education. The activities have been defined and are being jointly implemented by the authorities and a World Bank Group team. The approach is to provide short-term courses to upgrade the skills of government, private, and autonomous enterprise officials, and prepare a longer-term sustainable solution to ensure a flow of skilled personnel and to offer lifelong learning opportunities.

Solutions

The World Bank has completed the first phase of the program with a team comprising education specialists from Central Africa and Latin and Central America, and from the Universidad Europea de Madrid in Spain. A counterpart team from Equatorial Guinea composed of representatives from the Ministry of Finance staff worked closely with the Bank team to increase the relevance of the work. The 2.5-month management course was prepared and delivered in Spanish on various topics relating to the management of public, private, and autonomous enterprises, and on public financial management.

In order to set up a sustainable skills development program in the country, the Bank is now embarking on the next phase of the services agreement to undertake knowledge exchange visits to countries that have embarked on economic diversification and human development. A team comprising World Bank staff, University of Equatorial Guinea faculty, staff from key ministries that would contribute to economic diversification, and Ministry of Public Services staff will offer recommendations following the country visits and prepare to create a Public Sector Institute for Capacity Development.

Impact

The Government of Equatorial Guinea welcomed the Bank's technical assistance, and has requested more in-depth courses on various topics in public administration and private sector and autonomous enterprises management. The public financial management portion of the course was intended to provide Equatoguinean officials with the key elements for integrating the public finance management of the country with regional integration efforts within the Economic and Monetary Community of Central Africa. The authorities recognize the need to now move forward rapidly with the human development agenda, which is a key pillar in the government's Economic Plan 2020, with education and training, health, and social protection now viewed as strategic priorities.

Participants from the Equatorial Guinea Financial Management for Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC) course (class of 2013) shared positive feedback about the course. "We greatly valued the knowledge and examples on professional practices in relation to the reality of Equatorial Guinea. Furthermore, the examples have helped university professors to appreciate how the participants in the course have absorbed theoretical concepts, and their ability to apply them to real life business situations in the local environment. We recommend that future courses also provide practical examples."

Gabon

Africa

Financial Management

Accelerating Development in Gabon through Better Budget Management

Start of RAS: June 15, 2012

Completion date/expected completion date: March 9, 2013

Problem

Despite a growing budget, Gabon is still unlikely to meet a number of Millennium Development Goals (MDGs) by the 2015 deadline. At the government's invitation, the World Bank reviewed the country's public financial structure and found several elements hampering better progress on development. These included misalignment between public spending and development goals, the lack of a comprehensive public investment management system to oversee the current tripling of the investment budget, under-spending on priority sectors, poor value-for-money in public spending, and in some cases *"éléphants blancs"* (white elephants) that absorbed plenty of public funds for little gain. Looking into the reasons for these inefficiencies, the review found outdated procurement regulations, a lack of transparency in procurement processes, a scarcity of planning and budget execution tools (e.g., procurement, commitment, and disbursement plans) and more generally weak management capacities across sectors.

Approach

As a result of the World Bank's review, the Bank and the government drew up a Reimbursement Advisory Services agreement to target the weakness highlighted by the review. This is the first such agreement focusing on public finance management in West and Central Africa to result from such analytical work with a government. It focuses on the development of procurement and commitment plans linked to an overall treasury plan, and the beginning of operations at the newly created Financial and Administrative directorates.

The World Bank initially worked within six ministries to improve public financial management, helping develop and introduce a range of new tools with the support of international consultants. This approach was coordinated with other donors to ensure a consistent and complementary process in financial management, and used focal points within each selected ministry to demonstrate the benefits of the new methods and tools.

Solutions

The technical support the World Bank is providing Gabon through their Reimbursement Advisory Services agreement is having a tangible impact, reflected in recent budget preparations. The 2013 budget contained more detailed procurement, commitment, and disbursement plans, which in turn foster greater transparency and efficiency, better cash management, and a smooth transition to the new and greater roles played by government ministries in implementing the budget. The package of financial management tools developed under the Reimbursement Advisory Services agreement was presented as a showcase for practices during the High Level Forum of Budget Directorates of Central African Countries in Chad.

Impact

The World Bank's work with Gabon on public financial management in an initial six ministries has seen the development and adoption of new budgetary planning and execution tools for the 2013 budget and beyond, helping avoid delays that have plagued previous years' budgets. Additionally, new directorates for finance and administration within the initial six ministries are able to give "hands-on" support to help smooth the integration of the new tools and approaches for financial management. The Bank's involvement also helped in the government's update of procurement regulations and various enforcement tools in public financial management.

Following this successful first phase, the Gabonese Authorities have asked the Bank to scale up the same approach across the remaining 11 line ministries, to be completed under a second Reimbursement Advisory Services agreement. Overall, these steps aim to give the Gabonese people greater confidence that public funds will be well-targeted and wisely spent—not just now, but also in the future, thanks to improved financial management across all ministries.

In explaining the progress underway to improve budget execution, President Ali Bongo Ondimba has told Congress that the "best practices now in force in Gabon for an effective public expenditure chain require the existence of procurement, commitment and disbursement plans, as well as control over the delivery of goods and services."

Gabon

Africa

Public Financial Management

Boosting Gabon's Competitiveness through Tax and Customs Reforms

Start of RAS: November 2012

Completion date/expected completion date: June 12, 2013

Problem

The new government in Gabon inherited an economy dominated by the oil sector, with a variety of administrative barriers hindering the diversification of the economy, particularly a burdensome tax structure and high labor costs. The government's ambition is to lower tax compliance costs and simplify the tax system, with the ultimate goals of increasing the competiveness and the development of the private sector, as well as attracting more foreign direct investment.

Gabon's total corporate tax rate is estimated at 43.5 percent of profits (including social security contributions), and companies need to go the tax authorities on average 26 times a year to make payments, representing approximately 488 hours of effort. Although this performance is the best within the Central African Economic and Monetary Community (CEMAC) zone, the table below shows that it is largely below the performances of economies at similar income levels as Gabon. The total tax rate on company profits is 2.2 times higher in Gabon than in Botswana and almost six times that of Singapore, which is viewed as a benchmark for reform given its top status in the Doing Business report. The regular high tax rate is, however, actually applied to only a few parts of the private sector, with more favorable rates applied on a case-by-case basis. These more favorable measures create distortions in the economy and have led to a sense of entitlement, with some beneficiaries resisting compliance with requirements associated with the granted tax incentives, such as the priority of national employers and the obligation to invest in local social infrastructure or services (schools, medical centers).

Approach

As part of a major cross-cutting Reimbursable Advisory Services Agreement with the Government of Gabon, the World Bank conducted a review of the country's tax system, benchmarking it against countries that have been successful in attracting foreign direct investment, and analyzing the tax incentives as well as the customs duty exemptions and the tax procedures. The activities were defined and implemented jointly by the authorities and a World Bank Group team. The Bank relied upon a multi-sector team that comprised economists, tax and customs experts from the International Finance Corporation (IFC), and international consultants. The International Monetary Fund (IMF) also participated. A Gabonese team comprising representatives of the tax and customs department as well as the Permanent Secretary of the Ministry of Economy worked closely with the Bank team to enhance the relevance of the work.

