

Overview of Programs by Sectors



Education
Regional
Russian Federation

Energy
Albania

Environment
Albania
Georgia
Latvia

Finance and Private Sector Development
Czech Republic
Kazakhstan
Latvia
Poland
Russian Federation
Slovenia

Health, Nutrition and Population
Russian Federation

Poverty Reduction
Albania
Czech Republic
Regional
Russian Federation

Public Sector Governance
Czech Republic
Kazakhstan
Romania
Russian Federation

Social Protection
Kazakhstan
Regional
Russian Federation
Slovak Republic

Transport
Poland
Russian Federation

Urban Development
Georgia
Russian Federation



Albania

Water and Electricity Services for the Poor



Albania

Energy, Environment, Poverty Reduction

Start of FBS Program: September 2009

Expected Completion Date: June 2012

The objective of the FBS program is to strengthen and enhance the capacities of regulatory bodies in Albania's electricity and water sectors to monitor better the provision and efficiency of service delivery, and also to provide policy advice on increasing the efficiency, affordability, and sustainability of infrastructure (electricity and water utilities) services. The program was financed through a Spanish MDG Trust Fund, and conducted in partnership with the United Nations Development Programme (UNDP).

To achieve this objective, the program is considering the following priority areas:

- Assessing the institutional regulatory framework of the water supply and the constraints to water provision in rural areas (with particular reference to the Durres service area)
- Determining how the energy market model put in place during privatization is working and how it might be strengthened
- Conducting a poverty and social impact assessment (PSIA) of changes in tariffs and an exploration of how social assistance could be strengthened to guarantee energy and water affordability to vulnerable groups

Results. In the water sector, this FBS program has contributed to shaping the country's strategy, and is building capacity on methodologies for rural service coverage prioritization and utility performance, as well as benchmarking the system's monitoring and enhancement. The program is also providing a foundation for a likely larger-scale investment program, which will build on the knowledge generated and focus in particular on service to rural areas. The work in the energy sector is providing a knowledge base to address the emerging unbalances in the recently reformed sector. In particular, the FBS engagement has highlighted the existence of bottlenecks in the system, the need to improve the monitoring indicators used by the regulator, and the need to incorporate consumers' views into the design of an enhanced power system. With regard to support for vulnerable groups, the work on the poverty and distributional impacts of tariff changes is informing the two sectoral strands of work as well the dialogue on social assistance reform.

Impact. While still ongoing, the activities under this FBS are already contributing to foster a more strategic approach to water and energy issues, based on the in-depth analytical and technical work already undertaken. In particular, the



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integration of the social impact perspective with the sectoral view on tariff reform is proving of significant value.

Key Partners. UNDP; General Directorate for Water and Sanitation; ERE (Energy Regulator); and the Ministry of Labour, Social Affairs and Equal Opportunities

Czech Republic

Support to the Market for Remittances



Czech Republic

Finance and Private Sector Development

Start of FBS Program: December 2008

Completion Date: June 2011

The objective of the FBS program was to investigate some of the main aspects of the market for remittances to identify reforms the national government could make to enhance the efficiency of the service and, ultimately, reduce the cost of sending money abroad. The program also aimed to increase the transparency among Remittance Service Providers (RSP) of the cost of sending money from the Czech Republic. In 2009 the more than 630,000 migrants residing in the Czech Republic (either officially or illegally) sent US\$3.8 billion home to their families, an amount equivalent to 1.5 percent of the Czech Republic GDP. The cost of sending this money, however, could be as much as 13–14 percent of the amount sent. Reducing that cost by 5 percent enabled migrants to retain the equivalent of US\$190 million each year.

To achieve this objective, project activities focused on the following priority areas:

- Undertaking a survey within migrant communities on the ways in which they send money abroad
- Analyzing the results of the survey and creating a detailed report with specific statistical information and figures
- Investigating the different costs associated with sending money from the Czech Republic through the main operators on the market
- Integrating the Czech Republic into the World Bank's online database "Remittance Prices Worldwide" to increase market transparency of the different components of remittance costs and inform customers about the options available
- Increasing general awareness on the issue of remittances, involving both public authorities and the private sector, with the aim of improving the competition and decreasing the cost for final users of remittances services
- Identifying legal constraints that could hamper the smooth flow of money across borders and advising the authorities about available solutions

Results. An extensive analysis of the Czech market for remittances was conducted, producing a series of confidential and public reports and awareness activities. The survey of the market for remittances among the migrant communities was summarized for the final publication "The Market for Remittance Services in the Czech Republic."¹ The team completed a series of seminars, both in Prague and Washington, to raise awareness of the findings and increase the local players' knowledge of the potential of the remittances



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market. The Czech Republic was included in the analysis undertaken by the World Bank through the website Remittances Price Worldwide Database (<http://remittanceprices.worldbank.org/Country-Corridors/from-Czech-Republic/>) in order to monitor the cost of remittances to Ukraine and Vietnam and verify whether, to some extent, the measures implemented during the project had positively affected the market.

Impact. Both regulators and private sector representatives operating in the market for remittances increased their knowledge about the main features of this market. The National Statistics Office and the Statistics Department of the Czech National Bank are now better able to track the volume of remittances. The inclusion of the Czech Republic in the Remittance Prices Worldwide Database on the cost of remittances showed that in the last three iterations, the cost of sending US\$200 from Czech Republic to both Ukraine and Vietnam has decreased from 12.82 and 13.39 percent to 11.18 and 11.76 percent, respectively.

Key Partners. Ministry of Finance of the Czech Republic

1 Available at <http://elibrary.worldbank.org/content/book/9780821385852>

Czech Republic

Technical Assistance on Financial Reporting



Czech Republic

Finance and Private Sector Development

Start of FBS Program: July 2010

Expected Completion Date: March 2014

The objective of the FBS program is to enhance the implementation of the *acquis communautaire* (European Union [EU] legislation) as it relates to financial reporting, resulting in a business environment in the Czech Republic more conducive to sustained economic growth—that is, a growing economy less vulnerable to a financial systems crisis. In order to achieve this, the project addresses a broad range of themes, including accounting standards, supervisory techniques, corporate governance, and training on tax administration.

To achieve this objective, the program considered the following key priority areas:

- Assessing and supporting the audit oversight system
- Implementing a quality assurance system
- Training on International Standards on Auditing (ISA)
- Building the institutional capacity for insurance financial reporting
- Twinning with the Swiss Financial Market Supervisory Authority (FINMA) on corporate governance
- Enhancing the relationship between tax and accounting
- Evaluating the project

Results. The project is expected to lead to a strengthened regulatory regime (involving financial reporting and auditing) in the Czech Republic's financial sector and an enhanced implementation of the *acquis communautaire* as it relates to financial reporting. The result will be an improved—and better informed—business environment that helps promote sustained economic growth and protect the economy against further economic or financial crises.

Impact. The expected contribution of the project to a reduction in economic and social disparities in the Czech Republic and between the Czech Republic and other EU Member States is threefold. First, the strengthened regulatory regime in the financial sector will lead to a lower risk of collapse of regulated entities (such as banks and insurance companies). Second, the improved financial reporting platform will enhance the quality and reliability of financial information presented by companies, ranging from small business entities to large corporate bodies, leading to better-informed decision making and increased investor confidence. Third, since recent research shows that enhanced financial reporting mitigates the risk of financial crises, which are proportionally more detrimental to the low- and



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middle-class, the project is expected to help reduce this risk through the supply of better and more accurate information to company management, financial sector authorities, and market participants.

Key Partners. Ministry of Finance, Audit Oversight Council, Chamber of Auditors, Czech National Bank

Czech Republic

Analysis of Migrants' Fiscal Contribution to the European Union



Poverty Reduction

Start of FBS Program: December 2008

Completion Date: March 2009

The objective of the FBS program was to use household survey data to improve the Czech Republic EU Presidency's—and by extension, all EU governments'—understanding of the net fiscal contribution of migrant workers in the European Union (EU) to their various host countries.

To achieve this objective, the program considered the following priority area:

- Utilize the extensive analysis of household survey data from the 2006 European Survey of Living Conditions (EU-SILC) round that covered all 25 EU member countries, a highly respected data source within the EU whose findings have helped to dispel misperceptions within EU member countries that migrants impose high social and economic costs on their respective countries. The study was commissioned by the Czech Government when it assumed the EU Presidency in 2009, as part of its contribution to the ongoing discussion and debate in the EU on migration-related issues.

Results. The study yielded important policy-relevant findings. Contrary to popular perception, the study found no evidence to support the contention that migrant workers in the EU contribute less in taxes than the native-born population, nor that they consume higher benefits. On the contrary, the study found that migrant workers (both from within and outside the EU) make a sizeable net contribution (approx €42 billion) to the national tax and benefit systems of the EU-13 countries (i.e., all EU members prior to the 2004 expansion, excluding Germany and Luxembourg, for which data were not available).

The study's findings have been widely disseminated, and have generated considerable interest. The report was presented at the plenary session of the EU Ministerial Conference held in Prague in February 2009, organized by the Czech EU Presidency, which was attended by over 150 participants and expert speakers. The session was chaired by Mr. Petr Necas, Czech Deputy Prime Minister, and Mr. Vladimír Spidla, EU Employment Commissioner.

Key findings of the analysis were also published in 2009 in the World Bank Policy Research Working Paper Series: *The Foreign-born Population in the European Union and its contribution to National Tax and Benefit Systems*, Policy Research Working Paper 4899. This paper was presented at the Second Conference on International Migration and Development organized by the World Bank's Development Research Group in Washington, DC on September 10–11, 2009. Key findings of the analysis were also incorporated in the World Bank report:



Taking Stock of Recent Migration Flows in the European Union, which was published in September 2010.

Impact. The study helped to counter-balance the growing anti-immigrant rhetoric that gained ascendancy during the global economic crisis in 2009 by highlighting the positive contribution of migrant workers to their host countries. The study's findings have been widely accessed and cited by policy makers, academics, and researchers working on migration issues in Europe and elsewhere.

Key Partners. Czech Republic Presidency of the European Union; Ministry of Labor and Social Affairs

Czech Republic

Integrated Revenue Administration
Advisory Service



Public Sector Governance

Start of FBS Program: October 2008

Completion Date: December 2011

The objective of the program was to develop a strategic vision and medium-term program for the establishment of an integrated revenue administration system for the Czech Republic in line with international best practices. This was accomplished by revamping procedures, legislation, institutional arrangements, and information technology, improving human capital, and strengthening monitoring and supervision in support of reform.

To achieve this objective, the program considered the following priority areas:

- Developing an integrated vision and strategy for a modern, integrated revenue administration, analyzing the risks, creating a multistage implementation plan, and harmonizing the legal framework and taxable base for customs, tax, and social security institutions
- Providing technical assistance in determining the basic principles of organization and management for the integrated revenue administration, carrying out a functional review of the organization and its human resources (HR), planning a reduction in the number of local offices to improve efficiency, designing an HR model that assigns personnel from predecessor agencies to the new revenue administration, and assessing training needs
- Providing technical assistance in the area of Business Process Reengineering (BPR) on the review and reengineering of the business procedures of the tax and customs administrations and the revenue functions of the social security institutions, and coordinating data migration from predecessor agencies to the revenue administration
- Offering, in the area of Information and Communication Technology (ICT), a review of ICT infrastructure and a gap analysis, and designing the appropriate architecture for ICT infrastructure in the integrated revenue administration

Results. A vision and strategy for the integrated revenue administration was developed and approved by the parliament. Steps for their implementation were also developed and approved by the Steering Committee. In addition, the program created a Policy Board consisting of the relevant ministers, a Steering Committee of the heads of integrating agencies, and various thematic working groups on each of the key areas, with members from the tax administration, customs, social security agency, and health insurance companies. Their deliberations on the transition were guided by World Bank experts, which provided for a robust change in management practices. A structure was



developed for a separate integrated revenue agency, to which the functions of other agencies will be transferred in stages. A higher-level functional review and BPR were also conducted, as well as an analysis of the gaps in the ICT infrastructure and recommended improvements.

Impact. An integrated revenue administration will reduce compliance burdens for taxpayers, who will now have to deal with only one authority instead of several, thereby improving the efficiency and effectiveness of collection. The development of an integrated revenue administration has gathered momentum and is generating ownership among all key institutional and private sector stakeholders. The government has already accepted a plan for a massive reduction in the number of revenue offices from roughly 200 to 14.

Key Partners. The Ministry of Finance; the Tax Administration; the Customs Administration; the Social Security Agency; health insurance companies; the Ministry of Health; the Ministry of Social Affairs; the staff of the respective agencies and business associations.

Georgia

Millennium Challenge Regional Infrastructure Development Project



Georgia

Environment, Urban Development

Start of FBS Program: May 2006

Completion Date: May 2011

The objective of the FBS program was to provide the Millennium Challenge Georgia (MCG) with technical and fiduciary supervision services for the Millennium Challenge Corporation (MCC)-funded Regional Infrastructure Development Project, implemented by the Georgia Municipal Development Fund (MDF).

