WORLD BANK GROUP

PFM4CA Executive Briefing – Day 2
Taking Agency
Practical Methods for Climate Action in PFM

Dec 12, 2024

PFM4CA Day 2 - Objectives

- **Provide an overview of approaches and methods to address complex problems**
- **Practice selected methods** and the application of the design thinking innovation approach in PFM4CA
- **Identify exemplary challenges**
- **Co-create ideas and concepts** to solve related problems

PFM4CA Day 2 - Agenda

09:00	**Welcome & Introduction**
09:15	**Session 1: How to Design and Implement Solutions for Complex Problems**
10:45	Break
11:00	**Session 2: Workshop - Identification and Definition of Challenges**
12:30	Lunch Break
13:45	**Session 3: Workshop - Ideation and Prototyping for Solutions**
15:15	**Presentation, Discussion, Summary and Next Steps**
16:00	End

Day 2: Taking Agency - Practical Approaches for Climate Action in PFM

Session 1: How to Design and Implement Solutions for Complex Problems

- **Categories** of problems and available methods (What)
- **Overview and Rationale:** problem- and stakeholder-oriented service design (Why)
- **How to apply** the Problem-Driven Iterative Adaptation and Design Thinking Framework (How)
- **Case Studies** in the public sector, climate action, and PFM

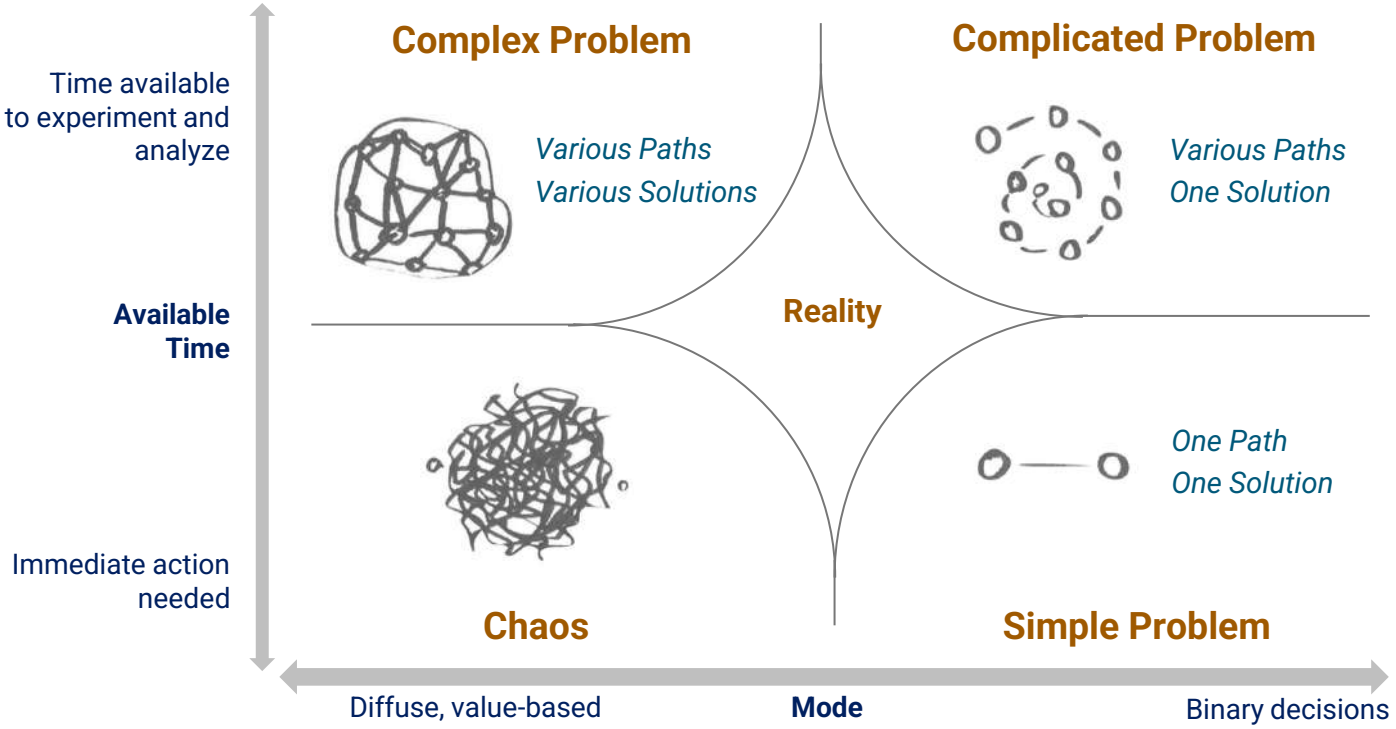
Session 2: Workshop - Identification and Definition of Challenges

- **Identification** of specific challenges in countries (internal or external)
- **Prioritization** and selection of main overarching challenges
- **Definition** of selected challenges (stakeholders, needs, pain points, etc.)

Session 3: Workshop - Ideation and Prototyping for Solutions

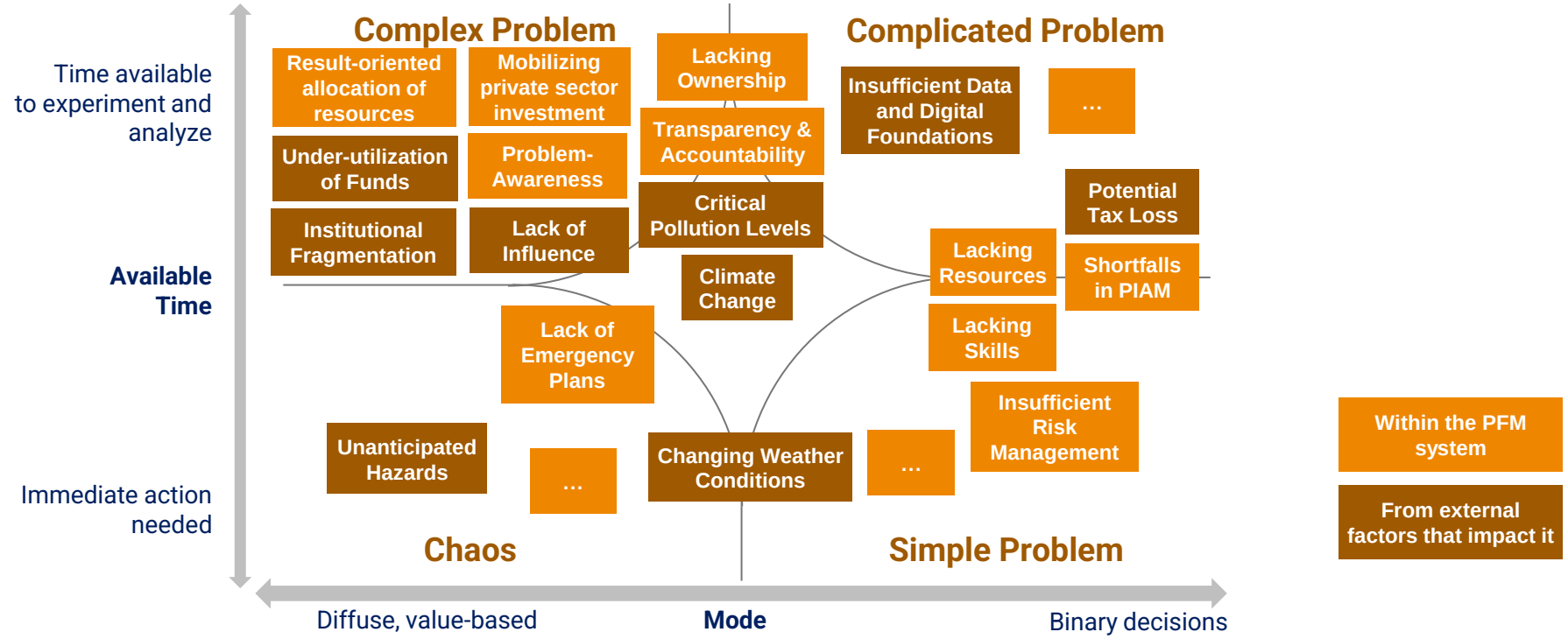
- **Ideation** for potential solutions to the defined challenges
- **Prototyping** a concept and solution
- **Presentation and Discussion** of the proposed solution, lessons learned, and potential next steps