The results of the review were presented and discussed during a full day dissemination workshop with an audience of 90 people, comprising mostly tax and customs experts and practitioners representing the public administration, the private sector, the accounting profession, the audit court, and regional institutions. World Bank and IFC staff and interested media also attended the workshop. The report was widely quoted in the press, and it will have a role in shaping current reforms of the tax and customs framework.

Solutions

The team has successfully completed two reports to help inform Gabon's reform efforts. The first report, on tax burden and the efficiency of tax incentives, found Gabon to be competitive with other countries in the region or with similar economic characteristics, and that the tax system does not significantly hamper investment. However, the report observed that the government gives up a significant portion of its revenues as highly discretionary tax incentives and duty exemptions. The report recommended rebalancing the tax system by limiting the use of tax incentives and applying the tax laws over a broad base with a lower rate in a revenue neutral manner. The second report, on tax administration procedures, observed that the tax administration procedures in Gabon suffer from many constraints and bottlenecks, including overlapping authorities, loopholes, inconsistencies, and lack of standardization. It recommended detailed actions aiming at streamlining the administration of taxes and customs by addressing and adjusting income taxes, valued-added taxes, and customs procedures.

Impact

Participants at the dissemination workshop unanimously agreed with the analysis of Gabon's tax and customs regimes, and asked for immediate implementation. The authorities recognized the need to move from a discretionary system of tax incentives consisting of individual decrees, agreements, and conventions to a transparent system where all tax incentives are placed in the tax code. The government asked the World Bank Group to help them to implement the reforms recommended in the review, including the implementation of a transparent tax incentives system and the design of a risk-based audit strategy for the tax administration.

Russian Federation

Europe and Central Asia

Education

Bringing Best Practices to the Development of Preschool Education in the Republic of Yakutia

Start of RAS: 2010

Completion date/expected completion date: 2011

Problem

The Republic of Yakutia in the Siberian region of eastern Russia faces many challenges. Although it is the largest subnational entity in the world (with a territory comparable to India's), Yakutia has a small population of roughly 1 million people who are scattered across the region from the Arctic Ocean to the Mongolian border. The population is also very young, producing a demand for preschool that far exceeds supply, with about 12,000 children on the wait-list in the city of Yakutsk alone in a region with a rapidly rising birth rate. Many preschools and kindergartens are in poor physical condition, often without running water and proper sanitation. In addition, preschool managers need training, teachers need to learn more modern and child-focused teaching techniques, and the quality assurance system needs to be updated and improved.

Approach

Yakutia requested technical assistance from the World Bank in two areas: (i) support in the development of a regional concept for the early childhood development sector, and (ii) improvement of the quality assurance system to ensure that all kindergartens follow child-centered practices. The Bank formed a team of Russian and international experts to work jointly with regional officials, managers, teachers, inspectors, and parents to implement these two goals.

The Bank team delivered a series of seminars and workshops, based on best Russian and international examples, to groups of teachers, quality inspectors, and municipal managers throughout the republic. These knowledge-sharing activities led to the creation of a quality assurance system based on self-evaluation and external inspections. To ensure the efficiency of this scheme, a quality assurance system was piloted in 26 kindergarten programs across Yakutia, providing an opportunity to observe the pilot and tailor the product for wider dissemination across the region.

The Ministry of Education developed the Yakutia early childhood development system concept with inputs and recommendations from the Bank team. Several major stakeholders and regional ministries reviewed the concept, which was later approved by the Yakutia government.

Solutions

As part of the delivery of advisory services, the Bank team leveraged existing experience in Russia in developing other regional quality assurance systems. For the Yakutia region, it was determined that the regional government would work closely with the best and worst performers, with the best-performing schools rewarded and the underperforming schools pushed to improve by way of enhanced monitoring through annual observation. This inspection and self-evaluation model was informed by international best practice, applying in this case the model used in the United Kingdom, where quality assurance serves a supportive and guiding role. The new system rolled out in Yakutia also provides parents with guidance on promoting child development practices in the home for the years before kindergarten enrollment. The pilot effort has proved successful, with the Minister of Education, Afanasy Vladimirov, recently stating, "…the joint work of Russian and international experts has helped to develop a unified approach to understanding the quality of early childhood development and education in order to ensure consistency among all elements of the education system."

Impact

The services agreement led to the creation and government adoption of a new early childhood development strategy and quality assurance system. With the successful implementation of the pilot, preschool teachers are now trained in child-centered practices, and schools are organized and arranged to be more conducive to exploration and learning. The government's reform program on early childhood development also brought the region into the international conversation on early learning, allowing it to become a model for other Russian regions on this issue.

The services arrangement also served as a precursor to a subsequent investment project to mitigate the region's education infrastructure and capacity challenges. This project will include investments in teacher training, new materials, and renovated or new buildings, as well as the dissemination of the quality assurance system to new schools. It will help introduce innovation in early childhood development and education by including new energy-efficient school construction, more child-centered and innovative spaces for children, community-driven construction in remote rural areas, and architectural competitions for the most innovative kindergarten and primary school designs. It will also include more involvement from parents, the community, and the public sector.

Feodosya Gabysheva, Deputy Prime Minister, Republic of Sakha, recently stated, "We will create comfortable conditions for the development of our children, regardless of their family or socioeconomic status. Eighty-five new kindergartens will be constructed in Yakutia by 2016 based on modern technologies and solutions for construction on permafrost."

Russian Federation

Europe and Central Asia

Social Protection

Involving the Community in Development Projects in Russia's Kirov Region

Start of RAS: April 2010

Completion date/expected completion date: Ongoing; most recent agreement closes in February 2015

Problem

In spite of recent economic growth, rural communities in Russia still suffer from poverty, unemployment, and the low quality of social services and infrastructure, among other problems. Under existing arrangements, most funds are assigned to finance big infrastructure projects implemented in urban and district centers. However, this approach has neglected local-level issues, discouraged participatory practices, and produced a growing apathy among the population and distrust between the people and the authorities. In the Kirov region, these issues are aggravated by its challenging social and economic conditions, low fiscal base, and lack of local engines for economic growth. In 2009, the Kirov regional government requested World Bank assistance in introducing a sustainable mechanism aimed at identifying and solving local priority development concerns.

Approach

Based on its global experience, the Bank suggested that the region introduce a community-driven development (CDD) project aimed at improving the quality of local social services and infrastructure in rural settlements by means of community involvement in decision making, oversight, and monitoring of social service delivery. In 2010, the first Reimbursable Advisory Services agreement was signed. The Kirov government allocated resources to provide small grants of up to US$50,000 to municipalities to finance micro-projects (including the rehabilitation of community centers, improvement of the water supply, repair of rural roads, and construction of playgrounds) that were jointly implemented by members of the public and municipal authorities. The Bank provided strategic policy advice and assisted in knowledge-sharing, capacity-building, and monitoring activities.

