

 Early Warning System

WB-P506476

Strengthening Government Capacity for Fiscal Reform Implementation



## Quick Facts

<b>Countries</b>	Ukraine
<b>Financial Institutions</b>	World Bank (WB)
<b>Status</b>	Approved
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2024-11-05
<b>Borrower</b>	Government of Ukraine - Ministry of Finance
<b>Sectors</b>	Law and Government
<b>Investment Type(s)</b>	Grant
<b>Investment Amount (USD)</b>	\$ 10.00 million
<b>Project Cost (USD)</b>	\$ 10.00 million



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## **Project Description**

According to the Bank's website, the objective of this project is to enhance the Government's capacity to plan and finance recovery and reconstruction.

The project addresses critical challenges in the development of the institutional framework for supporting reconstruction in Ukraine across four areas. First, the project supports improvements in PIM for reconstruction by developing systems integration, incorporating green criteria, and building staff capacity, leading to better data flows, environmental sustainability, and the more efficient management of public investments. Second, it will strengthen national and subnational planning systems and support reconstruction activities, resulting in high-quality territorial plans, enhanced local government capabilities, and improved coordination of reconstruction efforts. Third, the project will enhance fiscal governance at the local level by improving methodologies for the population estimates used for the allocation of resources, developing fiscal risk assessment frameworks, and integrating performance budgeting guidelines. This will ensure more equitable resource distribution, fiscal stability, and accountability in budgeting processes. Fourth, it will bolster integrity and compliance in revenue administration through better data sharing and risk management strategies, leading to improved compliance enforcement. Robust project management and operational support will ensure efficient implementation and strong stakeholder engagement.



## **Early Warning System Project Analysis**

Environmental Risk Rating: Moderate. The project focused strengthening institutional capacities of government institutions. These activities involve engaging consultants and potentially recruiting new government staff. The potential project-related risks and impacts on the environment are not likely to be significant and can be easily mitigated in a predictable manner. The potential risks include lack of adherence to fair labor practices, as well as health and safety concerns related to war hazards such as explosive remnants of war and aerial strikes. Also, though the use of modern IT solutions will increase resource efficiency manifold, this activity can result in an increase in e waste and solid waste in the nodal institutions.

The social risk rating for the project is Moderate. Social risks are associated with perception of exclusion of certain vulnerable groups like refugees, displaced people, poor households, female-headed households, persons with disabilities, and the elderly - this may result in social tensions due to perceptions of elite capture, discrimination or other potential conflict arising from the project benefits. Additional social risks are related to socio-economic inequities and social tensions arising from inadequate grievance mechanisms and weak communication/outreach as well as war hazards like UXOs and ERWs. This adds an element of extreme uncertainty and risk of fatality or serious injury to project workers and nearby communities that cannot be entirely mitigated by environmental and social management measures. There are potential health and safety risks for trainers and participants of training activities stemming from war hazards.



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**Investment Description**

- World Bank (WB)

A proposed trust fund (tf) grant in the amount of us\$ 10 million.



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## Contact Information

### World Bank

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### Borrower/Client/Recipient

Ministry of Finance

### Implementing Agencies

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### ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: <https://www.worldbank.org/en/access-to-information/request-submission>

### ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing [ipanel@worldbank.org](mailto:ipanel@worldbank.org). Information on how to file a complaint and a complaint request form are available at: <https://www.inspectionpanel.org/how-to-file-complaint>



### Bank Documents

- [Appraisal Environmental and Social Review Summary \(ESRS\) - Strengthening Government Capacity for Fis](#) [Original Source]
- [Appraisal Project Information Document \(PID\)](#) [Original Source]
- [Environmental and Social Commitment Plan \(ESCP\) - Strengthening Government Capacity for Fiscal Refor](#) [Original Source]
- [Stakeholder Engagement Plan \(SEP\) - Strengthening Government Capacity for Fiscal Reform Implementati](#)
- [Ukraine - Strengthening Government Capacity for Fiscal Reform Implementation Project](#) [Original Source]