Categories of Problems



Based on Tom Graves / Tedradian

Categories of Problems: Examples



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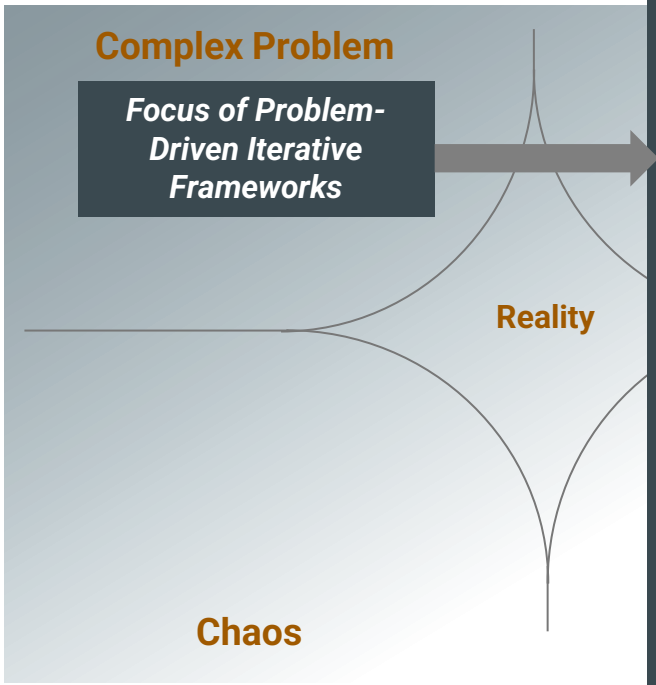
Complex Problems



- **Complex problems** usually
  - lack clear formulation,
  - contain a high level of uncertainty,
  - are transaction intensive, and
  - involve diverse perspectives on the situation.
- They **are distinct from complicated problems** (such as setting the central bank's interest rate), which require high levels of expertise but not discretionary judgements from many agents.
- The **'right' solution is difficult to identify, let alone design and implement**, requiring an iterative approach, the involvement of multiple stakeholders (e.g. other ministries or the private sector) and often the use of new technologies.

PFM for Climate Action – Climate Change as a Complex Problem

Climate change as a complex social and governmental challenge

- Ownership of the agenda is uncertain/ partial
- Risk and rewards are subject to uncertainties (inertia is the default solution for many)
- Information overload, with climate data being large and complex (tsunami of data)
- Platforms get rejected over ad hoc solution, often due to impatience and bad design
- Solutions / actions require creativity. Multi-stakeholder intelligence

Complex Problems: Examples

Within the PFM system

- Result-oriented allocation of resources
- Mobilizing private sector investment
- Lacking Ownership
- Transparency & Accountability
- Problem-Awareness
- ...
- ...

From external factors that impact it

- Under-utilization of Funds
- Institutional Fragmentation
- Lack of Influence on other Ministries
- Critical Pollution Levels
- ...
- ...

What are typical **complex problems** in your current and expected future situation?

Which are the most pressing problems?

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Design Thinking is a particularly effective and efficient method to solve such problems and ensure user centric services.

Design Thinking …

… is an **iterative** process that helps to understand people's **needs and pains**, quickly **prototype**, test and implement creative, innovative, and **user-centric solutions**.

… offers **easy-to-use practical methods** to **include interdisciplinary teams** as well as **people** affected by a particular problem and design solutions accordingly.

… can **save vast amounts of time and money** by designing solutions that really solve the problem and will actually be used.

Many times, we don't spend enough time to understand the problem and the users perspective. We jump to solutions straight away.

Bad Example: New Coke

Context: In the 1980s, Coca-Cola decided to reformulate its flagship product to compete with Pepsi.

What Went Wrong:

- **Lack of User Understanding:** Coca-Cola did not fully understand the emotional attachment customers had to the original formula.
- **Jumping to Solutions:** They quickly introduced "New Coke" without thorough user research and testing.
- **Outcome**: The backlash was immediate and intense, leading to a significant drop in sales and the eventual return of the original formula.

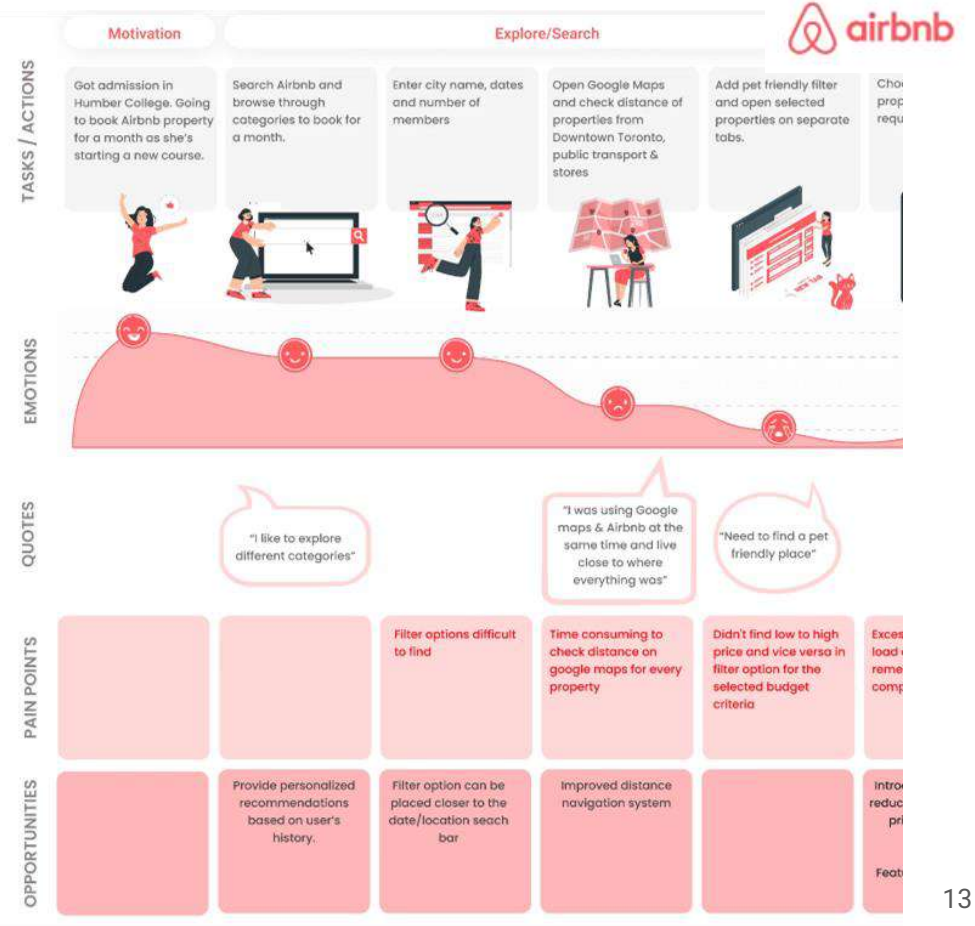
PFM4CA – Why use Design Thinking Methods

Good Example: Airbnb

Context: In its early days, Airbnb struggled to gain traction and faced low user engagement.