"This is a new kind of planning, small-scale and from the bottom up," said Dmitry Matveev, the Deputy Governor of the Kirov region. "I think that it's a different approach. If we build the roads, that's one thing, but if we build them together it is another."

Solutions

In 2009–13, the Bank designed and delivered the following set of technical assistance activities aimed at improving the efficiency and quality of the regional Local Initiatives Support Project:

- Developed a regulatory and methodology framework for the preparation, implementation, and monitoring of micro-projects, including criteria for project selection and templates for monitoring reports and micro-project applications. Formed and trained a team of seven local consultants to facilitate community hearings and provide ongoing advice to local stakeholders. The local consultants have participated in more than 1,500 community meetings in 350 rural settlements, 35 district centers, and five urban districts.
- Strengthened the capacity of local authorities to identify and monitor participatory micro-projects. More than 1,500 representatives of local communities have participated in the training courses on community involvement in local decision-making, preparation of micro-project applications, local procurement, participatory monitoring, and the like.
- Prepared and delivered information and knowledge-sharing events. Three regional conferences were organized to discuss lessons learned and generate recommendations to improve the quality and efficiency of Kirov's Local Initiatives Support Project implementation. More than 400 regional and local authorities from Kirov and other Russian regions participate in these events annually.
- Developed and launched the Local Initiatives Support Project management information system to effectively select, implement, and monitor micro-projects, enabling management to view and process project information online.

Impact

A mechanism is now in place to allow communities to define the local priorities and needs that have a direct impact on their lives and livelihoods. Results of the Local Initiatives Support Project implementation in Kirov for 2010–12 include:

- More than 100,000 people in 382 villages participated in community meetings on social development priorities. More than 3,000 people are engaged in the work of the local initiative groups on a day-to-day basis.
- More than 300 settlements (out of 368) have successfully identified micro-projects with the broad participation of the local population.
- More than 500 micro-projects have been successfully delivered in 2010–12. An additional 400 micro-projects are to be delivered by the end of 2013.
- Local stakeholder trust in the Local Initiatives Support Project is high and growing. The total contribution from the municipality, sponsors, and community increased from 22 percent of micro-project cost in 2010 to approximately 30 percent in 2013. Community contributions rose significantly during community meetings and reached 12–13 percent on average.

During three years of Local Initiatives Support Project implementation in the Kirov region, the regional budget resources allocated to micro-projects under this initiative increased 15 times—from US$645,000 to US$10 million. A program that started in six districts (41 settlements) in 2010 has now been replicated in the entire oblast: 39 districts (398 settlements).

According to the governor of the Kirov region Mr. Nikita Belykh, "This project now involves many thousands of people across the region. People really learn to think about their living environment, and do something about it themselves. They are getting out of the habit of relying heavily on the government."

Russian Federation
Europe and Central Asia
Health, Nutrition, and Population

Russian Federation

New Payment Methods to Boost Health Care Efficiency in Russia

Start of RAS: January 2012

Completion date/expected completion date: December 2013

Problem

In 1993, Russia established a mandatory health insurance (MHI) system and set up the Federal Mandatory Health Insurance Fund (FMHIF) and its network of regional branches responsible for financing the Program of State Guarantees for medical care provision across Russia. However, the FMHIF did not establish methods to pay for health services, leaving each region of the Russian federation free to choose its own payment method or methods. As a result, a number of different payment systems were used to pay for health services provided under the Program of State Guarantees, and several regions were using payment methods that did not reward efficiency and quality of care. Reform was seen as a priority because provider payment systems affect the behavior of health providers, the quality and quantity of care that is provided, and, as a consequence, the overall costs, efficiency, and effectiveness of the health system.

Approach

The objective of the World Bank's Reimbursable Advisory Services agreement with Russia was to support the FMHIF in developing new provider payment methods for outpatient and inpatient care that would stimulate efficiency and effectiveness within the health system. The FMHIF and the World Bank chose the regions of Kirov, Lipetsk, and Tomsk as pilot regions for the development and testing of the new payment systems. The World Bank team developed solutions based on global best practices that were adapted to the specific conditions in Russia and each pilot region.

Solutions

The World Bank team and the FMHIF identified capitation-based payments with a performance component as the most appropriate provider payment method for primary health care services, and a case-based payment system based on diagnostic-related groups (DRG) for hospital services. Capitation is a payment arrangement that remunerates physicians or groups of physicians a set amount for each enrolled person assigned to them, per period of time, whether or not that person seeks care. DRG payment systems seek to reimburse providers adequately and fairly for their work and to encourage efficient delivery by discouraging the provision of unnecessary services. The World Bank team developed a specific DRG model that was based on current national practice with regard to classifying diseases, medical procedures, and surgical operations. In relation to payment methods for primary health care services, the team identified for each region the areas that were subject to performance-based payment to address their specific medical and health system priorities.

Impact

As reported by Minister of Health Veronika Skvortsova to Russian President Vladimir Putin on May 7, 2013: “For the first time in November 2012, the Russian DRG model was developed with the support of World Bank experts. A government resolution issued in October 2012 determined the possible provider payment models for 2013–2015, including standards, completed cases, and DRGs. For the first time, old extensive provider payment methods based on input indicators—like bed-days and visits—were excluded. Those old methods of payment led to the extensive inefficient use of financial resources in the health care system. Taking into account international experience, we would be able to fully implement the unified DRG system in four–six years.”

The FMHIF and the World Bank team have successfully evaluated the regional pilots, and in December of 2013 signed a new Reimbursable Advisory Services agreement, with the objective of refining the Russian DRG model and assisting in its implementation in eight additional regions in 2014 and 2015.

Bulgaria, Czech Republic, Hungary, Romania, Slovakia and FYR Macedonia

Europe and Central Asia

Human Development

Eastern and Central Europe

Promoting Early Education for Roma Inclusion in Eastern and Central Europe

Start of RAS: May 28, 2010

Completion date/expected completion date: June 1, 2013

Problem

There are approximately 6–12 million Roma in Europe, equivalent to the population of a country the size of Bulgaria or Portugal. Two-thirds of Roma live in Central and Eastern Europe. They have been settled, predominantly rural populations for several centuries, and the majority of them live in poverty. The Roma population is also largely young, growing, and excluded from the labor market in countries that are otherwise aging rapidly. Already as many as one out of five labor market entrants in Bulgaria and Romania is Roma, and the figure is one out of six in Hungary and Slovakia. The growing number of Roma without work makes Roma inclusion a macroeconomic necessity, yet achieving this inclusion requires well-reasoned, evidence-based policies that are impossible without reliable information.

Approach

Against this background, in June 2010 the European Commission (EC) Directorate General for Regional Policy launched the European Union (EU) Parliament-initiated two-year "Pan-European Coordination of Roma Integration Methods—Roma Inclusion." This pilot project aimed at substantially strengthening the evidence base with regard to Roma inclusion, including by collecting detailed household-level information on the socioeconomic and living conditions of Roma across Eastern and Central Europe, and reviewing policies and programs that impact Roma inclusion, particularly in the areas of early childhood education and care and self-employment. This project was implemented in partnership with the United Nations Development Programme (UNDP).