To achieve this objective, the program considered the following priority areas:

- Reviewing terms of reference and providing technical input (including on safeguards) and recommendations for the award of procurement contracts conducted by the MDF
- Reviewing, commenting on, and approving all feasibility studies and regional infrastructure works funded by MCG
- Reviewing economic and financial assessments, including the capacity of the regional and municipal authorities to bear the operation and maintenance costs of the infrastructure supplied
- Reviewing, commenting on, and approving the engineering design of all works to be funded by the MCG, and confirming compliance with the agreed safeguards and procurement guidelines as well as the MCG-approved procurement plan

Results. Based on specific subproject identification and evaluation criteria agreed upon between the MCG, MDF, and the World Bank, seven subprojects were reviewed by the World Bank. These subprojects, which covered the two sectors of water and irrigation, were: the Poti Municipal water supply rehabilitation; the Kutaisi water supply rehabilitation; the Borjomi water supply rehabilitation; the Kobuleti water supply rehabilitation; the Bakuriani water supply rehabilitation; the Tsalkubo water supply and wastewater rehabilitation; and the Upper Samgori, Lower Samgori, and Tbis-Kumisi irrigation systems. Of these seven subprojects, the World Bank also provided full implementation support services to MCG for the following two subprojects: Kobuleti water supply rehabilitation and Bakuriani water supply rehabilitation.

Impact. The World Bank recommendations were put to use by the MCG and the Government of Georgia for the development of the seven subprojects, including those pertaining to the quality of the feasibility studies and safeguards. Similarly, procurement inputs ensured full compliance with both World Bank



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guidelines and MCC procurement exemptions. By the end of the program, the two towns of Bakuriani and Kobuleti had water supply and sewage collection systems, benefitting about 100,000 people. In addition, as a result of the quality of the feasibility studies and preparatory work, the engagement leveraged the involvement of other donors: the European Bank for Reconstruction and Development (EBRD) cofinanced with MCC the implementation of water subprojects in Poti, Kutaisi, and Borjomi, while the U.S. Agency for International Development (USAID) and the World Bank are now considering financing the prepared irrigation subprojects.

Key Partners. MCG, EBRD, and USAID

Kazakhstan

Joint Economic Research Program



Kazakhstan

Finance and Private Sector Development, Public Sector Governance, Social Protection

Start of FBS Program: December 2002

Expected Completion Date: June 2014

The objective of the Joint Economic Research Program (JERP) is to assist the government with the reform agenda in the priority areas of economic and social development. JERP also assists in strengthening the government's institutional capacity to conduct economic and sectoral work, helping it to answer the "what and why," and providing policy analysis, strategic planning expertise, and good practice options.

To achieve this objective, the program is considering the following priority areas:

- Informing the process of policy formulation in the areas of prudent macroeconomic management of oil windfall and weathering financial sector distress
- Providing guidance on increasing public sector efficiency through public administration reform and reviews of public resources management
- Supporting ease-of-doing-business reforms to improve the country's competitiveness
- Addressing human development issues to build a foundation for future competitiveness

Results. The program resulted in a review of Kazakhstan's tax policy and administrative framework, which was utilized in the development of a new tax code based on JERP recommendations. Advisory support on public resources management led to improvements in public investment planning, and a full assessment of the budget and financial management systems resulted in a new budget code and multiyear budget-preparation system, an effective treasury system, and public sector efficiency improving measures. Assistance with civil service reform, enhancement of public sector audit system and implementation of Extractive Industries Transparency Initiative contributed to increased transparency in public sector operations. The recommendations of JERP's Higher Education Report provided the basis of the Ministry of Education and Science's efforts to formulate its sector reform strategy. Finally, on the private sector development agenda, JERP support for business enabling environment reforms resulted in a rapid and steady improvement in business entry and exit conditions, payment of taxes, and investor protection, as well as improvements in insolvency procedures. In addition, JERP continues to provide advisory support to deregulation efforts and other key aspects of the government's competitiveness agenda.



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Impact. Analytical work initiated under JERP has evolved into a comprehensive joint project to more efficiently use public resources directed to the health sector. In the social protection area, JERP policy advisory support contributed to the introduction of a new employment program that aims to improve the balance between the protection and promotion objectives of the government's social safety net policies. JERP advisory services have also helped the government to avoid fiscally risky general bailout strategies in the wake of the financial sector crisis and to balance macroeconomic and monetary stability with sustainable growth objectives, while continuing to provide advisory support to maintain the prudent management of oil revenues. The Bank's analytical work has also contributed to trade policy agenda and formulation of a national strategy for embracing the benefits of regional and global integration. The Bank also provided advisory assistance through the JERP towards establishment of a Committee for Financial Monitoring under the Ministry of Finance to lead efforts in Anti-Money Laundering and Combating Terrorism Financing (AML/CFT). Finally, all the brainstorming discussions (15 events since 2004) have provided direct input into the government's ambitious reform agenda and policy formulation efforts, including through review of international good practice experience, to inform the policy- and institution-building reforms.

Key Partners. Office of the Prime Minister of Kazakhstan; Ministry of Economic Development and Trade; Ministry of Finance; Ministry of Industry and New Technologies; Ministry of Education and Science; Ministry of Labor and Social Protection; Ministry of Environment Protection; Ministry of Agriculture; Agency for Civil Service Affairs



Environment

Start of FBS Program: August 2007

Completion Date: June 2009

The objective of the FBS program was to provide advice to the Ministry of Environment on the administration of its efforts to establish a regulatory and institutional framework for Latvia's participation in International Emissions Trading under Article 17 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change. The second aim was to implement a pilot greening program that would be supported by revenues from the sale of the first portion of Latvia's assigned amount units under the Kyoto Protocol.

To achieve this objective, the program considered the following priority areas:

- Drafting and reviewing work plans, procurement plans, concept papers, and policy documents, and reviewing draft regulations for the Ministry of Environment
- Coordinating the work of consultants contracted by the ministry
- Preparing technical notes on selected issues regarding International Emissions Trading, with a view to complementing the work carried out by consultants contracted by the ministry

Results. The World Bank provided tailored support to the Ministry of Environment, delivering 26 products on a broad range of topics over the period of the agreement. These included: the design and implementation of the Latvia Climate Change Financing Instrument (CCFI); the implementation of a greening program covering building energy efficiency, including the role of various financing instruments, capacity building needs, institutional structures, and a review of best practice experience to support this program; peer reviews involving carbon pricing paper and draft legislation; the preparation of terms of reference for technical experts to support CCFI implementation; work planning; and communications strategies.

Impact. At the time the FBS was completed, 40 million assigned amount units had been made available for sale by Latvia, and of this, 10 million had been contracted or were in the process of being contracted by a certain number of buyers, consistent with the government's objective of implementing a pilot greening program as an initial step in this market. Much of the Bank's advice related to the underlying greening of the transaction that was adopted, i.e., the allocation of proceeds to support the implementation of a pipeline of projects with environmental benefits and greenhouse gas reductions (initially focused on building energy efficiency).

Key Partner. Ministry of Environment of Latvia



Latvia

Financial Reporting Technical Assistance Program
(FRTAP Latvia)



Latvia

Finance and Private Sector Development

Start of FBS Program: September 2009

Expected Completion Date: October 2014

The objective of this program is to support the reform of Latvia's business environment by providing education and training to help build a sustainable regulatory and institutional framework that appropriately (i) implements the European Union (EU) *acquis communautaire* in the field of corporate financial reporting and (ii) monitors and enforces the application of the *acquis* in practice. As Latvia seeks to support its economic recovery from the very deep recession that it suffered in the financial crisis, it is reforming its business environment to reduce barriers to investment and provide more transparency. This facilitates the mobilization of long-term saving, a key issue for a country with a rapidly aging population, and also contributes to financial stability. FRTAP Latvia is an FBS managed by the Centre for Financial Reporting Reform (CFRR) in Vienna. Funding is provided by the Swiss Government's contribution to the enlarged EU.

To achieve this objective, the program is considering the following priority areas:

- Improving the institutional capacity to prepare, audit, and regulate financial reports in accordance with International Financial Reporting Standards (IFRS), achieved through comprehensive and advanced training courses for civil servants and private sector practitioners, as well as policy advice to the Ministry of Finance (MoF) to enhance the financial reporting regulatory framework
- Improving the institutional capacity to implement International Standards on Auditing (ISA), achieved through a combination of a comprehensive training course for civil servants and private sector practitioners, assistance to the audit oversight body and the chamber of auditors in designing and operating effective public oversight and quality assurance systems for audits, and assistance in obtaining modern audit software tools
- Supporting the audit oversight body and the chamber of auditors with policy advice, international workshops, and study trips to EU member states
- Enhancing the relationship between financial reporting and taxation with a view to reducing the compliance burden, particularly on small- and medium-sized entities
- Improving tax policy makers' awareness of the similarities and differences between the measurement of income for tax purposes and for financial reporting purposes, and improving the understanding of the implications; analytical studies and study tours will provide data about the situation in



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Latvia and other EU countries and will allow State Revenue Service officials to benefit from their experiences

Results. Some 100 private sector auditors and 50 state government officials, including officials responsible for public oversight and quality assurance in relation to auditors, have completed a highly rated comprehensive ISA training course. Thirty state employees have benefitted from a comprehensive training course on IFRS and 30 others have received more advanced IFRS training. MoF officials responsible for audit oversight have benefitted from sharing their experiences with counterparts in the Czech Republic, Estonia, Poland, and Slovenia. In addition, Latvian officials participated, together with over 100 others, in an international conference in Warsaw in June 2011 that was designed to increase awareness of the importance of stakeholders in the new EU member states contributing to the development of IFRS.

Impact. It is expected that with improved, modern financial reporting, Latvia will be better positioned to attract foreign investment and to provide the long-term capital necessary to create employment-generating activities, while avoiding placing an undue burden on its small and medium enterprises.

Key Partners. Ministry of Finance officials (including the tax administration); Latvian Association of Sworn Auditors

Poland

Financial Reporting Technical Assistance Program
(FRTAP Poland)



Poland

Finance and Private Sector Development

Start of FBS Program: December 2009

Expected Completion Date: December 2015

FRTAP Poland is an FBS managed by the Centre for Financial Reporting Reform (CFRR) in Vienna. Funding is provided to Poland by the Swiss Government's Contribution to the enlargement of the EU.

The objective of the Financial Reporting Technical Assistance Program (FRTAP) is to help Poland put in place a sustainable regulatory and institutional framework that ensures the correct application of the European Union (EU) *acquis communautaire* in the field of corporate financial reporting in line with EU principles on smart regulation. As Poland seeks to diversify its economy and sustain the high levels of growth experienced over the last decade, it continues to adapt its business environment to provide more transparency and management accountability. This facilitates the mobilization of long-term saving, a key issue for a country with an aging population, and also contributes to financial stability.

To achieve this objective, the program is considering the following priority areas:

- Improving the ability of accountants to prepare financial reports according to the International Financial Reporting Standards (IFRS) and of auditors to carry out audits under the International Standards on Auditing (ISA). This is achieved through a combination of training courses, technical advice to the two leading professional organizations (National Chamber of Auditors (KIBR) and Polish Accountants' Association (SKWP)) on improving their continuing education systems, and policy advice to the Ministry of Finance to enhance Poland's regulatory framework for accounting and auditing services.
- Assisting the Public Audit Oversight Commission and the KIBR in designing and operating effective systems for the public oversight and quality assurance of audits, through a mix of tailored advice, international workshops, and study trips to other EU member states
- Improving the capacity of policy makers and financial regulators to use financial information to carry out their activities, and raising stakeholders' awareness of (i) the importance of modern corporate financial reporting in Poland and (ii) their role in its improvement in support of economic development

Results. Already as a result of the program, 2,880 auditors have completed the initial module of the ISA training course, and 650 auditors have completed the first three modules. In addition, roughly 100 accountants have benefitted from



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comprehensive courses on IFRS, and another 50 have received more advanced IFRS training. Poland's Audit Oversight Commission joined the International Forum of Independent Audit Regulators in 2011. An international conference on IFRS was held in Warsaw in June 2011, attracting over 100 participants and leading to an increased awareness of the importance of the contribution of Polish stakeholders to the development of the standards.

Impact. It is expected that with improved, modern financial reporting, Poland will be better positioned to attract foreign investment and provide the long-term capital necessary to create employment-generating activities, while avoiding placing an undue burden on its small- and medium-sized enterprises (SMEs).

Key Partners. Ministry of Finance (including tax administration); Financial Supervision Commission (KNF); Audit Oversight Commission (KNA); Chamber of Auditors (KIBR); Polish Accountants' Association (SKWP); other Polish private sector organizations

Poland

Improving the Strategic Planning and Programming Process for Roads in Mazowieckie Voivodship (Region)



Poland

Transport

Start of FBS Program: June 2009

Completion Date: July 2010

The objective of the FBS program was to improve the quality and development process of a medium-term regional road program that would better address regional road transport needs, as well as optimize the use of the region's road budget. These objectives reflect the concerns of key regional authorities that: (i) primarily, the road program should reflect user needs, which were taken into account only partially when developing road projects; and (ii) the financial efficiency and sustainability of the regional road program be improved by introducing processes and tools that would maximize the program's economic benefits and optimize its long-term road maintenance costs.

To achieve this objective, project activities focused on the following priority areas:

- Assessing the state of road management and financing in the voivodship, and proposing an interim system for planning and programming that focuses on a simplified methodology for preparing a medium-term rolling roads program. The system was designed to be ready for quick implementation in anticipation of the introduction of a more comprehensive system within two to three years.
- Reviewing decision support systems and preparing recommendations for a computerized road monitoring and management system, including a two to three year implementation plan for the system in the Mazowieckie Voivodship Roads Administration (MVRA).
- Detailing a proposed global system for strategic planning of road investments for the voivodship to implement, with an assessment of the institutional impact of the proposed changes.
- Discussing details of an interim system for the programming and implementation of road works that utilizes simplified models for economic analyses, the selection of candidate projects, budgeting, and project prioritization.
- Defining the practical aspects of the preparation and execution of road works, and proposing the implementation of a pilot for medium-term, performance-based maintenance contracts.