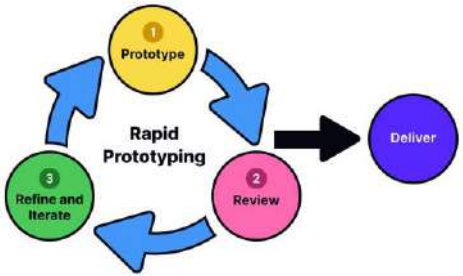
What Went Right:

- **Empathizing with Users:** The founders spent time understanding the needs and pain points of both hosts and guests.
- **Iterative Process:** They continuously tested and refined their platform based on user feedback.
- **Outcome:** By focusing on user experience and addressing real needs, Airbnb transformed into a highly successful platform with millions of users worldwide.

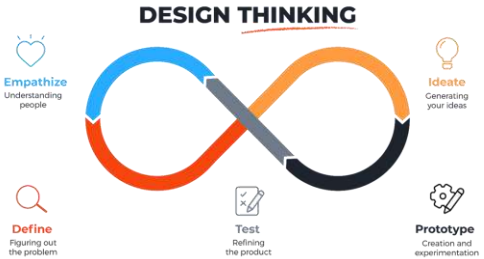


PFM4CA – Why use Design Thinking Methods: Key Takeaways

- Spending time to **understand the problem** and the **user's perspective** is crucial for creating solutions that truly meet their **needs** and avoid **costly** mistakes.



- Before rolling out a policy/process/product, it is important to **prototype** early, **test** and **adapt** it to users needs.



- **Design Thinking** offers a **toolkit** that can help you do the above.

Questions

Contradictions

Own Experience

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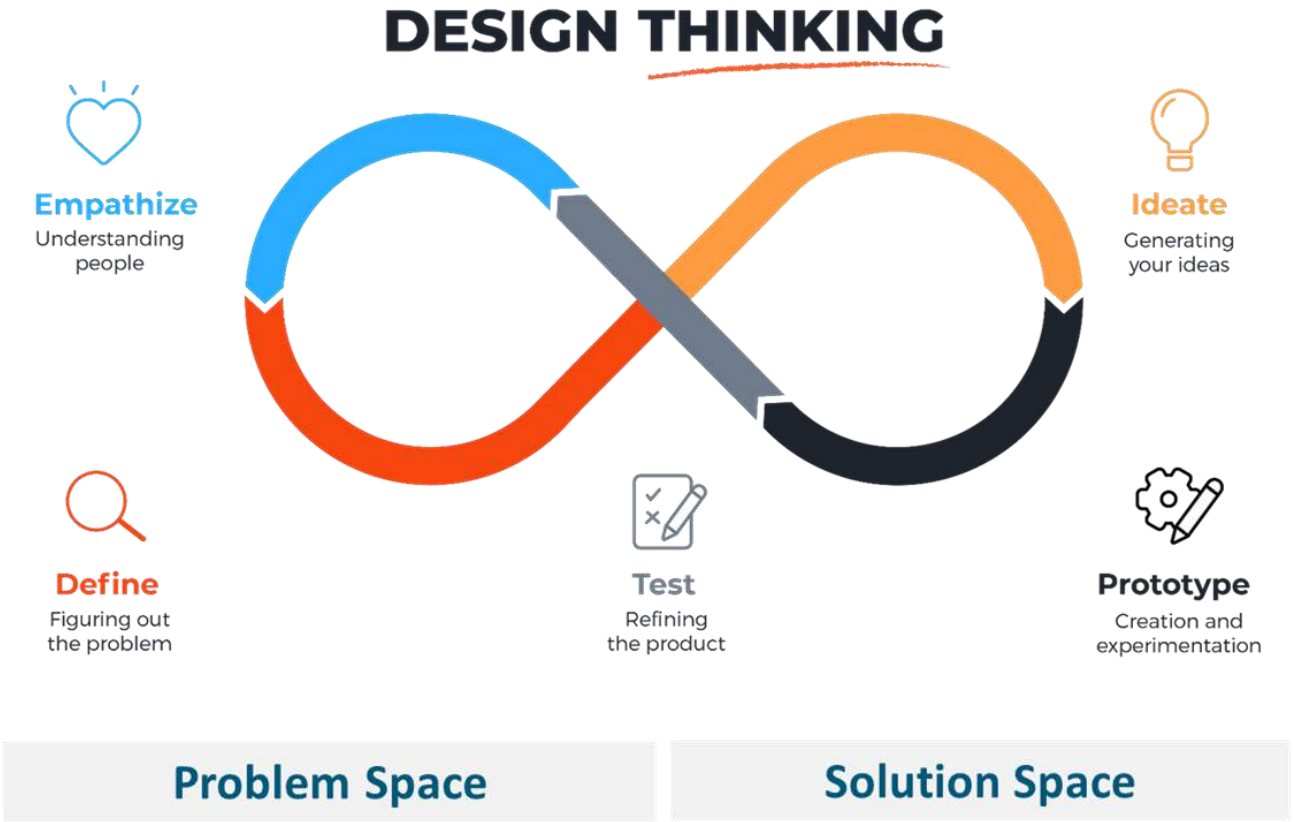
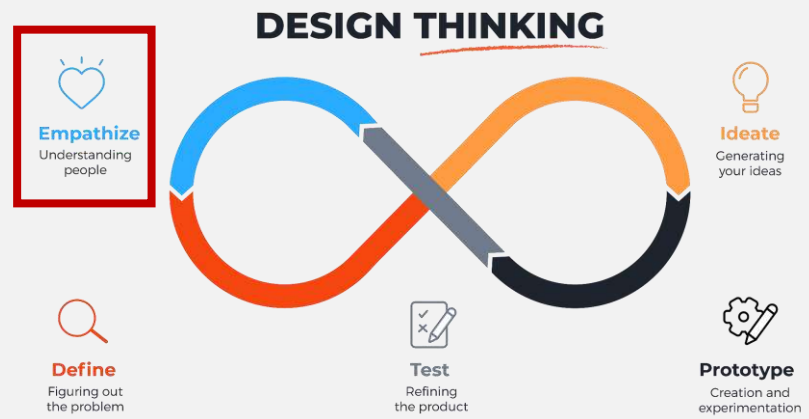
PFM4CA – How Design Thinking works



PFM4CA – Design Thinking Framework: Empathize



Main Tasks

- **Understand the User:** Conduct research to gather insights about the target audience's needs, challenges, and desires.
- **Observe and Engage:** Use interviews, surveys, and observations to build empathy with users.
- **Identify Pain Points:** Focus on uncovering emotional and practical struggles to understand user experiences deeply.