Solutions

The World Bank, together with the EC, agreed to carry out an expanded set of activities, some in partnership with UNDP:

1. Monitoring and evaluation tools of Roma integration projects:
    - **Project support:** The Bank and UNDP jointly supported "A Good Start" (an early childhood education and care program) and the *Kiútprogram* microcredit facility in developing project monitoring tools, including an online data management system, and building the project-level capacity to implement and use these monitoring tools. This work supported 17 program localities across all six countries.

- **Case study evaluations:** The Bank carried out detailed case study evaluations of "A Good Start" (in collaboration with the Slovak Governance Institute) and the *Kiútprogram* (2013).

2. Monitoring and evaluation tools of Roma integration human development outcomes:

- **Regional Roma Survey:** The Bank and UNDP jointly designed the "Regional Roma Survey" (2011), which UNDP implemented in the Czech Republic, Slovakia, Hungary, Romania, and Bulgaria, interviewing roughly 750 Roma and 350 nearby non-Roma households in each country.

  The survey shows that the vast majority of Roma in Central and Eastern Europe continue to live in poverty, and at least one-third report going to bed hungry at least once a month. Many report discrimination and almost half live in segregated communities. Fully 83 percent of Roma households in Romania lack an inside toilet or bathroom, and half in Bulgaria and Romania do not have health insurance. The inequities start early: one in five Roma children aged 3–5 years in the Czech Republic and Slovakia enroll in preschool compared with three-fourths of the general population; in Romania and Bulgaria, 30–40 percent are enrolled. Twelve percent of Roma children in Slovakia and 18 percent in the Czech Republic are directed into special schools for children with mental disabilities.

- **In-depth assessments and country policy and country program reviews:** Building on the Regional Roma Survey (2011), the World Bank produced in-depth reports on early childhood education and care: "Toward an Equal Start: Closing the Early Learning Gap for Roma Children in Eastern Europe" (2012); and financial inclusion: "Reducing Vulnerability and Promoting the Self-Employment of Roma in Eastern Europe through Financial Inclusion" (2012). These reports provided detailed assessments of the gaps in access to early childhood education and care and financial services, as well as concrete policy recommendations to address these disparities. Senior EC officials, including the Commissioner for Employment and Social Affairs, launched the reports. The findings were discussed and disseminated in more than two-dozen conferences and workshops with government officials and civil society organizations across Europe.

"Global evidence shows that early childhood education and care is essential to children's development. The new regional Roma survey data show that Roma children do not have an equal chance. With the exception of Hungary, the vast majority are not in preschool. It is time to close this gap," said Lívia Járóka, Member of the European Parliament, at a joint conference of the EC, Roma Education Fund, the World Bank, Open Society Foundations, and the United Nations Children's Fund on June 4, 2012.

Impact

The local-level monitoring and evaluation capacity-building by the Bank with UNDP and project partners strengthened the capacities of local nongovernmental organizations (NGOs) in four countries, and contributed to participatory development. The report and survey findings are strengthening the evidence base for Roma inclusion in Europe; they have been directly included in the national Roma inclusion strategies of Slovakia and Bulgaria, for example, and the EC has been broadly drawing on key messages from the Bank's reports, most recently in its Country Specific Recommendations and Progress Report and Recommendations. The data have also helped create opportunities for national-level evidence-based policy making. For example, the World Bank's policy advice on Roma inclusion in Slovakia—completed in 2012—is focusing a substantial number of its recommendations on education, health, housing, employment, and financial inclusion, using findings from the regional survey. A similar analytical and policy advisory activity is currently underway in Romania, which will also utilize the regional survey data, as will ongoing and planned early childhood development program evaluations in Bulgaria, Romania, and Slovakia.

Kazakhstan

Europe and Central Asia

Financial Advisory and Banking-Debt Management, Poverty Reduction and Economic Management, Human Development, and Sustainable Development

Transferring Good Practice Knowledge in Support of Kazakhstan's Development Goals

Start of RAS: 2003

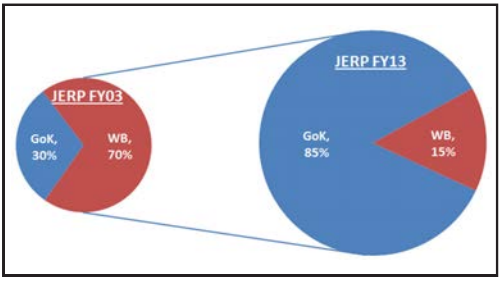
Completion date/expected completion date: N/A

Problem

Over the past decade, Kazakhstan has aimed at rapid transformations through economic and social modernization. The World Bank Group has supported this process primarily by transferring cutting-edge knowledge. Launched in 2003, the Joint Economic Research Program (JERP) became a key instrument to respond to the country's core priorities in the development agenda. Today, this unique program of analytical work and technical assistance is structured around the Country Partnership Strategy pillars focusing on development gaps in growth, governance, and the public service delivery agenda.

Approach

Under the JERP, the World Bank provides policy analysis, strategic planning expertise, practice options, and capacity building assistance in wide-ranging areas of the government's reform program, such as macroeconomic and public financial management, social sector development, financial sector supervision, private sector development, and environmental protection. The program works on a cost-sharing arrangement between the Bank and the government to ensure relevance on both sides of the table (See Figure 1). The areas of focus and scope of the economic research program are determined by the government in consultation with the World Bank. The program is designed to ensure strong government ownership while maximizing the World Bank's contribution to the country's development that goes beyond funding.



Kazakhstan JERP: Government ownership increased significantly over a decade.

In order to boost its effectiveness as a knowledge service instrument, the JERP was transformed into a programmatic structure in mid-2011, with activities developed as multiyear and interconnected engagements. "The new structure proved to be more effective in increasing and tracking the impact of the JERP by improving the strategic focus of the program, and providing much larger room for fully exploiting analytical insight, capacity support, and synergies between sector works," emphasized Sebnem Akkaya, World Bank Country Manager for Kazakhstan.