Results. The program resulted in a comprehensive program of improvements in the system of planning and programming regional road projects. It was proposed that the gradual phase-in of the new approach begin as soon as possible and it is expected to take up to three years. Recommendations focused on the proposed actions for two streams of activities: (i) introducing a new strategic cooperation



framework between the MVRA and the Management Board of Mazowieckie Voivodship with a clear road programming process; and (ii) introducing methods, tools, and instruments for improving the efficiency and accuracy of the programming process.

Impact. Some partial improvements, such as the launching of the roads database, have begun and the program is expected to be implemented during 2012–2014. The selection of road projects is now done based on more objective and quantifiable criteria using some simple, standardized economic analysis.

Key Partners. Beneficiaries: the MVRA and the Marshall's Office of Mazowieckie Voivodship (MOMV); support was obtained from the General Directorate for National Roads and Motorways (GDDKiA).

Romania

Functional Reviews
(Phase 1)



Romania

Public Sector Governance

Start of FBS Program: March 2010

Completion Date: March 2011

The FBS objective was to help the Government of Romania (GoR) strengthen public administration effectiveness and efficiency in six sectors supporting Romania's Europe 2020 Strategy. Romania sought to develop sector structural reforms with assistance from the World Bank through functional reviews (FRs) of public administration. Twelve functional reviews were undertaken in two stages. This FBS represented the first of the two stages, and included the following six sectors: transport, education, agriculture and rural development, public finance, center of government, and the Competition Council.

To achieve this objective, the reviews:

- Analyzed sector practices and constraints with respect to strategic and performance management, organizational structure and governance, budget management, human resource management, and other internal management systems and practices relevant for performance improvement in each sector/function
- Developed specific, pragmatic recommendations for improvement that were expected to yield short to medium term results, as well as identify longer-term reform measures
- Conducted the work as a joint exercise with government and sector counterparts to ensure the proposed action plans had higher ownership, took into account the strategic priorities of the ministry and the relevant political economy concerns

Results. By mobilizing substantive international and local experts to work intensively with the sector ministries, the Bank has helped GoR to initiate reforms within each of the six sectors and to identify cross-cutting challenges in the public administration. Based on the reviews, sectoral action plans were approved by government, and submitted by the GoR to the European Commission (EC). The GoR recently agreed to report quarterly to the EC on implementation progress. Some specific measures from the action plans have already been taken in the sectors. Each of the ministries and agencies has submitted requests for technical assistance to help implement action plans, demonstrating a clear move towards implementation and results.

Impact. The prime minister of Romania hosted an inter-ministerial conference in October 2010, including relevant ministers, World Bank experts, the EC, and the IMF, to discuss key FR findings and next steps. By December 2010, the government approved FR reform action plans, including timelines, estimated



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costs, and priority actions. The GOR submitted the actions plans to the EC, and will report quarterly on implementation. Some FR reform actions have been picked-up under the IMF-GOR Stand-By Agreement. A few specific sectoral measures have already been taken: (i) the General Secretariat of the Government (GSG) has begun annual government work plans to improve coordination and a project to monitor government-wide reform implementation; (ii) the Ministry of Education revised the per capita education formula and advanced implementation of the new education law; (iii) the Ministry of Finance is preparing a tax administration modernization project to reduce the compliance burden and increase tax yields; (iv) the Ministry of Transport is requesting technical assistance to improve sector strategic planning and governance of state companies; and (v) the Ministry of Agriculture has obtained financing to improve performance monitoring across its network of programs.

Key Partners. Romania's GSG was the primary partner and coordinated on behalf of the government and with the EC's Secretariat General (SG). Each relevant sector minister provided a leadership team for day-to-day assistance to the Bank. Close collaboration between the Bank and the EC occurred, especially Directorate Generals with specific policy responsibility for a sector, for example, DG Regio for transport issues, DG Competition for competition policy.

Romania

Functional Reviews
(Phase 2)



Romania

Public Sector Governance

Start of FBS Program: November 2010

Completion Date: July 2011

The objective was to help the Government of Romania (GoR) strengthen public administration effectiveness and efficiency in six sectors supporting Romania's Europe 2020 Strategy. Romania sought to develop sector structural reforms with assistance from the World Bank through functional reviews (FRs) of public administration. Twelve functional reviews were undertaken in two stages. This FBS represented the second of the two stages and it included the following six sectors: health, labor and social protection, regional development and tourism, environment and forestry, energy and business environment, and higher education, research and innovation.

To achieve this objective, the reviews:

- Analyzed sector practices and constraints with respect to strategic and performance management, organizational structure and governance, budget management, human resource management, and other internal management systems and practices relevant for performance improvement in each sector/function
- Developed specific, pragmatic recommendations for improvement that were expected to yield short to medium term results, as well as identify longer-term reform measures
- Conducted the work as a joint exercise with government and sector counterparts to ensure the proposed action plans had higher ownership, took into account the strategic priorities of the ministry and the relevant political economy concerns

Results. By mobilizing substantive international and local experts to work intensively with the sector ministries, the Bank has helped GoR to initiate reforms within each of the six sectors, and to identify cross-cutting challenges in the public administration. Based on the reviews, sectoral action plans were approved by the government, and submitted by the GoR to the European Commission (EC). The GoR recently agreed to report quarterly to the EC on implementation progress. Recommendations from the FR for energy have been used in the government's Stand-by Agreement with the IMF. Some specific measures have already been taken in the sectors as a result of the FRs.

Impact. The GoR resumed the implementation of energy reform, which had stalled in 2007. The GoR and electricity suppliers worked toward a solution to clear CFR Railways arrears, leading to an improved cash flow for electricity distributors and the elimination of penalties for the railway company. In addition, institutions administering social assistance (SA) were restructured, which improved



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their capacity to design better targeted SA programs and to fight against error, fraud, and corruption in the safety nets sector. The Ministry of Health is revising the basic package of health services so as to exclude goods and services that are not cost efficient, and is moving forward on the reduction of hospital beds. Finally, the Ministry of Regional Development is requesting technical assistance to help improve the absorption of EU funds.

Key Partners. Romania's General Secretariat of the Government (GSG) was the primary partner for the Bank, and coordinated the functional reviews on behalf of the government and in collaboration with the EC's Secretariat General (SG). In each sector, the relevant minister provided his or her own leadership team to offer day-to-day assistance to the Bank. There was also close collaboration between the Bank and the EC, especially those Directorate Generals that had specific policy expertise in a given sector, for example, DG Regio for issues on regional development, DG Environment for environmental policy.

Russian Federation

Capacity Building in the Implementation of a Strategic Development Plan for the Higher School of Economics (HSE II)



Education

Start of FBS Program: December 2010

Expected Completion Date: January 2014

The objective of the FBS program is to support the Higher School of Economics (HSE) in preparing its strategic development plan, as well as the implementation of an innovative infrastructure development program, to enable HSE to establish itself as a leading international university in the social and economic sciences.

To achieve this objective, the program is considering the following priority areas:

- Building HSE's institutional capacity in the development and management of advanced programs in the social and economic sciences
- Providing HSE with expertise at the level of international best practice on governance, teaching, and research

Results. The program is expected to improve the governance and management of HSE's strategic development based on international best practice. In addition, the staff's capacity to manage the university and deliver its essential educational and research services will be enhanced to a level comparable to that of the leading foreign research universities, through a series of seminars, visiting professorships, and joint research activities.

Impact. The implementation of the strategic development plan and infrastructure development program will enable HSE to become one of the leading international universities in the social and economic sciences.

Key Partners. Higher School of Economics, Russian Federation



Russian Federation

Improvement of the Regional Early Childhood Development and Preschool Education System



Education

Start of FBS Program: June 2009

Completion Date: June 2010

The objective of the FBS program was to (i) develop and launch the pilot of the early childhood development (ECD) curriculum in Khanty-Mansiysk Autonomous Okrug-Yugra (KMAO); (ii) develop and start the pilot of the region's new quality assurance system based on self-evaluation and external inspections; and (iii) train the region's kindergarten staff to apply the new ECD curriculum and quality assurance system.

To achieve this objective, the program considered the following priority areas:

- Developing the regional preschool education curriculum
- Developing and implementing the regional kindergarten quality assurance system
- Training the trainers of the regional kindergarten staff

Results. The program led to the successful planning and implementation of a modernization program for the regional preschool education curriculum. A thorough review was conducted of the region's early childhood support services, with the aim of improving the social, psychological, and educational support for early-age children in KMAO. In addition, a set of models was developed to support families and children and provide guidelines for better services delivery and monitoring. The program also led to the development of a methodology as well as guidelines for a regional kindergarten quality assurance system, which incorporates teacher self-evaluation and the regular external inspection (at the regional and municipal levels) of kindergartens. Finally, the activities helped to support the training of at least 30 regional specialists, either by leading experts at field seminars/workshops or through overseas study tours, leading to a general strategy for teacher training and quality improvement.

Impact. Policy reforms for ECD in KMAO were recommended, including public-private partnerships for financing an ECD system, more practical child-centered education methodologies, and enhanced monitoring and evaluation. In addition, the regional program for the construction of kindergarten schools has been modified to be in line with recommended modern standards for preschool education environments.

Key Partners. Department of Education and Youth Policies of the Khanty-Mansiysk Autonomous Okrug-Yugra



Russian Federation

The Development of
Preschool Education in Yakutia



Education

Start of FBS Program: December 2010

Expected Completion Date: June 2012

The objective of the FBS program is to improve the quality of and access to existing early childhood development (ECD) and primary education (PE) services in the Sakha Republic of Yakutia, a republic that faces several challenges. Demand for preschool slots far exceeds supply, with about 12,000 boys and girls on the waiting list in Yakutsk city alone. The waiting lists are only expected to get longer with the rising birth rate. Many preschools are in poor condition—facilities are without running water or toilets, for example. Preschool managers need training, teachers need to learn more modern and child-focused teaching techniques, and the quality assurance systems need improving. These issues require a multifaceted approach, one in which the World Bank has considerable experience.

To achieve this objective, the program is considering the following priority areas:

- Preparing a strategy note on ECD system development
- Modernizing the quality assurance system for ECD in Yakutia

Results. The Sakha Republic will adopt the concept and build a strategy of ECD system development. The instruments of quality assurance will be piloted and then used across the republic to serve as management tools for the authorities and developmental tools for kindergartens. In addition, the republic will streamline financing to improve conditions and enhance the content of the ECD system.

Impact. Yakutia will have introduced reforms into its preschool education system, allowing it to become a primer for other Russian regions on this issue. Moreover, research activities in the area of ECD are expected to become an integral part of the republic's management agenda.

Key Partners. Ministry of Education of the Sakha Republic (Yakutia)



Russian Federation

Strengthening the Regional Education System
in the Khanty-Mansiysk Region



Education

Start of FBS Program: September 2007

Completion Date: June 2008

The objective of the FBS program was to (i) review the existing situation and trends in the regional education system and prepare a report with recommendations on further improvement, and (ii) discuss and identify the possibilities for applying the most successful approaches to and models of education development from international and Russian best practices in the format of an international conference. Although the Khanty-Mansiysk Autonomous Okrug (KMAO) is one of the most resource-rich regions in Russia, its education system was marked by inefficiency as well as other pressing concerns. These included poor results on the national examinations, long and growing waiting lists for kindergartens, and a tertiary education system needing modernization.

To achieve this objective, the program considered the following priority areas:

- Reviewing the existing situation and trends in the regional education system at all levels, from preprimary to higher education
- Working in partnership with local authorities and experts to share knowledge and experiences with an international team through direct communication and visits to the region
- Preparing a report with recommendations on the further improvement of the education system
- Identifying opportunities for applying the most successful approaches and models of education development from international and Russian best practices by means of an international conference

Results. An analytical review has been prepared for the region, all chapters of which were discussed and agreed to by the authorities as a capacity-building exercise. An action plan for next steps was also prepared based on the review's recommendations, and a series of international visits were made to KMAO, during which training seminars were held.

Impact. The review has become a well-used reference publication for education policy makers and the impetus for several reform activities. The review's recommendations have also helped shape subsequent World Bank/KMAO joint activities in the early childhood development (ECD) area. In addition, KMAO has been able to become part of an international dialogue on the subject of education development.

Key Partners. The Department of Education and Youth Policies of KMAO



Russian Federation

Higher Education System Capacity Building
in Tatarstan



Russian Federation

Education

Start of FBS Program: November 2008

Completion Date: June 2010

The objective of the FBS program was to contribute to the capacity of Tatarstan's higher education system to serve the purposes of regional and municipal social and economic development. The direct beneficiaries of this FBS program were municipal and regional authorities, as well as managers and faculty of the participating universities.