Stakeholder Map

Personas

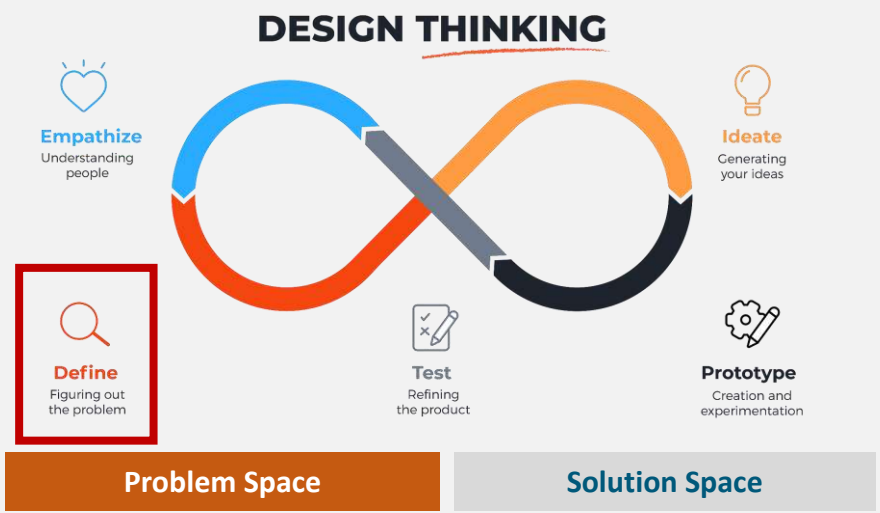
Interviews

Field Study

Observation

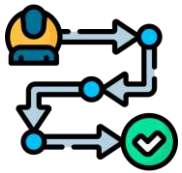
Online Survey

PFM4CA – Design Thinking Framework: Define



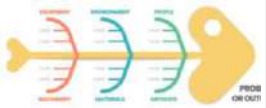
Main Tasks

- **Synthesize Insights:** Organize and analyze research data to identify patterns and key themes.
- **Create a Problem Statement:** Develop a clear, actionable problem definition based on user needs and insights.
- **Clarify the Challenge:** Ensure the problem statement aligns with both user needs and business objectives.



User Journey

SWOT Analysis



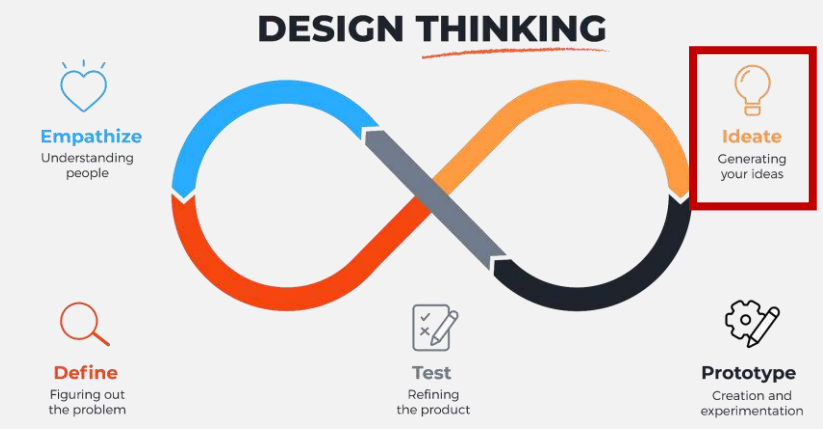
Fishbone Diagram

Five Why's

Problem Statement

How-Might-We

PFM4CA – Design Thinking Framework: Ideate



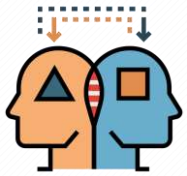
Main Tasks

- **Generate Ideas:** Brainstorm a wide range of potential solutions without judgment or limitations.
- **Encourage Creativity:** Use techniques like mind mapping, sketching, or group discussions to explore innovative approaches.
- **Select Feasible Solutions:** Prioritize ideas that are user-centered, realistic, and aligned with the defined problem.

Brainstorming

Brainwriting

Mindmaps

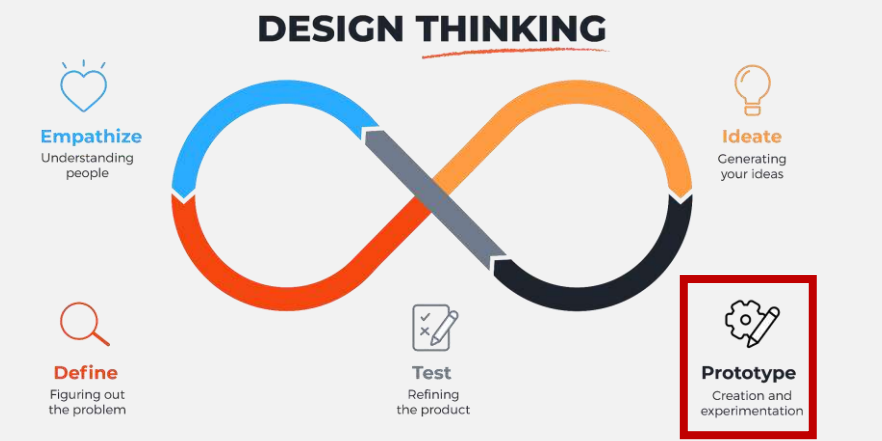


Analogy Thinking

6-3-5 Method

Idea Napkin

PFM4CA – Design Thinking Framework: Prototype



Main Tasks

- **Build Tangible Solutions:** Create low-fidelity prototypes or models to explore ideas in a hands-on way.
- **Iterate Quickly:** Use rapid prototyping to test, adjust, and improve on designs based on feedback.
- **Explore Possibilities:** Prototype at various levels to explore different aspects and solutions to the problem.

Quick Sketch

Crafting

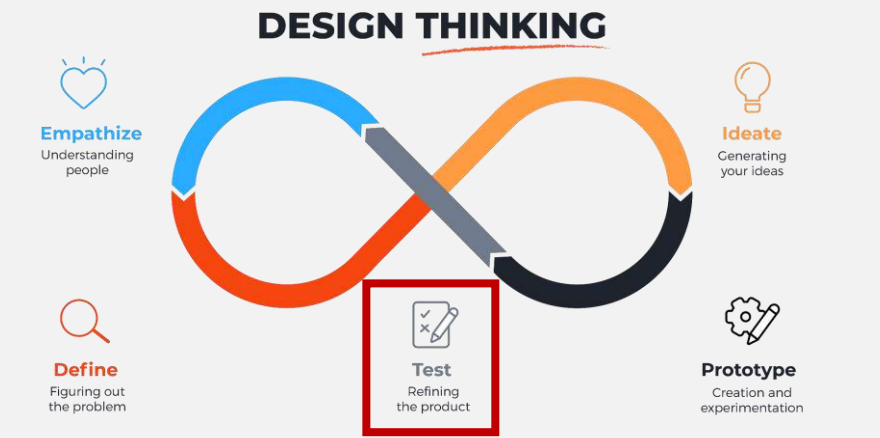
Concept Poster

Mock-up

Click-Dummy

Minimum Viable Product

PFM4CA – Design Thinking Framework: Test



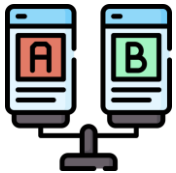
Main Tasks

- **Collect Feedback:** Test prototypes with real users to gather qualitative and quantitative data.
- **Refine Solutions:** Use feedback to refine and improve the product or solution iteratively.
- **Validate Ideas:** Assess whether the solution meets user needs, and adjust accordingly before final implementation.