Solutions

Ten years on, the program has proved to be an innovative solution, with a client-driven knowledge agenda and Bank-selected work, bringing in international experience while developing wider lessons relating to the public good. In some sectors Kazakhstan has become a leader in the region and a source of good practices for other countries. Among the key results are:

- Advisory support on public resource management led to improvements in budget/financial management systems, resulting in a new budget code, a new multiyear budget preparation system, an effective treasury system, and other efficiency-improving measures.
- A review of Kazakhstan's tax policy and administration framework led to the development of a new tax code based on JERP recommendations.
- Advisory services helped the government avoid fiscally risky general bailout strategies in the wake of a financial sector crisis, and balance macroeconomic and monetary stability with sustainable growth objectives and prudent management of oil revenues. Design of a countercyclical fiscal policy helped assess and improve the cyclicality of the government's economic policies.
- Advisory assistance helped establish a Committee for Financial Monitoring under the Ministry of Finance to lead efforts in anti-money laundering and combating terrorism financing.
- Assistance with civil service reform, enhancement of the public sector audit system, and implementation of the Extractive Industries Transparency Initiative contributed to increased transparency and accountability in public sector operations through the introduction of new legislation, regulations, and institutional arrangements.
- Policy advisory support is translating into a new employment program and social safety net system with a conditional cash transfer component to improve the balance between the protection and promotion objectives of the government's interventions.
- Initial analytical work has evolved into a comprehensive joint project (covering health program planning, financial management, quality improvements, reform of medical education and pharmaceutical policy, and food safety measures) that is now building institutional capacity and international standards in the health sector.
- Advisory support to the development of the new social modernization strategy informs the government's evolving program on financing and delivery of social services for accelerated improvement of human capital outcomes.
- Assistance with business environment reforms facilitated steady improvement in business entry and exit conditions, payment of taxes, and protection of investments rights, with Kazakhstan's overall Doing Business rating improving from 74th in 2010 to 49th today, and the simplification of the licensing and permits regime through the development of a risk-based methodology.
- Assistance to Kazakhstan's export and foreign direct investment promotion agency, Kaznex Invest, helped strengthen its institutional capacity to support local exporters and potential foreign investors with the aim of establishing sustainable long-term partnerships in foreign markets.
- An assessment to strengthen national statistics supported the development of a statistical master plan, which is now being implemented through a joint project and other government interventions.
- Analytical work on improving industrial competitiveness through cleaner and greener production helped with assessing the economic and health costs of air pollution and the subsequent design of air pollution monitoring and emission registration systems.
- Technical assistance on agricultural reform helped deepen the analysis of the specific subsidies program and supported the development of the monitoring and evaluation tools needed for reform.

Impact

Kazakhstan has been a pioneer in tapping into the Bank's global knowledge under the JERP, which now serves an example to other advanced middle-income countries that are increasingly demanding similar Bank assistance. As Deputy Prime Minister of the Republic of Kazakhstan Yerbol Orynbayev highlighted during an event to celebrate 20 years of the partnership, "In the 10 years since its launch, the JERP has grown several-fold and proven an innovative instrument for bringing the World Bank's expertise to the benefit of the government's policy decision making and enhancing the institutional capacity of public agencies."

Kazakhstan

Europe and Central Asia

Financial Advisory and Banking-Debt Management

Protecting Jobs, Revitalizing Companies in Kazakhstan through Insolvency Reforms

Start of RAS: July 2010

Completion date/expected completion date: June 2012

Problem

Corporate insolvency laws, policies, and regulations play an important role in the economy in general, and in the business environment in particular. Insolvency procedures are a way of dealing with a firm's natural exit from the market due to loss of capital, revenue, and/or credit. An effective corporate insolvency system seeks to ensure the most efficient use and allocation of economic value by liquidating enterprises that have no prospect of recovery, while restructuring distressed businesses that are viable and could contribute to economic growth in the long run.

Before the reform process began, Kazakhstan's Law on Bankruptcy was heavily weighted in favor of strict piecemeal liquidation—assets were frequently undervalued and sold individually. Procedures for rehabilitating distressed enterprises were rarely used. The number of rehabilitation cases was very low in 2009 (14 companies representing 0.6 percent of bankruptcies) and 2010 (43 companies representing 2 percent of bankruptcies). Small- and medium-sized enterprises have been particularly vulnerable in such circumstances. In practice, the insolvency system was insufficiently protective of companies undergoing financial difficulty, despite the fact that if rehabilitated, these companies could have contributed to preserve employment and boost economic growth in the longer term. On the other hand, most creditors did not regard insolvency proceedings as an effective method of debt collection, as returns for creditors who did use the system were very low.

Approach

The development of an insolvency technical assistance strategy for Kazakhstan, under a Joint Economic Research Program, followed a World Bank mission in February 2010 that identified client needs with respect to insolvency issues and the key vulnerabilities of the Kazakh insolvency framework. Recognizing the importance of creditor and debtor rights and insolvency regimes to a sound business environment as well as financial systems, the Government of Kazakhstan requested the World Bank's technical assistance in: (i) conducting a comprehensive assessment of the effectiveness of the country's legal framework for dealing with corporate insolvency (delivered in January 2012); (ii) preparing in early 2012 a Concept Note for an Effective Insolvency System Framework in Kazakhstan based on comparative experience and international best practices; and (iii) helping the Kazakh authorities to implement an ambitious and comprehensive plan for reforming insolvency legislation.

Over the last two years, the World Bank expert team has provided technical comments and feedback on the draft amendments to legislative acts prepared by the authorities according to international standards and best practices relevant to Kazakhstan and as reflected in the World Bank Principles for Effective Creditor Rights and Insolvency Systems and the United Nations Commission for International Trade Law Legislative Guide on Insolvency Law. In the course of draft law development, the team also provided materials and clarifications on international standards relevant to Kazakhstan.

Solutions

As legislation for corporate insolvency in Kazakhstan had not kept pace with the evolution of international best practices and the country's desired development objectives, significant amendments were needed to ensure its effectiveness and consistency with international standards.

As a first stage of the reform process, in February 2012 the Kazakh Parliament passed preliminary amendments to the Law on Bankruptcy aimed at facilitating business rehabilitation. The second phase included the design of a draft Law on Rehabilitation and Insolvency, consistent with international practice, which was submitted to the Parliament in December 2012. "The new draft law will expand these improvements by introducing changes in the procedural structure of the insolvency system to offer more protection to creditors and to the assets of the debtor and accelerate access to the insolvency proceedings—rehabilitation or liquidation," said Bakhytbek Tashenev, Director of the Department for Planning and Methodology of Managing Public Assets and Insolvency Procedures, Analysis and Assessment of Corresponding Budget Programs of the Ministry of Finance.

Impact

Most of the newly introduced provisions have already produced positive results. "As of January 2013, there are 131 enterprises under rehabilitation, including 56 (43.4 percent)… within the framework of the new legislation," said Nurila Usenova, Chairperson of the Committee for Insolvent Debtors of the Ministry of Finance. "Rehabilitation of 20 enterprises was completed. There are 11,151 jobs saved, and debts in the amount of KZT 1.2 billion have been repaid."

With efficient use of judicial resources in place, the new insolvency legislation will stimulate the expansion of access to credit at affordable rates (for small- and medium-sized enterprises in particular), and boost foreign and local investment. To complete the reform process, future World Bank technical assistance will be focused on insolvency for individuals.

