

Portfolio Overview

Sida's Support to the Trust Funds of the World Bank Group (WBG) 2012

In 2012, Sida disbursed 1481 MSEK to 52 Trust Funds managed by the World Bank Group. This makes the WBG the largest recipients of multi-bilateral contributions from Sida, with a share of approximately 26 per cent of the total multi-bilateral support. Asia is the region that received the most support, followed by Africa and Europe. One third of Sida's disbursements went to global programmes. Sustainable Infrastructure and Democracy were the most prominent sectors followed by Research and Health. In terms of contributions to the World Bank Trust Funds, Sweden was the 9th largest donor.

Sida's Contributions to the WBG Trust Funds

Using the Bank's terminology, Sida's contributions are made to Trust Funds managed by the World Bank. The Trust Funds serve as financial and administrative mechanisms for the co-financing of development related activities, i.e. to receive contributions from donor governments to specific programmes and projects managed by the World Bank. A programme is financed either by a single donor, so-called Single Donor Trust Funds (SDTFs) or by several donors, so-called Multi Donor Trust Funds (MDTFs). Furthermore, disbursements are also made to so called Financial Intermediary Funds (FIF) that are common efforts among donors to coordinate aid in key development areas. In 2012, most of Sida's contributions were made to MDTFs in support of the spirit of joint donor harmonization and the implementation of the Aid Effectiveness Agenda.

Contributions from Sida as support to World Bank Trust Funds

are often entitled "Multi-Bi" (multi-bilateral) support. This should be distinguished from non-earmarked contributions to the regular budget of multilateral institutions, usually called core support and also labelled "multilateral aid". The latter type of support is processed and decided upon by the Ministry for Foreign Affairs (MFA) but disbursed by Sida, or other Government Offices. Such contributions to the World Bank are made in the form of periodic replenishments to the International Development Association (IDA) and capital replenishments to the IBRD.

While 52 Trust Funds received disbursements during 2012, the total number of existing and active Sida financed Trust Funds with the World Bank Group were 119, out of which 29 were SDTFs, 88 MDTFs and 2 FiFs. The SDTFs have an agreed total contribution of \$148 million, out of which \$109 million have been disbursed by end 2012. For the MDTFs, the Swedish agreed share was 1117 million USD.

THE WORLD BANK GROUP

The World Bank is a very significant source of financial and technical assistance to developing countries around the world. The World Bank mission is to fight poverty for lasting results and to assist people in helping themselves and their environment by providing resources, sharing knowledge, building capacity and forging partnerships in the public and private sectors.

The World Bank Group consists of two development institutions: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The IBRD aims to reduce poverty in middle-income and creditworthy poorer countries, while IDA focuses on the world's poorest countries. Furthermore, their work is complemented by that of the International Finance Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA) and the International Centre for the Settlement of Investment Disputes (ICSID). IFC is the Private Sector Arm of the World Bank Group. Sida's cooperation is mainly through IDA and IFC.

Together, the World Bank Group provides low-interest or interest-free credits and grants to developing countries for a wide array of purposes that include investments in education, health, public administration, infrastructure, financial and private sector development, agriculture and environmental and natural resource management. The World Bank, established in 1944, is headquartered in Washington D.C. It has more than 11,000 employees in more than 100 offices worldwide.

DONOR COUNTRY TRUST FUNDS – BACKGROUND: SWEDEN

Sida's contributions to the World Bank Group totalled \$5,102M for fiscal years 2008–12. A majority of these contributions were extended to the International Development Association (IDA) followed by contributions to International Finance Corporation (IFC) Trust Funds and IBRD. As of fiscal year 2012 (FY12), the Swedish portfolio included 119 active Trust Funds (TFs).

GPE Global Partnership for Education is the biggest recipient at the regional level, and a so called FiF multi-national Trust Fund with 70 members and a budget of \$2 billion for the period 2012–2015. GPE is the only multilateral mechanism that provides funding for education from kindergarten to high school. GPE is currently active in more than 60 low-income countries. The World Bank hosts the GPE Secretariat, which coordinates the fund and its activities.

ARTF The Afghanistan reconstruction Trust Fund (ARTF) is the biggest country based World Bank managed Multi-Donor Trust Fund. In 2012, donors had contributed over 6.2 billion USD to the ARTF for service delivery and reconstruction across Afghanistan.

In the past six years, there has been a considerable increase in the volume of Sida's yearly disbursements to the World Bank Trust Funds, while there has been a reduction of the number of contributions that receive funds yearly. However, the number of active Trust Funds has remained fairly equal.

In the future, Sida will continue reducing the number of SDTFs. However, in exceptional cases the single donor mechanism may be needed to achieve specific development objectives. The support to Trust Funds for global programmes gives Sida an opportunity to work with strategic issues at the global level, take an active part in the global policy dialogue and possibly have an impact in terms of policy development.

Besides Sida's support to World Bank Trust Funds, the Ministry for Foreign Affairs is also disbursing an equal amount in size to 9 Trust Funds. The Global Fund fighting AIDS,

**TABLE 1: SIDA ANNUAL DISBURSEMENTS 2006–2012 BY REGION
(PERCENTAGE OF TOTAL AMOUNT)**

Region	2006	2008	2010	2012
Africa	31	25	6	23
Asia	39	34	30	32
Europe	10	16	10	10
Global	19	24	50	34
Other	1	1	4	1
Total	100	100	100	100

TBC and Malaria is the biggest fund, and received 950 MSEK in 2012.

In 2010, a four-year strategy determining strategic directions for the Swedish cooperation with the World Bank Group was endorsed by the Swedish Government. This Strategy defines priorities for the Swedish policy dialogue with the World Bank Group. Regarding Trust Funds, a long-term aim is to reduce the number of Swedish Trust Funds and to achieve a more focused and strategic portfolio following the thematic priorities outlined in the Strategy.

Sida's Support to WBG by Region

In 2012, programmes with global outreach received the greatest amount (34 %), followed by Asia (32 %) and Africa (23 %). The share going to Europe is quite small (10 %).

Sida's Support to WBG by Sector

Sida's support in 2012 by sector is illustrated in chart 1. In 2012, the predominant sectors were Sustainable Infrastructure and Services (32 %), Democracy, Human Rights & Gender Equality (18 %), and Research (17 %). One special instrument is the secondment of Swedish staff to the World Bank; and another the financing of Swedish Junior Professional Officers (JPOs). During 2009 and 2010, six JPOs started working for the World Bank illustrated as "Other" in chart 1.

**TABLE 2: SIDA DISBURSEMENTS 2012,
LARGEST COUNTRY RECIPIENTS
(AMOUNT AND PERCENTAGE)**

Country	MSEK	%
Global programmes	474	32
Afghanistan	231	16
Bangladesh	123	8
Kenya	94	6
Liberia	99	7
Palestinian Admin. Area	40	3
Bosnia-Herzegovina	40	3
Georgia	36	2
Others	335	23
Total	1481	100

**CHART 1: SIDA SUPPORT TO WORLD
BANK BY SECTOR**