Presentation of Ideas

Presentation of Concept

Presentation of Prototype



A/B Testing

Friendly / Closed User Group Tests

Step-by-step Rollout

PFM4CA – Problem Driven Iterative Adaptation (PDIA)

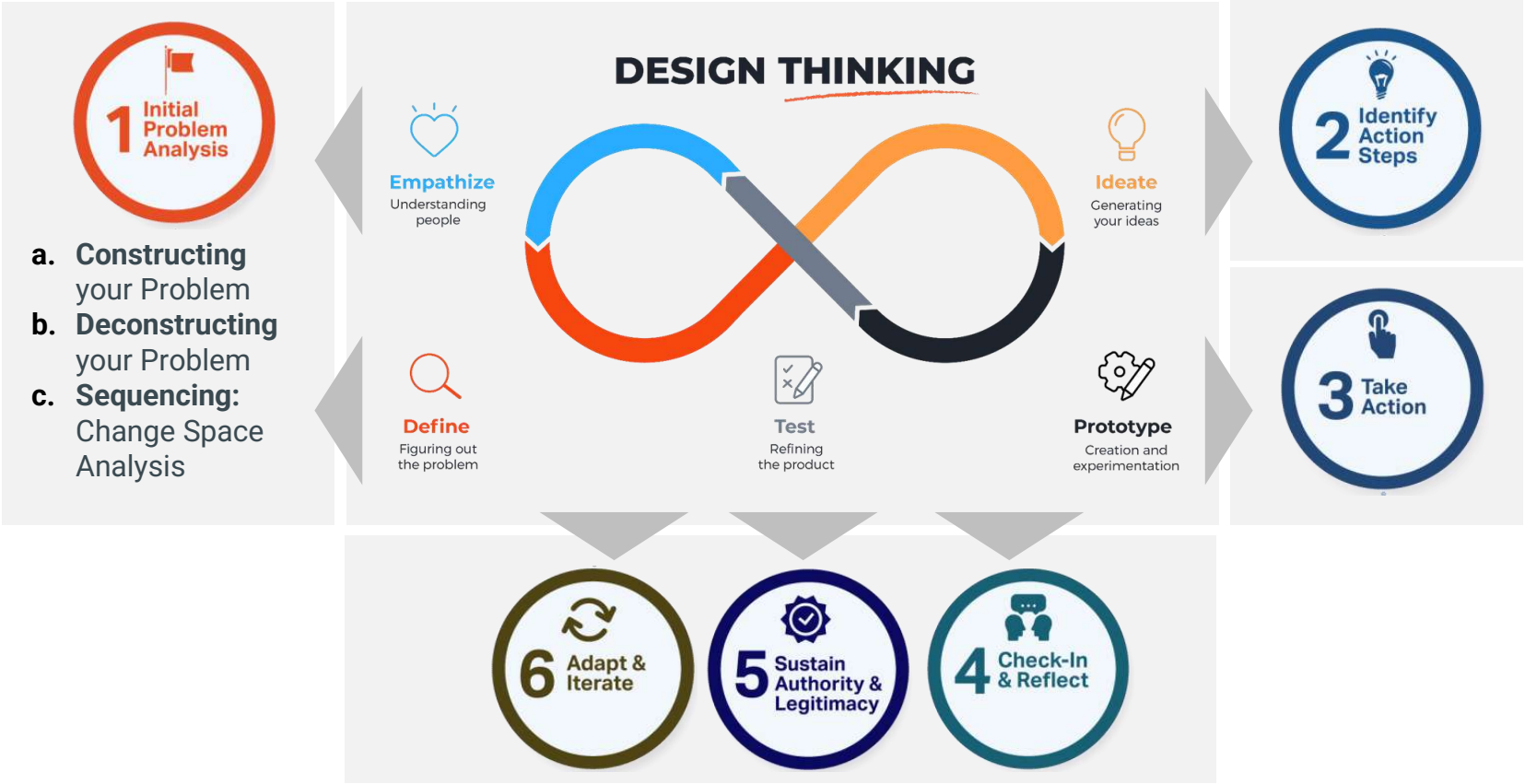
Developed by The **Building State Capability team** and PFM expert Matt Andrews at Harvard (www.bsc.hks.harvard.edu).

Do-it-Yourself (DIY) kit, where the 'you' is a committed team of 4–6 people mobilized to work together to solve a complex problem that cannot be solved by one person.

Source: PDIAtoolkit

The PDIA toolkit contains **several tools** (from the Design Thinking and other toolsets) that can be **specifically useful for curating approaches in PFM development settings**