Kazakhstan

Europe and Central Asia

Poverty Reduction and Economic Management, and Financial Advisory and Banking-Debt Management

Strengthening Public Debt Management and Attracting New Investors in Kazakhstan

Start of RAS: July 2012

Completion date/expected completion date: June 2014

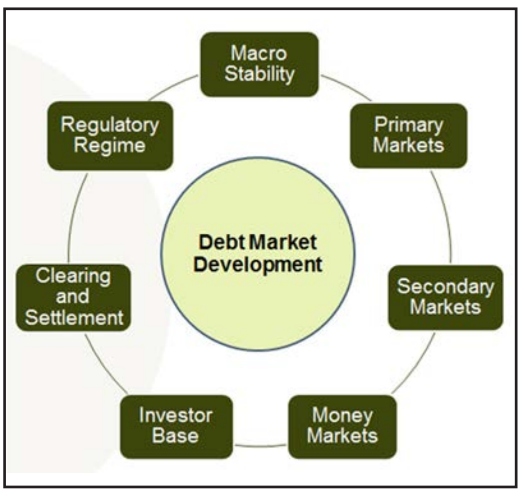
Problem

The market for government securities in Kazakhstan is characterized by very little secondary market activity, blunting its attractiveness to other issuers and its efficiency as a debt market overall. Contributing to this is the low level of government debt, which, at 10 percent of gross domestic product (GDP), is likely too low to support active and consistent trading, and also the high number of individual securities outstanding—184 individual government securities as of the end of 2012. Finally, very high demand for government debt from the pension fund sector distorts the prices of government securities and complicates the development of benchmark bonds, (i.e., bonds that function as a reference point when pricing other bonds and financial products).

The development of Kazakhstan's domestic debt market depends fundamentally on its ability to broaden the investor base. "The Government of Kazakhstan has both a strategic need and a significant opportunity to focus reforms on improving efficiency in the primary market for government securities, and adopting an issuance policy and contributing to regulatory changes, which will stimulate investor base diversification," stated Lars Jessen, Lead Financial Officer of the World Bank Treasury Department.

Approach

In 2010, at the request of the Government of Kazakhstan, a World Bank team undertook a comprehensive assessment of the central government debt management operations using the Debt Management Performance Assessment tool. This review identified several strengths, including the legal framework, governance, operational risk management, coordination with fiscal and monetary policies, and the debt recording and reporting system. The resulting report highlighted that such strengths were impressive, taking into account the relatively low public debt level and a modest recourse to both domestic and external borrowing.



Nevertheless, the World Bank team identified some areas that would benefit from attention and reform, including most critically the absence of a formal medium-term public sector debt management strategy that would outline the preferred composition of debt based on cost-risk analyses and provide guidance not only on government borrowing, but also on the development of the domestic debt market.

Solutions

Following the assessment, the World Bank and the government worked to develop a formal medium-term debt management strategy under a Joint Economic Research Program. They focused in particular on ways to stimulate greater activity in the market for government securities. During the past two years, the Bank has organized several workshops focused on public debt management strategy development and implementation, conducted research on the existing framework for monitoring the aggregate debt of the public sector, and, jointly with the authorities, created an action plan for the development of a more active market for government securities in Kazakhstan.

The preliminary findings indicate that the current primary market practices could be improved and the high number of lines of different government securities reduced to create a favorable environment for greater activity in the secondary market. It would also be critical to build a more diverse base of investors, which are currently concentrated in pension funds (for inflation-linked bonds) and banks (for nominal bonds).

Impact

Supported by the joint work of the Bank and the government, the debt management strategy for 2013–2015 was developed by the State Borrowing Department of Kazakhstan’s Ministry of Finance in 2012 and was published on external websites of the Ministry of Finance and the National Bank of Kazakhstan in early 2013. The publication of the strategy was a significant achievement, paving the way to more structured policies and practices to develop the domestic debt market in Kazakhstan. “Our debt management strategy provides a basis for the implementation of measures to improve the debt market in Kazakhstan and for getting wider support from public and private stakeholders to undertake these reforms,” said Kuat Akizhanov, Director of the State Borrowing Department of Kazakhstan’s Ministry of Finance. The strategy envisages actions to build a reliable yield curve and reduce public debt fragmentation, which will enhance the potential liquidity of government bonds and increase demand from prospective investors.

Kazakhstan

Europe and Central Asia

Private Sector Development

Driving Enterprise Development in Kazakhstan by Linking Exporters to Buyers

Start of RAS: September 2012

Completion date/expected completion date: June 2013

Problem

Capacity-Building Workshop, February 2013.

Foreign direct investment (FDI) promotes the restructuring of industry at the regional and global levels, and so ensures the integration of a national economy into the world economy more effectively than trade alone. FDI stimulates economic growth and development, providing economies in transition not only with financing for development, but also new technologies, better management techniques, and improved access to international markets.

The Government of Kazakhstan has created a number of institutions and initiatives to attract investments and provide direct support to enterprises through programs and instruments aimed at enhancing entrepreneurship in the non-resource economy. However, the still evolving institutional capacity of implementing agencies and private enterprises has been identified as an obstacle to the efficient implementation of support programs.

Approach

Under the Joint Economic Research Program (JERP), the World Bank provided technical assistance to Kazakhstan's export and FDI promotion agency, Kaznex Invest, in strengthening its institutional capacity to support local exporters and potential foreign investors. The capacity-building program targeted Kaznex Invest's core competences in promoting exports and attracting FDI, which are of strategic relevance to the country's economic diversification and competitiveness agenda. The assistance enabled a smooth and structured transition in the institution's internal organization through the recruitment of new staff and the establishment of a sector unit, which helped strengthen and better equip the agency in terms of human resources and a strategy to facilitate sector-specific investment opportunities.

Solutions

Following international best practices, the World Bank supported Kaznex Invest in developing a sector-based focus to attract investors and promote exports. As a result of capacity-building training activities, the agency is now able to promote exporters in key competitive sectors.

On export promotion, the World Bank and Kaznex Invest have jointly designed and implemented a pilot project, the “Strategic Marketing Matchmaking Program” (SMMP). The objective is to support matchmaking activities to connect Kazakh “champion companies” in priority sectors directly with potential buyers in target markets. Beyond establishing business-to-business links for the participating companies, the program intends to create an export slipstream for other Kazakh companies from the same sector.

As mentioned by Jalil Bulatov, Managing Director of the Export Department at Kaznex, “The experience gained under the SMMP helped Kaznex better understand the needs of exporters and more effectively provide them with the support they needed to establish partnerships with potential foreign partners. Once the second phase is completed, we expect to have positive outcomes for participating companies and better prospects for Kazakh companies in general, as we are building the image of the country as a reliable supplier of quality products.”

Impact

The World Bank helped coordinate implementation of the SMMP by providing know-how and guidance to Kaznex management and staff, as well as to other public and private sector stakeholders. As a result, core competencies of the agency, in particular in marketing and communications, were significantly enhanced to implement similar programs in the future and to support entrepreneurs with adequate tools to establish sustainable, long-term partnerships in foreign markets.

By mid-2013, 30 Kazakh champion companies had been introduced to potential foreign buyers, and many are currently negotiating partnerships. By the end of 2013, most companies had closed deals, enhancing output for participating companies and enabling the entry of other companies in the same sectors into the export market.