To achieve this objective, the program considered the following priority areas:

- Building the capacity of seven participating universities in the area of strategic planning
- Developing strategic plans for participating universities
- Preparing a draft higher education development strategy for the entire region

Results. Prior to the project, universities in Tatarstan were performing without a clear plan for the future, leaving their development strategies limited largely to reacting to immediate issues and challenges. As a result of the project, all seven participating universities have drafted strategic development plans, five of which have been endorsed by governance boards. In addition, an education development strategy for the entire region was developed and approved by the government which is based on (i) a diagnostic review of the higher education sector in Tatarstan (conducted by the World Bank under a preceding FBS), (ii) the strategic plans of the local universities, and (iii) regional and national economic development plans.

Impact. The new higher education strategy was incorporated into the broader Education Development Program (through 2015), which was adopted by the Government of Tatarstan. Based on the strategies developed with support from the World Bank, two universities have received the status of national research university granted by the Federal Ministry of Education (only 27 out of a total of 660 public universities in Russia have received this status), and an additional university has recently received the rank of federal university, a status shared by just six other universities in Russia.

Key Partners. Administration of Kazan City; JSC Directorate for Extra-Budgetary Urban Development Programs; Ministry of Education and Science of the Tatarstan Republic



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Russian Federation

Technical and Vocational Education and Training System Development in Krasnoyarsk Region I



Education

Start of FBS Program: October 2008

Completion Date: December 2008

The objective of the FBS program was to evaluate (i) the secondary vocational education and training system (SVET) in the Krasnoyarsk krai (region), and (ii) the development of regional policy with regard to restructuring the SVET institutional network. Prior to 2008, the vocational institutional network in the region was very fragmented, with over half of the students graduating from secondary vocational schools that were unaccountable to the regional ministry of education (reporting to the federal ministry or line/sectoral ministries). Before the program, the network was very rigid, hard to manage, and unable to ensure the quality of the labor entering local labor markets.

To achieve this objective, the program considered the following priority areas:

- Developing a diagnostic report
- Preparing the regional SVET development Policy Paper and Program

Results. As a result of this FBS program, a critical diagnostic study was completed. In addition, the regional SVET Policy Paper and Program were developed and subsequently adopted by the government.

Impact. The regional SVET program continues to strive to produce graduates with more relevant skills for the local labor markets. In addition, the Krasnoyarsk krai Ministry of Education and Science has maintained its access to international expertise and knowledge and Russian best practice. The regional initiatives in the area of SVET development have been recognized and acknowledged at the national level, and the local capacity to design development strategies has been improved.

Key Partners. The Ministry of Education and Science of Krasnoyarsk krai



Russian Federation

Technical and Vocational Education and Training System Development in Krasnoyarsk Region II



Education

Start of FBS Program: December 2010

Expected Completion Date: December 2012

The objective of the FBS program is to support the Ministry of Education and Science of the Krasnoyarsk krai (region) in the development of the technical and vocational education and training (TVET) sector to better serve society and the regional economy. The key challenges for the Krasnoyarsk TVET sector are to (i) adjust to the demands of a growing and diversified economy, (ii) compete with universities for the shrinking share of general school graduates, (iii) cope with an overall lack of resources, as well as outdated education and training technologies and infrastructure, and (iv) optimize the network of institutions spread over a vast territory.

To achieve this objective, the program is considering the following priority areas:

- Developing a vision paper for the long-term development of the regional professional education system
- Assisting in the creation of a comprehensive program of professional educational development for the region
- Offering expertise for and assistance in monitoring professional educational development in the region
- Providing assistance in promoting and sharing Krasnoyarsk krai's experience in professional educational development at the international and national levels, and facilitating an exchange of best practices

Results. A vision paper for the long-term stable development of the professional education system in the region (through 2020) was developed and adopted by the local government. A comprehensive program of professional educational development in the region (for 2011–15) was also developed and adopted by the local government. The program was rated second out of 65 applicants at the federal competition of professional educational development initiatives approved and cofinanced by the Ministry of Education and Science.

Impact. The program is expected to provide a more balanced system of skills supply and demand on the local labor markets. In addition, the regional disparities in educational quality will be reduced, and the risks related to the uneven development of subregional (municipal) education systems will be minimized.

Key Partners. Government of Krasnoyarsk krai; the Ministry of Education and Science of Krasnoyarsk krai



Russian Federation

Improving the Education System in Tatarstan through E-Learning



Education

Start of FBS Program: July 2010

Expected Completion Date: April 2013

The objective of the FBS program is to improve the quality of teaching and learning in the Tatarstan Republic through the introduction of modern educational technologies enhanced by information communications technology (ICT), or “e-learning.” This assignment is contributing to the broader education development goal of the Tatarstan Education Development Strategy 2010–2015, which aims to provide equal access to high quality educational resources and services and equip students with modern skills (e.g., communication, information management skills, etc.)

To achieve this objective, the program is considering the following priority areas:

- Providing assistance to the development of motivation mechanisms to utilize the existing ICT in secondary education
- Delivering training to the core group of teacher trainers on the subject of using ICT resources for improving teaching and learning
- Assessing the level of ICT use in the schools
- Organizing the preparation and implementation of ICT in education programs in the schools
- Facilitating the testing of the ICT competence of students and teachers
- Preparing annual analytical reports on the impact on the overall quality of education in Tatarstan of ICT in education

Results. As a result of the program, schools in Tatarstan are expected to be outfitted with ICT in their education programs. These schools will consequently have an enhanced capacity to introduce modern educational technologies supported by ICT, and students and teachers will have developed improved ICT competencies.

Impact. The quality of teaching, learning, and school management will be markedly increased by means of modern ICT. There will also be an improvement in the competencies and skills of students and teachers in using ICT to solve educational and professional problems.

Key Partners. Ministry of Education and Science of Tatarstan Republic; JSC Directorate for Extra-Budgetary Urban Development Programs



Russian Federation

The Development of the Vocational Education System in the Tver Region



Education

Start of FBS Program: April 2008
Completion Date: December 2008

The objective of the FBS program was to improve the efficiency of the technical and vocational education system (TVET) in the Tver Region, drawing on a comprehensive analysis of existing conditions in the sector, as well as major Russian and international trends and policies in the area. Prior to 2008, the region's TVET sector was hardly touched by any reforms; its inefficiency was evident in the high unemployment rate of its graduates, its high per capita costs as compared to neighboring regions or national averages, and its outdated training facilities and practices. The regional administration strongly appealed for a clear strategy and implementation plan to overcome these deficiencies.

To achieve this objective, the program considered the following priority areas:

- Conducting a diagnostic study of the current status and performance of the TVET system in the Tver Region
- Developing a comprehensive TVET sector improvement program

Results. A diagnostic study was completed, and a set of measures proposed to improve the relevance and raise the efficiency of the system. The project also led to the preparation of the TVET System Development Strategy and Implementation Program.

Impact. The local capacity of TVET sector management has improved. In addition, the Regional TVET Development Program was adopted by the local government, and approved and cofinanced at the federal level. It is currently being implemented, with the aim of producing more relevant skills for the local labor markets.

Key Partners. The Department of Economy and Department of Education of the Tver Region



Russian Federation

Advice on Boosting the International Positioning of the Higher School of Economics



Education

Start of FBS Program: February 2008

Completion Date: June 2010

The objective of the FBS program was to (i) support the international positioning of the Higher School of Economics (HSE) as one of the leading international universities in the area of economics and social sciences, and (ii) strengthen the capacity of HSE in multidisciplinary research and policy analysis in education. After transitioning to a market economy in the early 1990s, Russia was in urgent need of specialists able to work in the new economic environment. Its higher education system was unprepared for this task, as the teachers, study materials, and educational methods did not yet meet the needs of the new economy. The HSE was established in 1992 in order to solve these emerging problems, i.e., to train economists able to implement economic reform in Russia. At present, HSE is the largest socioeconomic research and education center in Eastern Europe, operating in four Russian cities, including Moscow and St. Petersburg. It has a team of 1,500 faculty, 500 research staff, more than 16,000 full-time students, and 21,000 students in continuing education programs. HSE has developed strong links with leading European universities, which jointly offer 12 dual-degree BA, MA, and PhD programs.

To achieve this objective, the program considered the following key priority areas:

- Doing diagnostic work on HSE's capacity in the areas of international cooperation and educational research in order to identify the university's main strengths and weaknesses and prepare a 5-year strategic improvement plan
- Implementing international cooperation and educational research programs through such activities as supervision of the restructuring of the existing units, revision of the regulatory documents, and consultations for the individual colleges, reviews, international seminars, and workshops to strengthen HSE's international links, joint research, etc.
- Finalizing the development of the strategic plan

Results. During program implementation, HSE significantly increased its international activities, which included the implementation of new programs, visits from distinguished professors from foreign universities, study tours to learn international best practices, memberships in international professional and academic associations, and institutional partnerships with various universities. The university established internationally competitive Master- and PhD-level programs in education and policy analysis, and increased the quality of its education



research and development, demonstrated by its growing presence in international publications.

Impact. In October 2009, out of 124 Russian universities, HSE was one of 12 to obtain the status of National Research University, winning a 1.2 billion-ruble five-year grant and additional autonomy for the university. In December 2010, HSE was recognized by the Russian Government as a leading think tank and platform for expert discussions on the future of Russia's socioeconomic development during the post-crisis period (Strategy 2020). Also in 2010, HSE was for the first time included in the *Times Higher Education's* World University Rankings and international reviews of different HSE activities became a common occurrence. HSE's capacity for strategic planning and development has increased, with working groups at each department and branch involved in the strategic planning process. Its "Educational Research Seminar" and *Educational Studies Journal* gained recognition among Russian and international researchers, and the university launched the first series of international educational research projects with Stanford University, Boston College, George Mason University, Institute of Education of London University, and Peking University. Finally, more than 30 foreign professors were drawn to HSE as researchers and lecturers, some on a full-time basis.

Key Partners. Higher School of Economics, Russian Federation

Russian Federation

Early Childhood Development
in the Khanty-Mansiysk Region



Education

Start of FBS Program: April 2008
Completion Date: December 2009

The objective of the FBS program was to (i) establish conditions for the modernization of the finance models and institutional organization of preschool education in the Khanty-Mansiysk Autonomous Okrug (KMAO), (ii) improve the quality of preschool curricula and professional training programs for the teachers and administrators of its preschool educational institutions (PEI), (iii) provide policy advice on the development of a regional strategy for equipping the kindergartens, and (iv) support the development and implementation of a regional policy in early childhood development (ECD) (children age 0–3). A previous Bank engagement with the region had supported the development of a set of recommendations on the reform of the ECD system. In addition, because KMAO had recently experienced a sharp increase in births, thereby dramatically increasing the demand for ECD services, the Bank proposed measures to address this challenge.

To achieve this objective, the program considered the following priority areas:

- Analyzing and making recommendations on reforming the institutional organization and finance mechanisms of the okrug's preschool education system
- Improving the curricula and in-service training of the teaching and administrative staff
- Determining whether the equipment and learning materials complied with preschool education needs
- Offering recommendations for establishing a system to support the development of early-age children by providing critical information to parents and supporting community-based services for families

Results. The program delivered a set of recommendations on improving the financing and governance of the preschool education sector. Several important instruments (per capita funding, results-based budgeting, and quality assurance) were developed for the region. The team also conducted an analysis of the best approaches to the ECD curriculum and other existing curricula in the region, in Russia, and globally, leading to a set of recommendations on curriculum improvement. A toolkit on evaluating kindergarten material and equipment was developed and piloted in several kindergartens in the region, and local staff was trained to conduct the evaluations. The Bank team also conducted an analysis of the state of the ECD sector with regard to children age 0–3 and prepared a publication with recommendations for parents. Finally, a program to promote international knowledge sharing was also organized to support local capacity building, resulting in study tours to the United Kingdom, Finland, and Israel.



Impact. A regional ECD policy was designed, based in part on recommendations from the FBS program. A set of pilot preschools were selected and their staff trained, and new, Bank-developed instruments were adopted for usage in the regional ECD system. Local authorities and professionals also learned international best practices on the provision of ECD services and management of the system. This knowledge allowed them to apply these practices to the local circumstances, including employing data to decision making, raising equality issues, initiating reform of the curriculum, etc.

Key Partners. Department of Education and Youth Policies of the Khanty-Mansiysk Autonomous Okrug–Yugra

Russian Federation

Strengthening Higher Education in Tatarstan



Education

Start of FBS Program: September 2007

Completion Date: June 2008

The objective of the FBS program was to provide the republic of Tatarstan with an analytical basis for reforming its higher education system. Tatarstan was looking to raise the profile of its higher education programs to attract well-known professors and more students from outside the republic, as well as more private investment. The aim, a national priority, was (and still is) to develop colleges and universities that offer degrees enabling graduates to go on to earn high salaries and contribute to their region's economic development, or to compete well abroad. To approach the reform process judiciously, and spend resources strategically to ensure that its institutions compare with the best, Tatarstan analyzed its higher education system in cooperation with the World Bank. As a result, the partnership tailored development strategies for individual universities and academies, and improved the capacity of educators, administrators, and strategic planners.

To achieve this objective, the program considered the following priority areas:

- Conducting a diagnostic study to identify bottlenecks to better services, and pinpoint options to address these bottlenecks
- Bringing in international experts to offer real time reviews of academic content and determine where improvements in education could be made. These experts spoke with academic managers, professors, teachers, and students from 12 universities in Kazan, and took a public opinion poll to see how they ranked in the community.