PFM4CA – Design Thinking & PDIA

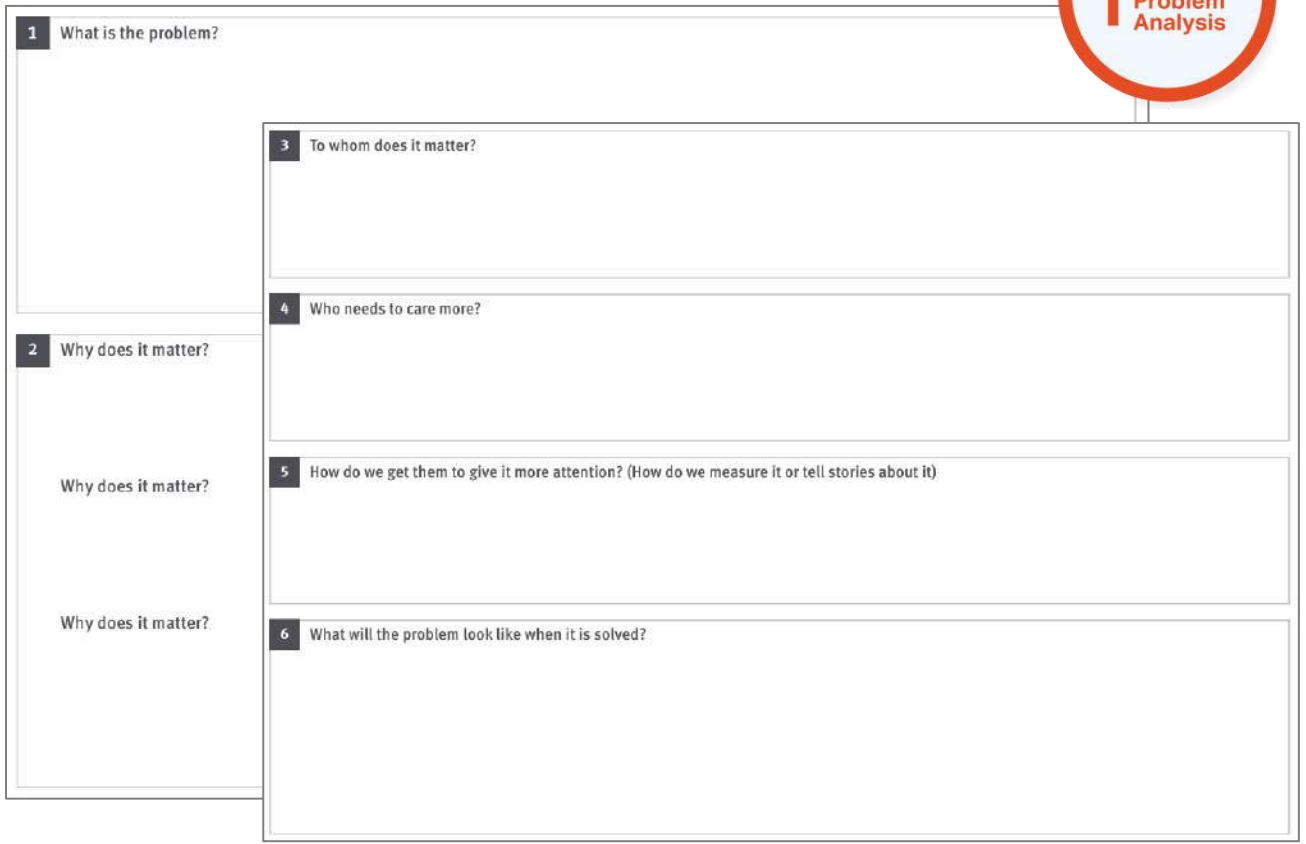


PFM4CA – PDIA Approach: Constructing your Problem

Problems are key to driving change.

We find that many development practitioners claim to be problem-driven but are in fact solution-driven. They define their problem as the lack of a preferred solution which often leads to standardized interventions that never **address the root causes of the problem**.

PDIA is about building capability to solve problems through the process of solving good problems.



Source: PDIAtoolkit

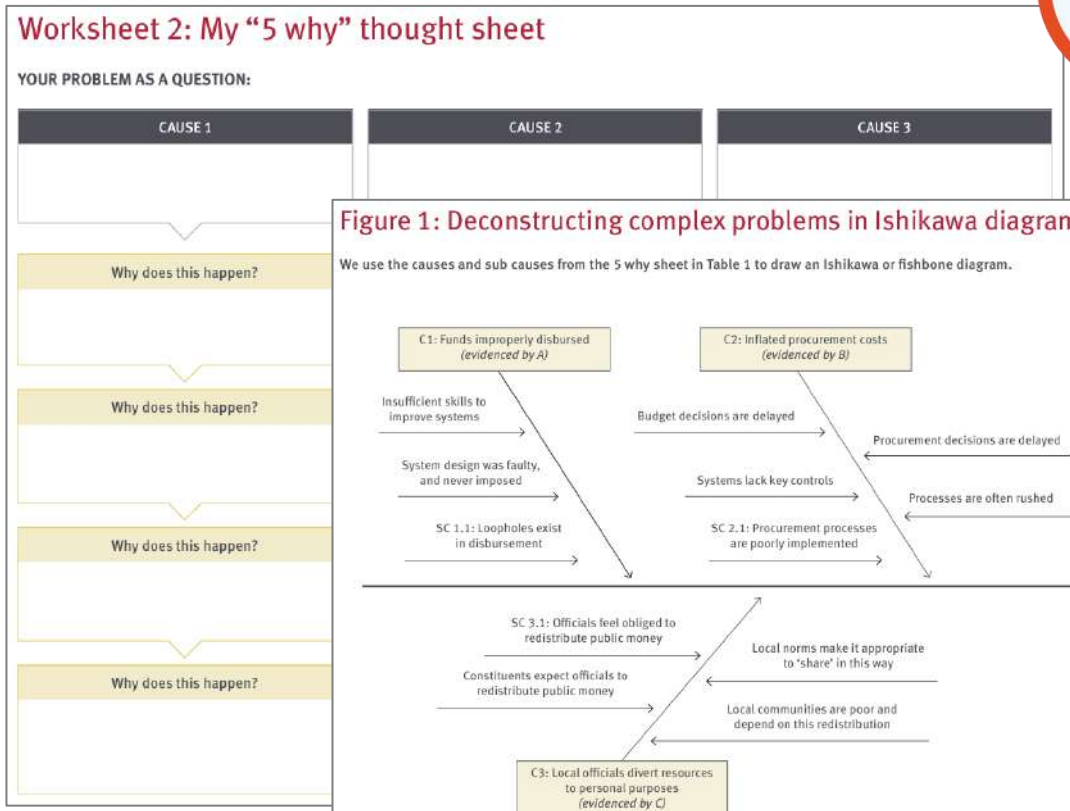
PFM4CA – PDIA Approach: Deconstructing your Problem

1 Initial Problem Analysis

Complex problems are intractable and the "right" solutions are hard to identify.

This often leads reformers to push for **preferred best practice solutions** that they know **will not build real capability** but will at least offer something to do.

To mitigate this risk, the problem needs to be **broken down into smaller, more manageable sets of focal points for engagement**, that are open to localized solution building. We refer to this process as **deconstructing the problem.**



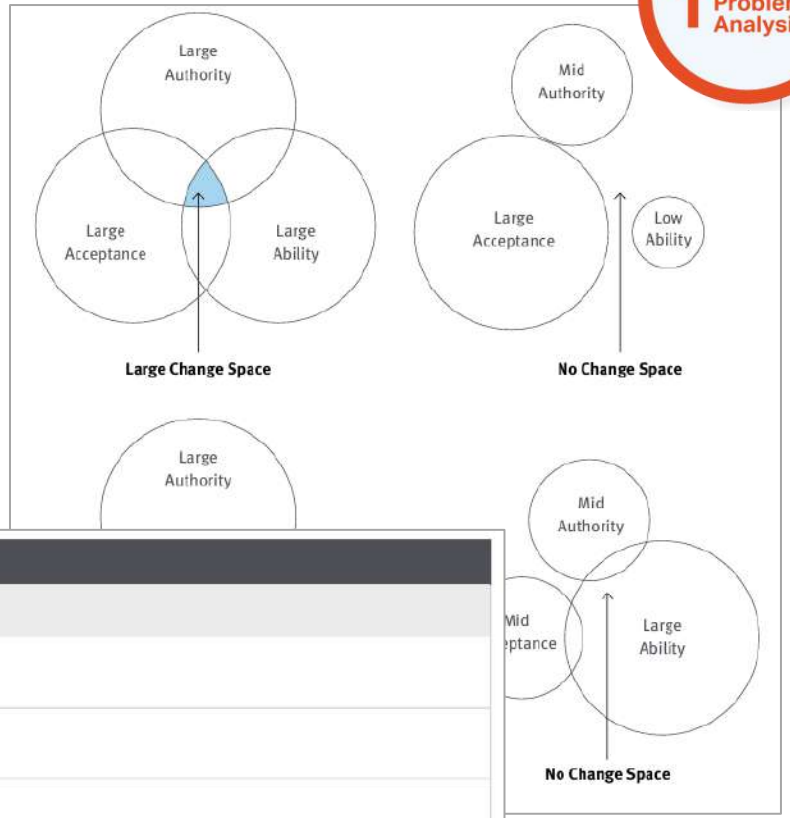
Source: PDIAtoolkit

PFM4CA – PDIA Approach: Sequencing - Change Space Analysis

1 Initial Problem Analysis

Where do I begin to solve the problem?
What do I do?
How do I ensure that all causal strands are addressed?

Problem driven sequencing refers to the timing and staging of your engagement given your **contextual opportunities and constraints**. A failure to sequence effectively could lead, in principle and practice, to premature load bearing (where change demands are introduced before they can be managed by your country or organization).