Oman

Middle East and North Africa

Education

Oman Building on Enrollment Gains by Boosting the Quality of Education

Start of RAS: January 2009

Completion date/expected completion date: October 2012

Problem

Before 1970, Oman's education system served a mere 600 students in three primary-level, male-only schools. Between 1970 and 2008, Oman's Ministry of Education embarked on a mission to transform the education sector, increase access to education, and promote gender equality. As a result of this commitment, enrollment has grown dramatically, with 97 percent of Omanis receiving basic education and 86 percent continuing with post-basic education. In 2008, Oman's schools reported 48 percent female enrollment.

Having dramatically increased access to education, the Ministry of Education is facing a new challenge: improving the quality of education. Omani students, males in particular, consistently underperform against international standards. Moreover, out of 48 countries assessed in the 2007 Trends in International Mathematics and Science Study, Oman was shown to have the highest male-female achievement gap, with boys underperforming girls in all subject areas. Reporting by employers suggests that Omani graduates lack the relevant skill sets to meet the demands of their knowledge-based economy and a globalized labor market. In January 2009, Oman requested a partnership with the World Bank to conduct an education sector study to identify strengths and weaknesses of the education system and come up with recommendations to improve education outcomes.

Approach

The education sector report focused on pre-tertiary education and included a thorough analysis and policy recommendations based on international best practices. In particular, the report examined access, quality, and relevance of education to the labor market, as well as teachers, teaching methods, and financial management of the education system.

Solutions

As the Bank team worked with the government to design the project, they assigned clear roles and responsibilities for the government and

Bank officials, with each Bank team member working with a small team from the Ministry of Education on specific areas to transfer knowledge and skills through a "learning-by-doing" approach. The engagement resulted in a joint Oman–World Bank report that identified strengths and weaknesses in the Omani education system. To address concerns that students were underachieving and entered the workforce without critical skills and job readiness, the report recommended the adoption of two priorities: creating a culture of high standards, and developing the pedagogical capacity of the teaching force. More specific reform suggestions included increasing the annual number of school days to 180 in accordance with international best practices; setting realistic learning targets for each grade and publicizing these to parents, teachers and students; emphasizing higher-order thinking skills; and improving the curricula for English, math, and science. To develop the teaching force, the report recommended incentivizing teachers to focus more on student learning and less on reporting and administrative requirements; ensuring a steady supply of teachers in remote areas; forecasting future demand for teachers per subject area; and supplementing teacher training with practical exercises and teacher-peer activities.

The report also suggested developing a national strategy for special needs education and improving mechanisms for identifying special needs students. Finally, the report recommended a management training program to enhance the leadership and planning skills of senior officials in the Ministry of Education to address management and financial issues related to the education system.

Impact

The Bank initiative helped build capacity in the Omani education system through workshops, mini-courses, and presentations, giving local teams the knowledge and confidence to lead similar exercises within their own departments in the Ministry of Education. These steps are designed to ensure the government has the capacity to follow through on the findings of the joint study on the education sector, which proposed policy options to address key challenges, including a clear path forward to developing a more skilled workforce and addressing key labor market challenges. The Bank team witnessed this improved capacity in action when it participated in a formal presentation of the report in October 2012, which was attended by over 300 educators and a number of ministers. A rich discussion and interaction made this launch event a success, as the Omani team was able to effectively address many questions and concerns.

Madiha Ahmed Al-Shaibani, the Minister of Education, has praised the World Bank's approach and the project's final output, stating, "I am confident that the report will prove to be of considerable benefit to the Sultanate in helping it to improve its educational system in terms of access, equity, quality and efficiency… and in helping us to design future successful educational policies and strategies." Moreover, based on the successful collaborative approach taken during this project, the Minister of Finance has requested that the same capacity-building approach be pursued in all World Bank technical assistance including in the fisheries, planning, and transport sectors. The World Bank is sharing the success of this approach with other countries in the Gulf Cooperation Council and elsewhere.

Oman and the United Arab Emirates

Middle East and North Africa

Multisector

Taking Knowledge and Resources on the Road in the Gulf

Date of roadshow: March 2013

Problem

Many resource-rich countries in the Middle East and North Africa have developed beyond requiring financial assistance from the World Bank, yet they still face pressing development challenges, including economic transitions, rising unemployment (particularly among women and youth), inefficiencies in public sector spending, and below-average private sector participation in economic activity.

Approach

The World Bank has offered knowledge services to countries through the Middle East and North Africa, beginning in 1975 in Saudi Arabia. In Kuwait, demand for Bank assistance has grown consistently in the last decade, paving the way for the establishment of a country office in 2008. The six countries of the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates or UAE) have increasingly asked for assistance in sensitive domains such as governance, procurement systems, social sector expenditure reviews, and climate change.

World Bank Group staff present to university students in the UAE

In response to a request from the UAE and Oman, the World Bank Group initiated a roadshow in March 2013 to demonstrate how the Bank provides comprehensive, coordinated solutions to development challenges, receiving such a favorable response that another is planned for 2014. In the UAE, Bank representatives met with members of the federal and local governments, private sector representatives, university students and staff, civil society, and media organizations.

Solutions

Following the roadshow, the Bank signed several agreements with the UAE focused on enhancing public expenditure efficiency and effectiveness, and on improving service delivery in health and education. Meanwhile, the Multilateral Investment Guarantee Agency (MIGA) is in dialogue with prospective UAE investors to mobilize foreign direct investment in projects in Africa. The Abu Dhabi Department of Economic Development asked the Bank to facilitate discussion around fostering competitiveness among small- and medium-sized enterprises, focusing on the manufacturing sector and the role of the private sector in service delivery. Administrators at two public universities, enthusiastic about the Global Secondment Program for their graduate students, asked for the ability to visit the World Bank during study missions to the U.S.

Members of the delegation with Omani government officials following their presentation

The Bank roadshow had similar success in Oman, a country that graduated from World Bank borrower status in 1987. The mission attracted representatives from a wide range of stakeholders and audiences, and resulted in specific requests for Bank assistance in urban planning and management, labor and unemployment, sustainable fisheries development, and a review of the national development plan.

In 2009, Dubai's Knowledge and Higher Education Authority initiated a reform process based on recommendations in the World Bank Flagship report: "The Road Not Traveled: Education Reform in the Middle East and North Africa." The following year, the Authority signed an agreement with the Bank to help review its implementation of the Bank's proposed reform framework. Following the review, the two parties plan to jointly draw lessons of implementation experience to support other emirates in the UAE as well as countries in the Middle East and North Africa and around the world.

Impact

By enhancing awareness about available World Bank advisory services and technical assistance under Reimbursable Advisory Services, an increasing number of UAE and Oman government entities sought World Bank assistance to enhance social development outcomes. The Bank's programs in the Gulf Cooperation Council countries could serve as a model for Bank group engagement in resource-rich nations, helping them enhance their policy formulation and implementation capacity, while building on this engagement to better support the World Bank's twin goals of reducing poverty and sharing prosperity.