Results. The project produced an analytical report outlining the main development challenges for higher education in Tatarstan and exploring areas for the further advancement of the republic's universities. Approaches to building local capacity were suggested to regional authorities, local experts, policymakers, and university leaders. Among the recommendations was to employ more modern educational methods and offer specialized degrees. Better cooperation among universities, more language training, and more focused high school curricula, with better-trained teachers to prepare students for university, were also proposed.

Impact. The program set in motion a policy dialogue and public discussion of the role of higher education in regional development, a foundation that enabled the subsequent formation of a regional strategy in the area of professional education. The program also launched and implemented, with the further assistance of the



World Bank, an institutional capacity-building program for university strategic planning.

Key Partners. Administration of Kazan city; Ministry of Education and Science of Tatarstan Republic; JSC Directorate for Extra-Budgetary Urban Development Programs

Russian Federation

Strengthening the Institutional Capacity of the Russian Education Aid for Development (READ) Program



Education

Start of FBS Program: December 2008

Expected Completion Date: December 2013

The objective of the FBS program is to support the Russian Government's role as a development partner and donor for education, with a special focus on the quality of education, through: (i) building the technical, institutional, and organizational capacity of Russia for development aid in education, (ii) offering training and knowledge-sharing activities for Russian experts, and (iii) providing "learning by doing" activities for Russian professionals (including analytical work in Fast Track Initiative (FTI) countries). The READ FBS is part of a larger READ program that includes the READ Trust Fund for the development of quality systems for education in eight countries. The ultimate goal of the FBS engagement in READ is to help Russia develop the institutional and expert potential to deliver international development aid in education on its own.

To achieve this objective, the program is considering the following priority areas:

- Building the technical, institutional, and organizational capacity of Russia as a provider of development aid in the education sector
- Providing training and knowledge-sharing services
- Enhancing Russia's expert capacity through "learning by doing" activities

Results. The Center for International Cooperation in Education Development (CICED) was established as the primary institution of the program. CICED's strategy, business plan, and promotion concept, as well as its website and other required institutional attributes were also developed. Two master's degree programs on assessment and policy development were established at Russian universities in cooperation with foreign universities. At least 40 graduates have trained under these programs and now form part of the community of experts to support quality in education. As many as 40 Russian experts will participate in international country-level analytic and advisory activities (AAA)-like programs and/or projects. Two instruments to measure learning outcomes have been developed and applied in several developing countries.

Impact. It is expected that Russia will become a strong international player in the area of educational measurements (the improvement of countries' quality assurance systems) within the arena of international development aid. Russia is becoming increasingly visible internationally by participating in conferences, publishing its research results, and offering broad training opportunities to developing countries, as well as through actual development work by Russian



experts in various other countries. The READ program has become a model for other sectors in Russia that wish to become part of its donor agenda.

Key Partners. The Ministry of Finance of the Russian Federation; the Center for International Cooperation in Education Development

Russian Federation

Subnational Doing Business
(Second Round)



Russian Federation

Finance and Private Sector Development

Start of FBS Program: April 2011

Expected Completion Date: June 2012

The objective of this project is to assist Russia's Ministry of Economic Development in promoting competition and ultimately a better business environment in the Russian Federation by benchmarking business regulations across Russian cities and comparing them with economies benchmarked by the global Doing Business project. This project will provide a strategic policy tool to the federal and regional/municipal governments and the private sector in the Russian Federation to foster a better business environment. The Subnational Doing Business addresses key issues of investment climate reform.

To achieve this objective, project activities are focusing on the following priority areas:

- Applying the standard Doing Business methodology and looking at the ease of doing business from the perspective of small and medium-size domestic companies and the regulations with which they must comply to start and operate their businesses.
- Measuring regulations for four selected indicators: starting a business, managing construction permits, registering property, and supplying electricity. This second round of the subnational Doing Business assessment in Russia builds on the results and experience of the first round in 2009, which ranked 10 Russian regions, represented by their largest business cities. The second round covers 30 regions.
- Identifying, for each of these indicator areas, existing good practices across Russia, comparing the cities' performance to that of global leaders, and recommending reforms. In order to make the data comparable across countries and regions, the indicators refer to a specific type of company—generally a small limited liability company—and to standard business cases. The contributors are private sector professionals (lawyers, construction companies) with expertise in each of the selected indicators.

Results. Doing Business surveys were prepared for four selected indicators and carried out in 30 cities. The data collected through these surveys were analyzed and preliminary results for each indicator were presented and discussed with the relevant regions, on a confidential basis. The project's final report will be presented at an official launch event, scheduled for June 2012, during which findings and recommendations will be discussed with representatives of the public and private sector and academia, with media coverage.



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Impact. The ongoing subnational Doing Business assessment of 30 Russian regions is expected to help provide a more nuanced picture of Russia's business environment conditions across its regions. This assessment is expected to help the Russian Government promote competition and best practice exchange at the regional level.

Key Partners. The project is conducted at the request and with the financial participation of the Ministry of Economic Development of the Russian Federation, participating regions, and the European Union. Local partners are the National Research University "The Higher School of Economics" and the Institute for Urban Economics.

Russian Federation

Investment Climate Reform



Russian Federation

Finance and Private Sector Development

Start of FBS Program: April 2011

Expected Completion Date: June 2012

The objective of the FBS program is to support ongoing Russian Government reforms, with a particular focus on areas ranked low in the World Bank's global 2011 *Doing Business Report*. The Russian Government sees improvements in its federal and regional/municipal investment climate as a critical pillar of its diversification, investment promotion, and competitiveness strategy.

To achieve this objective, project activities are focusing on the following priority areas:

- Identifying specific reform recommendations in the areas covered by the Doing Business study, including short-term and medium-term improvements to the investment climate in the Russian Federation and using examples from other countries that have completed similar reforms.
- Reviewing and assessing the impact of recent and proposed legislation affecting selected investment climate areas and comparing them to international best practices.
- Concentrating particularly on managing construction permits and cross-border trade, with a view to improving business environment conditions for both existing and prospective domestic and foreign investors.
- Providing practical recommendations to the federal and Moscow city government (as the city representing Russia in the global Doing Business ranking) on the legislative and procedural changes required to streamline selective areas of the business environment.

Results. Under this project, a "Doing Business Reform Memorandum" and matrix were prepared that identify specific reform recommendations in all areas covered by the Doing Business indicators and examples of regional or competitor countries that have completed similar reforms. The project also resulted in: 1) a legal review of draft and new legislation affecting the construction permit process that examined and assessed the impact of recent legislation and compared it with international best practices; 2) a process review of managing construction permits in which institutional roles within the construction permitting process were analyzed based on the data available from the Doing Business database on Construction Permits indicators; and 3) a review of the Customs Code of the Eurasia Economic Community Customs Union and the federal law "On Customs Regulation in the Russian Federation," with an impact assessment of recently enacted legislation on customs clearance procedures and benchmarking against international best practices.



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Impact. There is strong momentum for reform in the areas of managing construction permits and cross-border trade, as highlighted in the 2012 *Doing Business Report*. The Russian Government developed an action plan based on the Bank's recommendations. In November 2011, Deputy Prime Minister Igor Shuvalov issued a time-bound list of instructions to various government agencies on improving business conditions in the areas of: starting a business, managing constructions permits, registering property; getting credit; protecting investors; paying taxes; cross-border trade, and electricity supply.

Key Partners. The Bank works closely with the Ministry of Economic Development (MOED), which is the key implementer and beneficiary of the project. The agreement was signed with the foundation responsible for organizing the annual St. Petersburg Economic Forum, which is focused on investment promotion and representing the interests of the MOED. Key stakeholders include the Moscow city government and the Federal Customs Service.

Russian Federation

Venture Acceleration Networks —
a Review of Existing Models



Finance and Private Sector Development

Start of FBS Program: January 2011

Completion Date: June 2011

The objective of the FBS program was to review operational models of venture acceleration networks and identify good practices for Russia. Lessons learned from global experience will help shape the role, structure, and operational model of the Russian Venture Company's (a state innovation development company) nascent innovation advisory network. A venture acceleration network can help fill gaps in Russia's supportive innovation ecosystem related to: (i) spurring the creation of high-potential enterprises; (ii) screening projects for seed and venture capital (VC) investments; and (iii) facilitating the growth of innovative small and medium enterprises (SMEs).

To achieve this objective, the program considered the following priority areas:

- Providing a general overview of venture acceleration networks according to typology
- Developing detailed case studies of selected venture acceleration network models
- Formulating a set of good practices on the basis of the general overview and case studies

Results. This report included a global study of 15 programs seeking to accelerate innovative entrepreneurship by managing, nurturing, and leveraging social and business networks. The report analyzed program roles and impacts, operational models, network building, venture selection, financing, organizational structure, and adaptation to different innovation ecosystems. It examined good practices and the role of state support. The report also identified three main approaches to venture acceleration networks: the first aims to commercialize technology projects for short-term payoffs (e.g., creating spin-offs); the second aims to build a local self-sustainable innovation ecosystem with broad medium- to long-term payoffs (e.g., creating linkages in the entrepreneurship community); and the third aims to foster a market for innovation-related services by building capacity, transparency, and efficiency in the service provider market, and raising awareness among SMEs.

Impact. The Russian Venture Company now has a program underway to draw on the findings of the FBS to design and test a venture acceleration network.

Key Partners. The Russian Venture Company; other stakeholders included small innovative companies, prospective and established entrepreneurs, universities, business and technology experts, venture capital and angel investors, and public innovation support programs.



Russian Federation

Health Sector Provider Payment System
Improvement In Kirov, Lipetsk, and Tomsk



Russian Federation

Health, Nutrition and Population

Start of FBS Program: December 2011

Expected Completion Date: November 2013

The objective of the FBS program is to develop, in close collaboration with the Federal Compulsory Health Insurance Fund of the Russian Federation, strategies and appropriate tools to design and implement a new provider payment system for outpatient and inpatient care in three regions of the Russian Federation: Kirov, Lipetsk, and Tomsk. Specifically, the World Bank is providing technical assistance in the following areas: (i) design and implementation of a provider payment system based on capitation payment and performance for primary health care (PHC) delivered in outpatient facilities; and (ii) design and implementation of a case-based payment system based on diagnostic-related groups (DRG) for inpatient care delivered in inpatient facilities.

Payment systems are the set of rules regulating the transfer of funds to health service providers. Provider payment systems affect the behavior of health providers and the quality and quantity of care provided, and in turn, the overall costs, efficiency, and effectiveness of the health system. Following the introduction of the mandatory health insurance system (MHI) in 1993, different payment methods were introduced into the various regions of the Russian Federation. However, the predominant payment systems do not provide incentives to keep patients healthy and to use available health resources efficiently. The majority of hospitals are remunerated based on the number of bed-day or completed cases; outpatient care is usually remunerated on the base of the volume of visits. These systems do not make health providers accountable for the health status of the population and weaken the coordinating role of PHC.

To achieve this objective, the program is considering the following key priority areas:

- Under Phase 1, covering the first 12 months of program implementation, identifying the most appropriate health provider payment systems
- Based on global best practices, defining for each participating region an implementation plan and a monitoring and evaluation framework to introduce the new payment systems
- In Phase 2, providing continuous support to the implementation of the provider payment reforms identified in Phase 1

Results. It is expected that the FBS program will improve the overall efficiency of the regional health systems participating in the program. This will include an improvement in the management and prevention of chronic diseases (e.g. cardiovascular diseases and diabetes) in primary care and outpatient settings, and



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a reduction in the average length of stay (ALOS) of hospital inpatient episodes. The reforms will also optimize the supply of acute care hospital beds.

Impact. The program's impact will be evaluated upon its completion yet is expected to lead to greater cost effectiveness in the delivery of services and improved patient care. The results achieved in the three regions participating in the FBS program will inform the scale-up at the national level.

Key Partners. The Bank team works in close collaboration with the Federal Compulsory Health Insurance Fund of the Russian Federation and the health administrations of the three regions involved in the FBS program: Kirov, Lipetsk, and Tomsk.

Russian Federation

Restructuring Health Care System and Medical Education in Khanty-Mansiysk Region



Health, Nutrition and Population

Start of FBS Program: February 2008

Completion Date: July 2009

The objective of the FBS program was to advise the Government of Khanty-Mansiysk Autonomous Okrug (KMAO) on (1) the restructuring of the regional health care delivery system and (2) the establishment of an integrated system of medical education.

To achieve this objective, the program considered the following priority areas:

- Developing a comprehensive and integrated plan for restructuring the health care delivery system
- Strengthening managerial capacity in the health care system by improving the organizational structures of health care authorities and the coordination between the okrug and municipal levels, and by developing performance-based systems
- Increasing the effectiveness of the health care financing system through the development of performance-based payment systems and the preparation of draft regulations on the introduction of new financial mechanisms
- Strengthening the institutional capacity for medical education and clinical research in KMAO by studying international best practices on the integration of medical training, research, and patient care with the development of alternative training opportunities, such as on-the-job training and distance learning

Results. An on-site assessment was conducted to identify the primary issues facing the health care system and possible options to address them, resulting in a report containing an analysis of the system's organization, management, and financing problems, as well as detailed policy options for restructuring the delivery system. The health care management structures and procedures were also evaluated, with a subsequent report outlining the issues and presenting recommendations. A master plan for rationalizing the health facilities network was prepared and presented to regional and local authorities, and an assessment of the current state of the health care financing system, as well as options for its improvement, was submitted to the client.