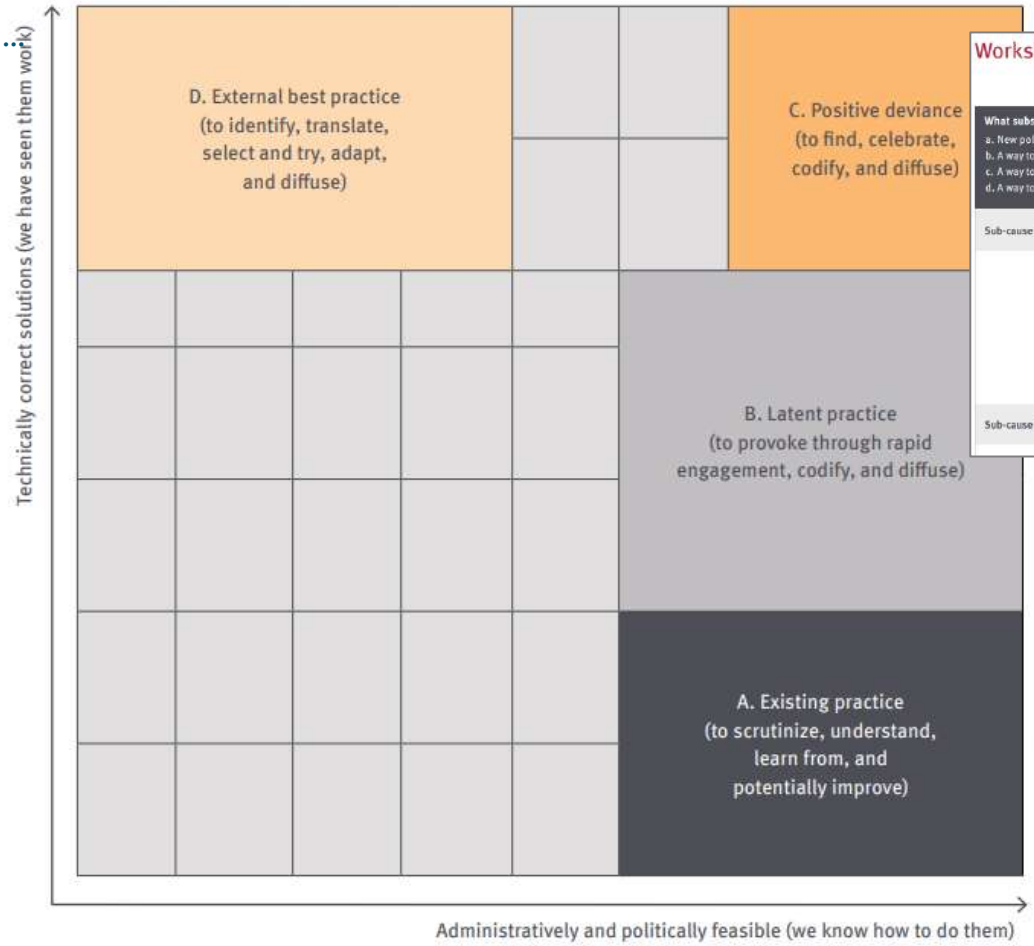
Triple A Change Space Analysis

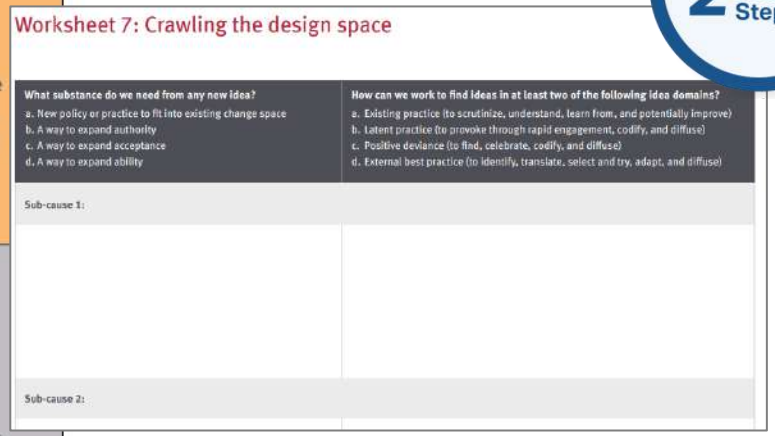
- Authority to engage
- Acceptance
- Ability

QUESTIONS FOR REFLECTION	AAA ESTIMATION (LOW, MID, LARGE)	ASSUMPTIONS
Cause 1:		
Overall, how much **Authority** do you think you have to engage?		
Overall, how much **Acceptance** do you think you have to engage?		
Overall, how much **Ability** do you think you have to engage?		
What is the change space for cause 1? (large change space, some change space or no change space) – AAA Venn diagram		

Source: PDIAtoolkit

PFM4CA – PDIA Approach: Identify Action Steps



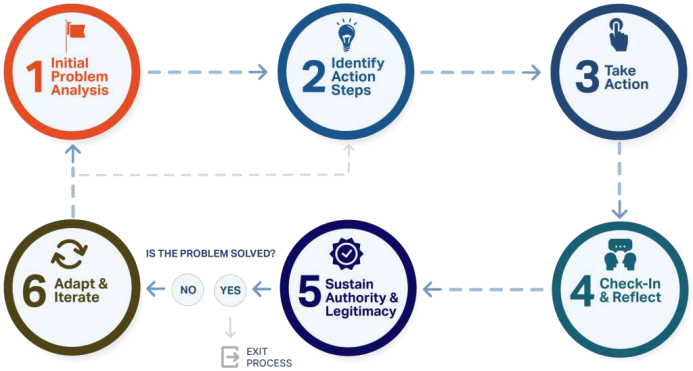


Crawling the design space, the fourth step in doing PDIA, helps you look for and experiment with multiple alternative solutions.

This is not to say that ideas from the outside (and so-called "**best practices**") should not be considered as potential answers or pathways to building state capability, but rather that even the most effective best practices are unlikely to address all of the specific problem dimensions needing attention.

Source: PDIAtoolkit

PFM4CA – Problem Driven Iterative Adaptation (PDIA)



Worksheet 8: What authority do you need and where will you look to find it?

Your problem statement:	Your primary authorizer: Why do you assume his/her support?

We do not expect you to identify an exhaustive list of needs here, given that there will be emergent needs as you progress through your iterations. We propose that this list be part of the iterative check in every iteration cycle, where you can update your understanding of authorization needs (and assumptions) at regular intervals and engage authorizers about this.

MAKE A LIST OF YOUR NEEDS FOR EACH OF THE FOLLOWING CATEGORIES	DO YOU THINK YOUR PRIMARY AUTHORIZER WILL SUPPORT THIS NEED?	WHO ELSE NEEDS TO PROVIDE AUTHORIZATION TO SATISFY THIS NEED?
Your own time and effort		

Worksheet 12: Iteration check-in tool

	WEEK 1	WEEK 2
1 What did we do?		
2 What did we learn? • about the problem we are addressing • about the ideas we are trying out • about our authorizing environment • about working as a team • any other lessons		
3 What are we struggling with? • What are our biggest questions and concerns moving ahead?		
4 What's next?		