Bahrain

Middle East and North Africa

Sustainable Development

Using Smart Lighting to Fight Climate Change

Start of RAS: October 2012

Completion date/expected completion date: December 2014

Problem

Despite its relatively small size and population, Bahrain is the third-largest energy consumer in the Middle East and North Africa region. Low electricity tariffs and consistent economic growth have contributed to a doubling of energy consumption in the last decade. These increasing energy demands are costly to Bahrain's power sector and contribute to global levels of greenhouse gas emissions.

Bahrain's population purchases an average of over 2 million incandescent lamps a year. While relatively cheap and easy to find, these lights are much less energy efficient compared to newer lighting solutions such as compact fluorescent lamps and light-emitting diode (LED) lamps. Significant energy subsidies also prevent consumers from feeling the impact of the higher energy costs of using incandescent lamps. As a result, Bahrain's consumers continue to purchase inefficient lighting solutions that use excessive energy. In the words of Bahrain's Minister of Finance, Shaikh Ahmed bin Mohammed Al Khalifa, "Replacing our incandescent lamps will lower the demand for electricity at peak hours by 10 percent. We are teaming up with the World Bank to draw on their international experience in handling similar programs in other parts of the world, and to help educate our consumers on the benefits of these new technologies."

Approach

In 2012, the government of Bahrain requested technical assistance from the World Bank to support the design and implementation of a large-scale efficient lighting program. To spark a nationwide effort to reduce energy consumption and promote green technologies, the government decided to focus first on lighting, which accounts for 10 percent of the country's electricity load.

While designing a solution to boost energy efficiency in Bahrain, the Bank deployed experts to conduct in-depth stakeholder consultations with residents of Bahrain, the private sector—including lighting equipment suppliers and bidders for the ongoing procurement—and representatives of relevant government bodies such as the Supreme Council for the Environment and the Electricity and Water Authority. Moreover, the team conducted a consumer sample lighting survey to gather data on residential lighting use in Bahrain and used this data to analyze the financial and economic impact of different options as well as potentials for energy savings and carbon emission reduction. Bank technical experts shared existing resources such as the compact fluorescent lamps "Toolkit" with ministry counterparts to help design and implement the initiative. Bank experts also drew on the experience of countries that successfully launched similar programs to better regulate lighting markets.

Solutions

To address energy inefficiencies, the World Bank and the government of Bahrain are partnering on a two-phase solution: Phase I introduces consumers to more efficient lighting solutions, while Phase II encourages a sustainable transition to new and efficient lighting technologies, strengthening the regulatory framework to ban the importation of poor or low-efficiency bulbs. In parallel, the team is developing a comprehensive consumer awareness plan targeting varied consumer groups, making it easier for the government to broadly communicate the benefits of energy efficient lighting.

Savings generated by switching to more energy efficient lighting are constrained by the higher costs of the new technologies as well as subsidized tariffs. Given the lack of incentives to purchase energy efficient lighting, the Smart Lighting Initiative will help the authorities provide high quality compact fluorescent lamps to residential consumers in exchange for their existing bulbs, replacing as many as 2 million incandescent lamps, in order to facilitate the transition to smarter lighting.

Impact

The widespread deployment of these high-efficiency light bulbs is expected to improve lighting efficiency by 80 percent, reducing demand by 30-40 megawatts and significantly lowering the overall cost of power generation and consumer electricity bills. According to current projections, Phase I alone will reduce annual household energy consumption by 250 gigawatt hours, in turn lowering environmental emissions by 1.8 million tons a year. In turn, gas consumption for power plants will decrease by 2.3 billion ft^3.

In the medium-term, phasing out the manufacture and importation of less efficient bulbs is expected to reduce the price of energy-saving bulbs and lead to a sustained transition to energy efficient lighting solutions. As a result of this initiative, consumers are becoming more informed about energy efficiency while undergoing a gradual transition to innovative lighting solutions.

Brazil

Latin America and the Caribbean

Environment and Water Resources

Bringing International Expertise and Support to Dam Safety Efforts in Brazil

Start of RAS: July 2012

Completion date/expected completion date: June 2015

Problem

Before 2010, there was no dam safety legislation in Brazil, at either the federal or state level. The only standards available for dam owners and engineers were developed by the São Paulo branch of the Brazilian Committee on Dams in 1999, and were based on dam safety guidelines published by the Canadian Dam Association. This situation changed in September 2010 with the passage of landmark legislation in the field of dam safety in Brazil. It established the national dam safety policy, defined which facilities would be regulated, assigned legal responsibility for safety to the owner, and assigned regulatory authority to specific institutions. The federal government mandated the National Water Agency (Agência Nacional de Águas – ANA) to lead the implementation of this new Dam Safety Law, as well to regulate dams under its jurisdiction, putting the Agency at the center of dam safety regulation while widening its prerogatives to promoting the coordination among other dam safety regulators. An annual dam safety report in 2012 identified 13,529 dams in Brazil; about 131 dams are under the National Water Agency's jurisdiction.

The Brazilian government and the World Bank have had a long-standing partnership in the water sector, at the federal and state levels. In 2011, the National Water Agency asked that the World Bank assist with analysis and advice around dam safety issues, given its experience with dam safety programs worldwide.

Approach

The World Bank set out to assist the National Water Agency in meeting a range of objectives that included improvements in the regulatory framework, in the monitoring and evaluation of dam safety, and capacity building in the Agency. A Reimbursable Advisory Services Agreement was signed between the Bank and the National Water Agency for 2012-15, mobilizing expertise from the World Bank, independent consultants, experts from the U.S. Army Corps of Engineers (a federal agency that manages and regulates a portfolio of about 700 dams in the U.S.), and the U.S. Geological Survey.

Solutions

The Services Agreement seeks to introduce international best practices on dam safety, and build the capacity at the National Water Agency and other federal and state institutions in regulating and supervising dam safety, particularly through training courses and workshops. The Agreement provides support to the National Water Agency in preparing relevant legislation and procedures, and building knowledge and institutional capacity that will act as a catalyst for a broader movement toward improved dam safety. It also provides support to ANA's staff for regular dam inspections and in reviewing technical documentation provided by dam owners and operators, and makes available a pool of national experts for complex dam inspection cases.

Impact

The World Bank's partnership with the National Water Agency in Brazil has helped examine the capacity of federal and state institutions to regulate and monitor the safety of dams across the country, and build the necessary skills and expertise using a series of workshops and other training events to bring together Brazilian experts and engineers with their international counterparts. As a result, the National Water Agency has made substantial progress to comply with Brazil's new dam safety law a year after signing the Services Agreement with the Bank.

Participants were very pleased about the first-of-its-kind series of training sessions on dam safety in Brazil, and greatly valued the role of the Bank in fostering this exchange among national and international professionals; a subsequent participants' survey found that 94 percent of respondents judged the training to be satisfactory or very satisfactory in terms of usefulness in their work environments. It is hoped that as a result of this and future activities under the Services Agreement, the National Water Agency will become an established center of excellence on dam safety for Brazil, and the national dam safety law will be implemented countrywide.

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