The World Bank team also organized a study tour on medical education reforms for high-level health care professionals and managers to learn from the experiences and lessons in Germany and France, countries with medical education systems comparable to Russia's. The study tour included visits to Berlin, Rennes, and Paris, and concentrated on: (i) the academic progression of medical and nursing students; (ii) the training methods available and in use to upgrade clinical



skills on the job; (iii) visits to academic medical centers to observe and learn from the successful integration of the functions of medical training, research, and patient care, and (iv) organizational models on how academic medical centers are governed and managed. A report summarizing the main lessons on medical and nursing education was prepared and delivered to the client.

Impact. The health care delivery master plan that was developed under this program was used as a basis for the development of the regional Program on Modernization of Health Care in KMAO for 2011–12, which is currently under implementation. In addition, the Medical Institute was reorganized and became a faculty of the KMAO University, eliminating the duplication of functions and the use of resources.

Key Partners. Department of Health of Khanti-Mansiysk Autonomous Okrug

Russian Federation

Primary Health Care Provider Payment Reform
in Kirov Oblast



Health, Nutrition and Population

Start of FBS Program: September 2011

Completion Date: December 2011

The objective of the FBS program was to support Kirov Oblast health authorities in developing and implementing primary health care (PHC) provider payment reforms to improve the quality and efficiency of health care delivery in the oblast.

To achieve this objective, the program considered the following priority areas:

- Offering recommendations on the design and implementation of a capitation system (lump-sum payment for each patient enrolled in the program) for PHC providers
- Developing a framework for monitoring and evaluating PHC quality and providers' performance
- Submitting a proposal for introducing PHC performance payments in addition to the basic capitation payment

Results. The World Bank team organized a seminar attended by regional health policy makers and health care providers to discuss: (i) the strengths and weaknesses of different capitation models and their relevance in the context of the Kirov Oblast health care system; (ii) the data requirements and actions required for implementing a capitation payment system for PHC in Kirov Oblast; and (iii) approaches and best practices for quality and performance assessment in PHC. The findings and recommendations on the introduction of PHC provider payments reforms in Kirov Oblast were summarized in a report that included a definition of the basic package for a capitation payment; a mechanism for health service providers to enroll patients; budget estimates for all regional and municipal health facilities based on the adoption of a capitation model; and a proposal for introducing performance payments in addition to a basic capitation payment, including performance indicators for PHC providers.

Impact. The recommendations from the FBS program are being used by the Health Department of Kirov Oblast and the Kirov Compulsory Health Insurance Fund as a basis for the reform of provider payment methods in the region.

Key Partners. Health Department of Kirov Oblast



Russian Federation

Restructuring the Health Care System
in the Kirov Oblast



Russian Federation

Health, Nutrition and Population

Start of FBS Program: June 2010

Completion Date: December 2010

The objective of the FBS program was to assist the Government of the Kirov Oblast in developing a strategic framework to improve access to quality health care and the efficiency of health service delivery in the Kirov Oblast.

To achieve this objective, the program assisted Kirov health authorities in the following priority areas:

- Developing a medium-term strategy on health care system development in the Kirov Oblast
- Creating a master plan for restructuring the regional health care delivery system, including its organization, management, and financing arrangements

Results. The findings and recommendations in the “Concept Paper on Health Care System Development in the Kirov Region,” underlining the main objectives and strategies for the development of the regional health care system, and the Master Plan for Restructuring the Health Care Delivery System in the Kirov Region, were approved by the Kirov Government. The plan is aimed at strengthening primary and preventive health care, especially in rural areas, consolidating the regional health care facilities network to improve the quality and accessibility of specialized care and linking expenditures to health outcomes.

In line with a strategy jointly developed with the World Bank team, the Kirov Oblast has adopted a general practitioner (GP)-based primary health care model. To put the framework for this model in place, the number of GP practices is to increase from 57 in 2010 to 172 by 2012 and to 450 by 2020, and the number of practicing GPs from 63 in 2010 to 425 by 2012 and 650 by 2020.

Integration of the inpatient health care delivery network has begun. The Kirov Government has established a network of 11 intermunicipal centers for the delivery of specialized care, and has merged, reprofiled, or closed various inefficient hospitals. Overall, the number of hospitals is planned to decrease from 117 in 2010 to 76 by 2020, and the number of hospital beds per 10,000 population from 106.5 to 82.7 over the next 10-year period. The program has supported strengthening local expert capacity in strategic management and planning through providing training for regional Health Department staff on the methodology of master planning, and involving regional experts in developing the master plan jointly with the World Bank team.



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Impact. The strategic framework formulated by the World Bank team is being used by the Government of the Kirov Oblast to guide and implement health care reform in the region.

Key Partners. Health Department of the Kirov Oblast

Russian Federation

Republic of Tatarstan Survey
to Monitor Living Conditions



Poverty Reduction

Start of FBS Program: January 2008

Completion Date: March 2009

The objective of the FBS program was to help the Government of Tatarstan (Russia) monitor progress in improving living conditions, and in particular, assess the impact of the 2008–09 global economic crisis on the welfare of households.

To achieve this objective, the program considered the following priority areas:

- Providing technical assistance to the State Statistics Committee in Tatarstan on the design of a multitopic household survey, the Tatarstan Survey to Monitor Living Standards (TSMLS)
- Administering the survey in close partnership with the client through a demand-driven process, and helping strengthen the client's capacity to conduct other such surveys on its own

Results. High-quality and timely microdata became available that allowed the Government of Tatarstan to monitor progress in living standards and conduct research on issues of policy interest (for example, labor market analysis, targeting the effectiveness of social assistance programs, formation of the middle-class, quality of public service delivery, satisfaction with life, etc). In addition, technical assistance and advice was provided to the subnational government on designing household survey questionnaires, managing the sample-selection process, training interviewers and supervisors for field work, implementing effective quality-control procedures during field work and data entry to improve the quality of the information collected, providing training in timely data analysis, and reporting and communicating key findings to senior government policy makers.

Impact. The importance of this program was underscored by presentation of the key survey findings to the Prime Minister and his Cabinet of Ministers. Data collected through the TSMLS enabled the government to assess the efficacy of the crisis response package that was implemented to mitigate the adverse impact of the global financial crisis, and to improve the targeting of social benefits. A follow-up conference of statistical capacity building for the Regional Statistics Offices in Russia was held in 2011, at which the positive experience in Tatarstan was extensively discussed and disseminated to other subnational regions.

Key Partners. Committee for Socio-Economic Monitoring, Republic of Tatarstan



Russian Federation

Supporting Community-Driven Development
in the Kirov Region



Social Protection

Start of FBS Programs: April 2010 and April 2011

Completion Dates: December 2010 and December 2011

The objective of the FBS program was to provide technical support to the Government of Kirov Oblast in the implementation of the Local Initiative Support Program (LISP), a community-driven development (CDD) program to improve the quality of local social services and infrastructure in rural settlements by means of community involvement in decision making, oversight, and monitoring of service delivery. Under the program, the Kirov Oblast Government provided small grants (up to US\$50,000) to municipalities to finance microprojects that were jointly prepared by members of the public and municipal authorities. These small-scale projects focused on improving and developing local social and communal infrastructure and providing the corresponding services. Examples of selected microprojects included rehabilitation of community centers, improvement of the water supply, repair of rural roads, and construction of playgrounds. The World Bank provided strategic policy advice on CDD programs and assisted in knowledge sharing, capacity building, and monitoring activities.

To achieve this objective, the program considered the following key priority areas:

- Strengthening the capacity of local authorities and community leaders to implement participatory projects
- Effectively engaging communities in decision making and program implementation
- Supporting project supervision and monitoring
- Disseminating results at the regional and national levels

Results. In 2010, LISP-supported programs were implemented in six rayons, or districts (41 settlements) of the oblast. In 2011, LISP was replicated throughout the oblast—in 39 rayons (398 settlements). The main outcomes of the project and the World Bank's technical support were: (i) a strengthening of community participation in local decision making, with more than 50,000 people in 382 villages attending community meetings in 2011 aimed at identifying local social development priorities; (ii) the identification of LISP microprojects in 37 settlements (out of a total of 41) in 2010 and 203 (out of 389) in 2011, with broad community engagement; and (iii) the successful delivery of 26 microprojects in 2010 and 197 in 2011.

The technical support outputs included (i) the development and delivery of training courses on community involvement in decision making, oversight, and monitoring of service delivery (four training courses for 80 participants in 2010



and 20 training courses for more than 800 local stakeholders in 2011); (ii) the facilitation of community hearings in more than 55 villages in 2010 and 350 villages in 2011; (iii) the production of two analytical reports each year with analysis of the issues and progress on LISP implementation and recommendations for its improvement; (iv) annual LISP conferences (December 2010 and November 2011), attended by federal and various regional officials, to discuss and summarize LISP's progress and identify issues and lessons learned; and (v) the development and adoption of a management information system (MIS) that allows for the retention and analysis of project information and data.

Impact. There is a significant improvement in the understanding of local priorities and issues on the part of the public and local authorities. In addition, there is now a mechanism in place to allow communities to define their local priorities and needs for smaller-scale initiatives that have a direct impact on their lives and livelihoods. A series of projects have been completed, which vary from repairing roads in Verhoshizhimie to building a new playground in Korshik where families can gather and children can play.

Key Partners. The Department of Social Development, Kirov Oblast, Russian Federation; Apparatus of Deputy Governor, Kirov Oblast, Russian Federation

Russian Federation

Supporting Community-Driven Development in Stavropol Krai (Region)



Social Protection

Start of FBS Program: March 2009, March 2010 and April 2011

Completion Date: December 2009, December 2010 and December 2011

The objective of the FBS program was to provide technical assistance (TA) to the Government of Stavropol Krai (SK) in the implementation of the Local Initiative Support Program (LISP), a community-driven development (CDD) program 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 service delivery. The SK Government provided small grants (up to US\$100,000) to settlement municipalities to finance microprojects that were jointly prepared by members of the community and municipal authorities. These projects focused on improving and developing the local social and communal infrastructure and providing the corresponding services. Examples of selected microprojects included rehabilitation of community centers, improvement of the water supply, repair of rural roads, and building of new playgrounds. The World Bank provided strategic policy advice for this approach and assisted in knowledge sharing, capacity building, and monitoring activities.

To achieve this objective, the program considered the following key priority areas:

- Strengthening the capacity of local authorities and community leaders to implement participatory projects
- Promoting community participation in the decision making process
- Supporting regional project supervision and monitoring
- Disseminating the results at the regional and national levels

Results. Since 2007, LISP pilot activities have been successfully implemented in the SK with regional and municipal government financing for community initiatives. The World Bank was retained to provide TA on a fee-based services (FBS) basis to support continued LISP pilot project supervision and capacity building. Key outcomes of the LISP project included: (i) the strengthening of community participation in local decision making, with 106 meetings to identify local social development priorities held in 2011 under the LISP; (ii) the identification of LISP microprojects in 56 municipalities out of 95 in 2009, 94 out of 191 in 2010, and 74 out of 149 in 2011, all with broad public participation, leading to the creation or saving of numerous permanent and temporary jobs; and (iii) the successful delivery of 107 microprojects (42 in 2009, 39 in 2010, and 26 in 2011).

Subsequent TA outcomes included (i) training courses on community involvement in decision making, oversight, and monitoring of service delivery for nearly 400



local stakeholders (80 in 2009, 178 in 2010, and 136 in 2011); (ii) the facilitation of community hearings (32 meetings in 2010 and 46 meetings in 2011); (iii) two analytical reports per year with analysis of the issues and progress on LISP implementation and recommendations for its improvement; and (iv) annual LISP SK conferences (2009–11), attended by SK regional local officials, to discuss and summarize LISP's progress and identify issues and lessons learned.

Impact. Local administration has gained a greater understanding of local priorities. This has been achieved not least because of the increased transparency in the use of budget funds by, and in the decision-making process of, the local administration. The program helped to alleviate high unemployment by creating and/or saving permanent and temporary jobs (90 in 2009 alone). Finally, the community has benefitted greatly from the local community programs, which vary from rehabilitated rural roads to new playgrounds where families can gather.

Key Partners. Ministry of Economic Development, Stavropol Krai, Russian Federation

Russian Federation

Developing a Framework for Monitoring Living Standards and the Efficiency of Social Assistance Programs in Moscow



Social Protection

Start of FBS Program: December 2010

Completion Date: March 2011

The objective of the FBS program was to develop a framework for monitoring living standards and the efficiency of the social protection system in Moscow.

To achieve this objective, the program considered the following key priority areas:

- Quantitative and qualitative monitoring indicators for the social protection programs (safety nets) and living standards of the Moscow City population
- The implementation of arrangements for building a sustainable monitoring system (including data sources, roles of stakeholders, and budgeting)
- Using data from monitoring efforts to inform policy

Results. A set of qualitative and quantitative monitoring indicators for the social protection programs was developed, based on international best practices. These monitoring indicators and tools were defined separately for each type of social assistance program, which included cash transfers, in-kind benefit programs, and social care services. For each program, the indicators were linked to the goals of Moscow City social policies and the objectives of the particular programs. Implementation arrangements were designed to enable reliable data collection in a systemic way. Institutional roles were suggested to make monitoring a regular activity within the City Social Protection Department.

Impact. The recommendations were effectively utilized by the City of Moscow to make the objectives more easily monitored and more directly linked to specific results. The City of Moscow has also made use of the recommendations for the city's new social development strategy for 2012–15.

Key Partners. The key client was the Moscow City Department of Social Protection. The indirect beneficiaries were the social care service agencies and local (district) social protection offices that are currently using the performance-monitoring recommendations and indicators to collect data and obtain evidence for improving the administration of different social safety net programs.



Russian Federation

Improvement of Urban Transport Systems



Russian Federation

Transport

Start of FBS Program: December 2011

Expected Completion Date: June 2012

The objective of the FBS program is to establish a federal-level framework for improvement of the quality and sustainability of urban transportation in the Russian Federation, particularly with respect to public transportation, traffic management, and road safety.

To achieve this objective, project activities are focusing on the following priority areas :

- Identifying the primary urban transport challenges in Russian cities and their causes
- Providing a strategic direction to improve the quality and sustainability of urban transport systems, based on the above assessment and international experience
- Assessing legal and regulatory impediments to implementation of the strategy
- Exploring options for a national-level arrangement to facilitate knowledge sharing and skills development in cities
- Examining options for potential federal assistance to cities
- Determining the key objectives and priorities of a potential national framework for implementing intelligent transportation systems (ITS), and assessing the current operating environment

Results. Upon completion, this program would develop (1) a strategy for sustainable urban transport systems in Russian cities, (2) proposals for strengthening the legal and regulatory framework of urban transport systems, (3) plans for the establishment of a national urban transport advisory facility, and (4) proposals for the creation of a federal assistance program for cities. It would also provide guidance on the development of a national framework and architecture for ITS.

Impact. The FBS program is expected to provide a basis from which the federal government can generate comprehensive urban transport legislation in support of the proposed strategy and the establishment of a national-level entity to provide advisory assistance to cities and to facilitate knowledge-sharing. Federal support to municipalities is expected to be strengthened to improve the quality and sustainability of urban transport, and pilot projects for federal support would be identified. Finally, a clear consensus will likely be formed at the national level



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with respect to the ITS objectives and their scope, as well as the roles of federal, regional, and municipal governments in ITS implementation.

Key Partners. Key client: Federal Ministry of Transport; stakeholders to be consulted: regional and municipal governments of the Russian Federation.

Russian Federation

New Road By-Pass in Volgograd



Russian Federation

Transport

Start of FBS Program: December 2008

Completion Date: June 2009

The objective of the FBS program was to assess the feasibility of a proposed road by-pass around the city of Volgograd, and possible ways of attracting private sector participation in its construction. In addition, the program sought to strengthen the capacity of the Government to assess the viability of possible Public-Private Partnership (PPP) programs.

To achieve this objective, program activities focused on the following priority areas:

- Initially assessing a draft feasibility study for the construction of a proposed by-pass around the city of Volgograd and offering recommendations for its improvement
- Providing guidance on updating the feasibility study and requesting financial support
- Implementing the proposed solution (if it was deemed viable, based on the assessment).

Results. The review of the feasibility study concluded that the proposed by-pass was not viable as a PPP option, unless significant financial support was provided by the Volgograd Oblast. Additional analysis was undertaken to complement the feasibility study and guidance was provided on alternative options that were potentially more financially and economically viable.

Impact. Although the proposed project was assessed not to be viable as a PPP, the engagement strengthened the oblast's capacity in PPP assessment and in better understanding the requirements for making future projects viable as PPP options.

Key Partners. The Volgograd Oblast



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Russian Federation

Pulkovo Airport Expansion in St. Petersburg



Russian Federation

Transport

Start of FBS Program: September 2007

Completion Date: December 2010

The objective of the FBS program was to support the government of the city of St. Petersburg in the development, tender, and implementation of the Pulkovo Airport Expansion Public-Private Partnership (PPP) Project. Expanding and upgrading the airport was a long-term aim of St. Petersburg as part of its ambitious plan to invest massively in improving the roads, seaport, and airport to foster competitiveness, improve economic growth, and create jobs. Planning began when the city was financially secure, but the economic crisis of 2008-2009 was especially damaging for St. Petersburg and it became increasingly difficult for the city to finance infrastructure improvements. The city government therefore decided to explore the feasibility of bringing in investment through a PPP in order to move this important project forward.

To achieve this objective, the program supported the city government in the following key areas:

- Assessing the viability of the airport expansion project as a PPP
- Assisting the city government and the Pulkovo airport project team in managing transaction advisers (financial, technical, and legal)
- Offering guidance on marketing the project among global investors and lenders with a proven track record
- Providing real-time advice during the preparation and bidding stage (without participating in the selection of the preferred bidder), until financial close (when financing was secured and available).

Results. The project attracted more than €1.2 billion in private sector investment with no financial contribution or guarantee from the federal government and the city of St. Petersburg. This was the first international PPP project in Russia to close without a government guarantee or contribution since the start of the global financial crisis. The project was awarded the title of “Global PPP Transaction of the Year” in 2011 by the London-based publication “Infrastructure Investor”. Through the process of preparing and procuring PPP investment ventures and managing transaction advisors, the program also strengthened the institutional capacity of the city and its PPP project teams.

Impact. Construction of the airport upgrade is underway. With its improved capacity and quality of service, more airlines are expected to bring their business to the airport, producing an anticipated positive economic impact on the city. The



investment climate for St. Petersburg has been improved, and its reputation for attracting international investors in infrastructure financing and management has been enhanced.

Key Partners. The City of St. Petersburg

Russian Federation

Western High Speed Diameter Toll Road and Orlovski Tunnel Public Private Partnerships in St. Petersburg



Russian Federation

Transport

Start of FBS Program: June 2005

Completion Date: June 2011

The objective of the FBS program was to support the Government of the City of St. Petersburg in the development, tender, and implementation of the Western High Speed Diameter (WHSD) Toll Road Public-Private Partnership (PPP) Project and the Orlovski Tunnel (OT) PPP Project.

To achieve this objective, the program provided support in the following key priority areas:

- Reviewing the feasibility studies for the proposed projects
- Supporting the city with the management of an internationally experienced team of transaction advisers
- Supporting the city with marketing the project among global investors and lenders with a proven track record
- Providing guidance to the city of St. Petersburg on good practices in project preparation and structuring to attract private sector investment

Results. The program resulted in the preparation of two PPP programs following internationally recognized practices, which attracted proposals from reputable international firms. The program also helped to mitigate the impact of the 2008 international financial crisis on the two projects, with the city benefitting from impartial advice on the various options for moving forward or restructuring the proposed ventures. The preferred bidders have been selected for both projects.

Impact. It is expected that the WHSD and OT infrastructure projects will have a direct benefit on the users of the new access ways, enhancing the flow of commerce and commuters in the area.

Key Partners. The City of St. Petersburg, users of the improved infrastructure



Russian Federation

St. Petersburg Nadzemny Express (NADEX)
Light-Rail Project



Transport

Start of FBS Program: August 2007

Completion Date: June 2009

The objective of the FBS program was to advise the city of St. Petersburg on the development of the Nadzemny Express (NADEX) Light-Rail Project as a Public-Private Partnership (PPP). The program aimed to build the client's capacity in designing and implementing a PPP project, and interacting with private sector bidders, lenders, and advisors. The World Bank team provided the client with best practice knowledge on PPP project preparation and implementation.

To achieve this objective, the program supported the following priority areas:

- Assessing project feasibility and technical design documentation
- Analyzing and presenting possible PPP options and their corresponding benefits and risks
- Supporting the bidding document preparation during prequalification
- Assisting on issues related to financing and risk allocation during negotiations with preferred bidders (without Bank engagement in the actual negotiations)

Results. With World Bank support, the client hired and managed the necessary legal, technical, and management advisors. The team prepared several PPP options notes and detailed comments on their technical, legal, and financial viability, and developed a financial model as a tool to simulate continuously and assess project financing options. The program also resulted in the attraction of several interested, highly experienced international bidders during prequalification.

Impact. The city of St. Petersburg was able to increase its capacity to hire and manage transactions advisors. The city's PPP legislation was tested in an actual transaction, enabling city lawyers to learn about the specific legal requirements for this kind of PPP/project finance activity. The city also gained an appreciation of what makes a PPP project "bankable" and attractive to the private sector through interaction with transaction advisors, bidders, and lenders, recognizing the need to address market feedback in tender documents. In late 2008, when the city decided to put the project on hold following the impact of the global financial crisis on the budget, the Bank advised the city on options for financing and restructuring the project for future consideration.

Key Partners. City of St. Petersburg Committee on Investment and Strategic Projects



Russian Federation

Urban Transport Strategy for St. Petersburg



Russian Federation

Transport

Start of FBS Program: November 2010

Completion Date: May 2011

The objective of the FBS program was to help the city of St. Petersburg prepare a medium- and long-term sustainable urban transport strategy. Prior to the FBS program, the city of St. Petersburg did not have an urban transport strategy, despite its size and transportation challenges.

To achieve this objective, program activities focused on the following priority areas:

- Drafting an urban transport strategy for the city of St. Petersburg
- Generating a draft action plan for the implementation of this strategy
- Presenting the strategy's highlights to city officials by the governor
- Supporting the city administration to prepare and adopt a new Urban Transport Strategy and Action Plan.

Results. The draft strategy identified the key transportation challenges facing the city, and their causes, and defined the main elements of the proposed action plan to address these challenges (including car restraint and traffic management measures). The strategy summary was adopted by the St. Petersburg city administration, which is further developing the action plan for eventual adoption.

Impact. The strategy set the foundation of the city's urban transport master plan with a focus on efficiency, accessibility, and improving the quality of life. The implementation of the strategy is expected to benefit the citizens of St. Petersburg and the regional economy. It will also help the city prioritize projects and more efficiently allocate resources to the various projects.

Key Partners. City of St. Petersburg administration, citizens of St. Petersburg.



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Russian Federation

Strengthening Institutional Capacity for the Preparation and Management of Public-Private Partnerships in St. Petersburg



Urban Development

Start of FBS Program: September 2007

Completion Date: June 2008

The objective of the FBS program was to strengthen the institutional capacity of the City of St. Petersburg administration to prepare and manage Public-Private Partnership (PPP) projects.

To achieve this objective, the program supported the following key priority areas:

- Designing a fiscal risk management framework for PPP projects
- Studying international experience in institutionalizing the preparation and management of PPP projects and the applicability of this experience to St. Petersburg
- Analyzing St. Petersburg's needs with regard to establishing a PPP Management Unit, and evaluating possible organizational and legal procedures for its formation
- Developing methodologies for PPP management to be used by the PPP Management Unit

Results. The FBS resulted in the founding and staffing of a PPP Management Unit under the St. Petersburg Committee for Strategic Investment (in charge of PPP projects). The methodologies developed are currently being used by the PPP Management Unit to engage with the line committees in charge of project identification and sector policy.

Impact. By having a more permanent structure to support the development of PPP projects (in the form of the PPP Management Unit), city officials are better able to identify, prepare, and supervise PPP projects. The PPP Management Unit is now involved in the development of additional guidance notes for the organization of projects, and also provides advice to teams setting up PPP projects.

Key Partners. City of St. Petersburg Committee for Strategic Investment; line committees in charge of preparing PPP projects.



Russian Federation

Modernizing Public Administration Education



Education, Public Sector Governance

Start of FBS Program: April 2011

Expected Completion Date: May 2014

The objective of the FBS program is to assist the Russian Presidential Academy of National Economy and Public Administration (RANEPA) in building the necessary foundation to become a nationally and internationally recognized modern institution that provides education, training, research, and policy development in the areas of public policy and public and business administration in the Russian Federation.

To achieve this objective, the program is considering the following priority areas:

- Analyzing the present position of RANEPA with international benchmarking and building its capacity to formulate and execute a development strategy
- Establishing an International Advisory Board (IAB) to guide RANEPA's development
- Modernizing the curricula and academic and training programs in the areas of public policy and public and business administration
- Improving the quality assurance system and developing a modern distance learning system
- Raising RANEPA's international profile

Results. The Bank presented a summary report of its diagnosis, recommendations, and suggested action steps for RANEPA management's consideration in the development of a working strategy. A selected set of BA and MA programs in public administration and business education will be audited; to date, three BA and two MA programs in public administration have been evaluated and recommendations for improvement has been provided. Terms of reference (TOR) were drafted and international experts nominated for the RANEPA IAB, whose first meeting took place on RANEPA's Moscow campus on January 21, 2012.

The establishment of a RANEPA center of excellence in public administration, with a new Global Master of Public Policy program at its core, was recommended to RANEPA's senior management and the IAB, together with a concrete action timetable for its realization. A RANEPA internal quality assessment and assurance system, based on international best practices, will be developed, and a workshop on quality assurance and key indicators was already held for RANEPA staff responsible for quality at both the central and regional campuses. The Bank Team also provided RANEPA with two TORs to set up working groups and a



classification methodology paper to cluster its campuses and programs for quality improvement.

RANEPA will establish a Corporate University for its faculty and staff development, and pursue measures to improve its domestic and international profile. With Bank assistance, RANEPA will form partnerships with leading global universities and research centers; thus far, there have been two study tours for RANEPA to learn multicampus management and civil servants training in Latin America and business education in Europe, while exploring potential partnerships. RANEPA will also actively participate in leading international professional associations and networks; develop incentives and exchange programs to attract international students and research fellows; connect with leading universities that could provide advice and good practices; and revamp and launch an international peer-review journal in economic policy and public administration.

Impact. It is expected that implementation of this program will enable RANEPA to become an internationally recognized university, allowing it to modernize the training of public servants to the standard of best international benchmarks.

Key Partners. Russian Presidential Academy of National Economy and Public Administration (RANEPA)

Russian Federation

Advancing Innovation in the
Republic of Tatarstan



Education, Finance and Private Sector Development, Public Sector Governance

Start of FBS Program: October 2009

Completion Date: June 2010

The objective of the FBS program was to deliver a set of tangible policy recommendations for enhancing enterprise innovation in the Republic of Tatarstan by: (i) improving the innovation policy and monitoring framework, (ii) enhancing the effectiveness of innovation support institutions and policy instruments, (iii) expanding the linkages between the research sector and industry, and (iv) supporting the regional government in its preparation of the next Innovation Forum.

To achieve this objective, the program considered the following priority areas:

- Fostering regional innovation systems through global good practices
- Evaluating the macro-level performance of Tatarstan's regional innovation system and enhancing the governance and management of innovation policy in the republic
- Promoting demand for innovation in the enterprise sector
- Improving knowledge institutions in the region

Results. The study identified several areas where regional innovation policy could differentiate itself from federal innovation policies, in order to address regional peculiarities but also to complement some of the gaps in existing federal strategies. Namely, sets of measures were provided to increase sources of innovation, stimulate the diffusion of knowledge and innovation, and create demand for innovation in the regional market. Policy coordination and strengthening measures were identified as first steps to implementing successful innovation support programs.

Impact. The Republic of Tatarstan is now preparing a regional program on the development of a market for intellectual property based on the gaps and opportunities identified in the report.

Key Partners. The Ministry of Economic Development of the Republic of Tatarstan; other stakeholders included companies, universities, research institutes, and innovation support programs in the region.



Slovak Republic

Inclusion of Marginalized Communities



Slovak Republic

Social Protection

Start of FBS Program: October 2011

Expected Completion Date: June 2012

The objective of the FBS program is to make the case for the inclusion of socially excluded communities (particularly Roma) in an objective and rigorous manner, and assist the government in developing national policies and identifying cost-effective programs to integrate these groups in four key areas: education, healthcare, employment/financial inclusion, and housing. The program also seeks to ensure greater and more effective use of national and European Union (EU) financial instruments, especially the Structural Funds, and develop a monitoring and evaluation framework for selected policies and programs.

To achieve this objective, the program is focusing on:

- Analyzing the economic and fiscal benefits of labor market integration and reviewing the noneconomic benefits of inclusion
- Analyzing data to identify the appropriate target groups for specific education, health, housing, employment, and financial inclusion policies and programs, as well as the key barriers to successfully participating in school, obtaining health services, contributing to the labor market, accessing financial services, and living in integrated and properly serviced communities
- Reviewing current policies and programs in education, health, housing, employment, and financial inclusion, and making policy and program recommendations
- Identifying national and European funds that can be tapped to finance various measures to advance the integration of socially excluded communities and enhance the government's use of the EU funds
- Supporting the establishment of a monitoring and evaluation framework for integration policies, including specific indicators to measure the input, output, outcome, and impact of various policy recommendations.

Results. The program is expected to result in greater political and public support for Roma integration, including better-designed policy measures from the relevant line ministries and the Slovak Office of the Plenipotentiary for Roma Communities, as well as better and more effective use of EU financing instruments. It is also expected to lead to the establishment of an effective system for monitoring and evaluating the integration measures, including program monitoring, systematic monitoring of human development and poverty outcomes in marginalized communities, and rigorous impact evaluations.



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Impact. Although the activities are still under way, some early impacts have been achieved. A new 2011 Slovak Roma Integration Strategy has been devised, which contains statistics on education, health, housing, employment, and Bank-proposed financial inclusion outcomes, as well as other recommendations in the various thematic areas. A working group on financial inclusion has been established with the Office of the Plenipotentiary and the relevant line ministries, the Slovak Banking Association, and civil society organizations (CSOs). In addition, a proposal to carry out a randomized impact evaluation on early childhood education has been submitted to the European Commission (EC) by the Office of the Plenipotentiary, the Slovak Governance Institute, and the Roma Education Fund. Finally, a broadly attended awareness and capacity-building workshop on monitoring and evaluation was convened, which brought together various stakeholders, including the EC, the UN Development Programme (UNDP), Roma nongovernmental organizations, Slovak government representatives, the World Bank, and the Open Society Institute (OSI). The workshop laid the foundations for a better monitoring and evaluation framework to evaluate progress on Roma inclusion overall.

Key Partners. The Office of the Plenipotentiary for Roma Communities, the Ministry of Labor, Social Affairs and Family, other line ministries (Education, Housing, Health), UNDP, OSI, and other CSOs.

Slovak Republic

Social Safety Net Assessment and Poverty Mapping



Slovak Republic

Social Protection

Start of FBS Program: August 2011

Expected Completion Date: April 2013

The objectives of the FBS program are to (a) assess the performance of the social assistance system in the Slovak Republic, (b) propose a range of measures for its improvement, and (c) build local capacity and a solid empirical foundation on which to inform decision making in this area in the future. Unemployment has been very high in the Slovak Republic since the early years of the transition, with 14 percent of the labor force unemployed at the end of 2010; the youth unemployment rate is as high as 33 percent. A key question for policymakers is whether the social assistance benefit system creates disincentives to work. The FBS program is offering new evidence and analysis on this and other questions in order to propose a range of measures to improve the system, ensuring that it maintain adequate income support to the poor and most vulnerable while helping beneficiaries integrate into the labor market and return to self-sufficiency.

To achieve this objective, the program is considering the following key priority areas:

- Reviewing the main design parameters and implementation arrangements
- Identifying the implicit and explicit barriers and other disincentives to greater participation in the labor market created by social assistance programs
- Proposing a range of measures to improve the performance of the social assistance programs
- Developing a detailed and disaggregated poverty map
- Transferring analytical and technical “know how” to staff at the Ministry of Finance and the Ministry of Labor, Social Affairs and Family (MoLSAF), and building capacity in the Statistical Office of the Slovak Republic

Results. Initial results from the FBS program suggest that the unemployed and inactive persons in the Slovak Republic are a diverse group requiring a diverse and targeted set of approaches to re-integrate them into the labor market. The “Benefit in Material Need” (BMN)—the main poverty targeted benefit in the Slovak Republic—serves both as (a) last-resort social assistance, protecting against chronic poverty, and (b) a non-contributory unemployment assistance scheme. The structure of beneficiaries of the BMN has important implications for activation policies. Given the large percentage of beneficiaries who are single individuals and of working age, a job seekers’ allowance that requires active job search efforts from beneficiaries could be a more appropriate benefit for a large majority of current BMN beneficiaries. More emphasis could be put on investing



in employability, and in tailoring interventions to reducing the multiple barriers to employment for beneficiaries. In collaboration with the Ministry of Labor, Social Affairs and Family, the FBS program has identified the types of data that are currently available, and is working on how this data may be converted into information to enable evidence-based policy making.

Impact. With the delivery of the poverty map and the performance improvement proposals, it is expected that support for the poor and other vulnerable persons through social safety nets will improve. It is also expected that appropriate measures will be put in place to promote “active inclusion”—that is, to better connect social assistance recipients to job opportunities.

Key Partners. Ministry of Labor, Social Affairs and Family of the Slovak Republic

Slovenia

Financial Reporting Technical Assistance Program
(FRTAP Slovenia)



Slovenia

Finance and Private Sector Development

Start of FBS Program: October 2008

Expected Completion Date: October 2012

The objective of this program is to support reform in Slovenia's business environment to provide more transparency and management accountability in the wake of the problems caused by the global financial crisis. The FRTAP supports these goals by providing Slovenia with education and training as it puts in place a sustainable regulatory and institutional framework that appropriately (i) implements the European Union (EU) *acquis communautaire* in the field of corporate financial reporting and (ii) monitors and enforces the application of the *acquis* in practice. This contributes to financial stability and also facilitates the mobilization of long-term saving, a key issue for a country with an aging population. FRTAP Slovenia is an FBS managed by the Centre for Financial Reporting Reform (CFRR) in Vienna. Funding is provided by the Swiss Government's contribution to the enlarged EU.

To achieve this objective, the program is considering the following priority areas:

- Improving the institutional capacity to design and implement a rigorous system of public oversight and quality assurance that promotes the delivery of high-quality audits, achieved through analytical studies of best practices in other EU countries, combined with study tours and workshops delivered on a regional basis to provide practical training and the sharing of experiences
- Improving the institutional capacity to implement effectively International Standards on Auditing (ISA), achieved by supporting the translation of ISA and related authoritative literature into the Slovene language and supporting the acquisition of modern audit software tools that can be made available in the Slovene language
- Improving the transparency of statutory auditors by supporting the design, development, and implementation of a public register consistent with the requirements of the EU's statutory audit directive

Results. A survey of the institutional structures and practices of selected European public oversight and quality assurance bodies provided the basis for a workshop with Slovenia's public oversight agency to promote a focus on key issues in its statutory mandate. A high-quality Slovene language translation of the ISA has been completed in partnership with the Slovenian Institute of Auditors and made available to the audit profession in electronic form. A Slovene language version of the Norwegian Descartes Audit Software System has also been implemented and training provided to a small group of "super users" who will train others. A



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large percentage of the Slovenian audit profession has acquired a license and, as a result of FRTAP support, will benefit from a reduced annual fee for each of the first two years of implementation. Quality assurance staff of the audit oversight body and the Slovenian Institute of Auditors will use the Descartes system to enhance the implementation of quality assurance processes. Finally, staff of the audit oversight body and the Slovenian Institute of Auditors have benefitted from sharing their experiences with counterparts in the Czech Republic, Estonia, Poland, and Latvia.

Impact. With enhanced and well-functioning institutional structures to promote confidence in the integrity of financial reporting, Slovenia will be better placed to maintain a stable financial system and attract foreign investment to provide the long-term capital necessary to create employment-generating activities.

Key Partners. Ministry of Finance; Agency for the Public Oversight of Auditors; Slovenian Institute of Auditors

Pan-Eastern European Coordination of Roma Integration

Tools and Methods for Evaluation and Data Collection as a Basis for Evidence-Based Policy Making



Regional

Education, Poverty Reduction, Social Protection

Start of FBS Program: May 2010

Completion Date: First Deliverables: October 2011

Second Deliverables: Expected December 2012

The objective of the FBS program relates to the European Union (EU) Parliament/ DG Regional Policy Roma Pilots Program's two-pronged focus on early childhood education and microfinance. More specifically, the program aims to assess the status of pre-school and the scope and potential for microfinance among Roma in Eastern Europe.

To achieve this objective, the program is considering the following priority areas:

- Designing and implementing a large scale survey of Roma households and non-Roma living nearby in Bulgaria, Czech Republic, Hungary, Macedonia, Romania, and Slovakia. Building a monitoring and evaluation capacity among project partners in four countries through local-level training, setting up a local-level system of ongoing data collection by project partners (small NGOs), and designing a web-based system of data entry and automatic processing of results for local partners. Analyzing the results of the regional survey and of project-level data with project partners, and disseminating the results at the international, national, and local levels.
- Among the Roma, assessing (1) the state of pre-school, including the long-term returns to pre-school, current levels of participation in pre-school (and home learning), barriers to raising access, and policy recommendations to overcome these barriers; and (2) the scope and potential for microfinance as a tool to raise (self-) employment levels among Roma in Eastern Europe, and policy recommendations to ensure greater financial inclusion more broadly (i.e., access to bank accounts, savings, financial literacy).

Results. The survey was designed and implemented. The regional survey is also proving to be a key contribution to National Roma Integration Strategies, and constitutes the basis for ongoing technical support on Roma to Slovakia (FBS) and Bulgaria (FBS-planned). Local partners have been trained in beneficiary monitoring and project evaluation in 16 localities in four countries. Information and feedback from beneficiary families is currently being successfully collected, compiled, and disseminated through an online platform. Two regional reports were completed (October 2011) on early childhood education and on microfinance/financial inclusion that draw from the regional survey data, and two additional reports are forthcoming in spring 2012. Since September 2011, the reports have been presented to the European Commission, the EU Parliament, Roma Decade, and in workshops in Bulgaria, Hungary, Macedonia, Slovakia, and Romania. There is



now greater commitment among New Member States, and stronger partnerships between the World Bank and New Member States, the European Commission, and the UNDP, to work together on evidence-based policy making with regard to Roma inclusion.

Impact. Improved national and EU-level policy making on Roma inclusion (National Roma Integration Strategies in the Slovak Republic and Bulgaria are in part based on information drawn from the regional survey). In addition, the European Commission has endorsed findings from the two reports and indicated that it will use these findings in the negotiations for the next programming period (2014–2020) of EU structural funds. And, the work has helped to improve project design and implementation of the Roma Education Fund’s “A Good Start” early childhood education program and Polgar Foundation’s Kiut microfinance program.

Key Partners. At EU Level: DG Regional Policy, EU Parliament, and members of the EC Roma Pilots Steering Committee (DG Justice, DG Employment, DG EAC). Other: UNDP, Roma Education Fund, Slovak Governance Institute, Polgar Foundation, Country Association of Roma Initiatives (KARI), Cultural Association of Roma in Slovakia, Civic Association Equal Chances, Unity in Diversity Foundation, National Charity Association for Better Future, Ruhama Foundation, Romani CRISS, National Roma Centrum, Kham-Delchevo.