Worksheet 10: Structuring your first iteration

Using all of the analysis you have done in previous sections, identify a few ideas that you will act upon in your first iteration (a one-week period). The initial steps should be highly specified, with precise determination of what will be done by whom in relation to all chosen ideas, and predetermined start and end points that create time boundaries for the first step. We propose working with tight time boundaries at the start of this kind of work, so as to establish the foundation of an action-oriented work culture, and to build momentum.

Cause 1:		
Idea		
Action steps (what you will do in the next 5–7 days)		
Who will be responsible?	*What will be done?*	*Assumptions*

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PFM-related Use Cases based on PDIA

Challenge	Solution
Under-execution of domestic resource allocations for capital investment (CAR)	New communication protocol between Procurement and line ministries, guidelines on feasibility studies, budget line for feasibility studies, …
Budget allocations do not generate the targeted results (Côte d'Ivoire)	Implementation report reviews, public investment planning training, sensitization on excessive budgetary virements and reallocations
Overspending leading to budget over-runs which impede service delivery (Ghana)	Training provided to line ministries on proper costing of investment projects, proposal inventory of arrears, so that they could be budgeted for

Challenge	Solution
Lack of knowledge how much cash line ministries need nor when it is needed (Lesotho)	Training on formulating cash-flow plans, new cash monitoring unit, new protocol for month-end closure, new system of monthly accounts reconciliation, …
Limited allocation of funds for public sector investment projects and under-utilisation of funds (Liberia)	Task force set up to work toward better managing / reducing wage bill, clear policy stance that the allocation to the PSIP would increase
Inadequate funding to the health sector, resulting in very poor primary health care outcomes (Nigeria)	Little/no fiscal space to increase budget allocation to health, health spending increased through donor support (through GAVI).

Source: PDIA Evaluation Study

Deep Dive Use Cases: Overview

One Stop Digital Government — Public Sector Innovation (General)

Virtual Interactions with Public Offices — Public Sector Innovation (MoF)

Pro-active Tax Declaration — Public Sector Innovation (MoF)

Circular Economy for Sustainable Products — Climate Change (Public Sector)

Climate-related Criteria for Subsidies — Climate Change (PFM)

Sustainable Procurement — Climate Change (PFM)

Climate Change and Tourism Infrastructure — Climate Change (PFM)

Use Case: Digital Public Sector Interaction with Citizens

Challenge

- **Several Entry Points** to Austrian eGovernment
- **Fragmented** offers in various formats
- **Lack of User Experience** in comparison with digital industry leaders
- **High expectations** to public sector services by digital natives
- **Varying** know-how regarding digital offers

Use Case: Digital Public Sector Interaction with Citizens

Empathize | Define | Ideate | Prototype | Test

Description

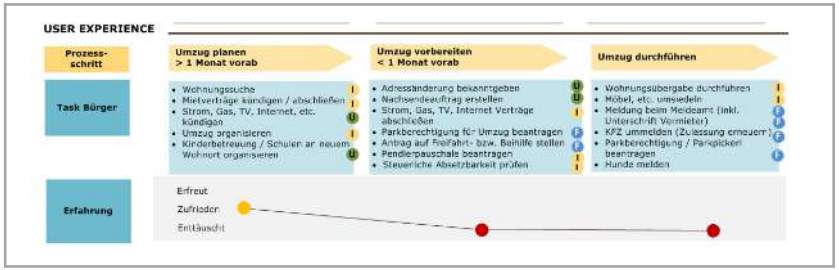
- **Design Question:** How should digital interactions between civil society and public administration look like in times of digital transformation?
- **Methods:** Territory Map, Visioning, Paper Prototype
- **Workshop** with citizens of various age and social background (students, entrepreneurs, parents, retirees, …)
- **Feedback** on existing services and recent government contacts
- **Vision building** on digital interactions

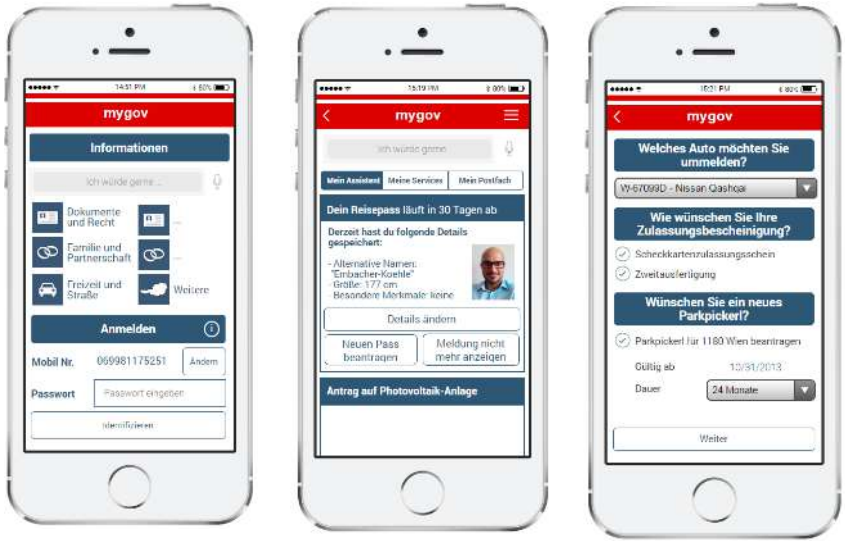
Use Case: Digital Public Sector Interaction with Citizens

Empathize | Define | **Ideate** | **Prototype** | Test

Description

- **Design Question:** How could a One Stop Shop App for citizens and underlying processes look like?
- **Methods:** Customer Journey, Click-dummy
- **Workshops** with government stakeholders
- **Visualization of specific Use Cases**
  - Change of residency
  - Registration of a newborn child





Use Case: Digital Public Sector Interaction with Citizens

Empathize | Define | Ideate | **Prototype** | Test

Description

- **Design Question:** How should the planned One Stop Shop App look like in detail?
- **Methods:** Prototyping, Testing
- **Design and Development** of a functional prototype together with users
- **Several citizen conferences** to present, test and get feedback by users

Use Case: Video Based Citizen Interaction

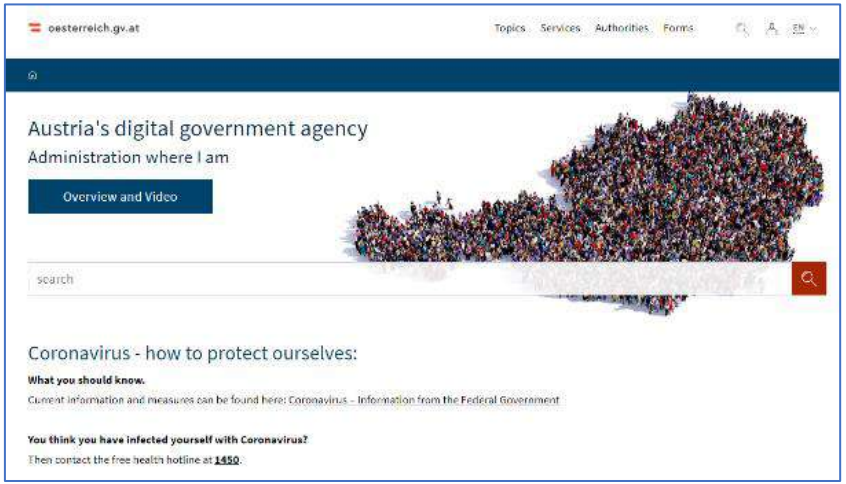
Solution

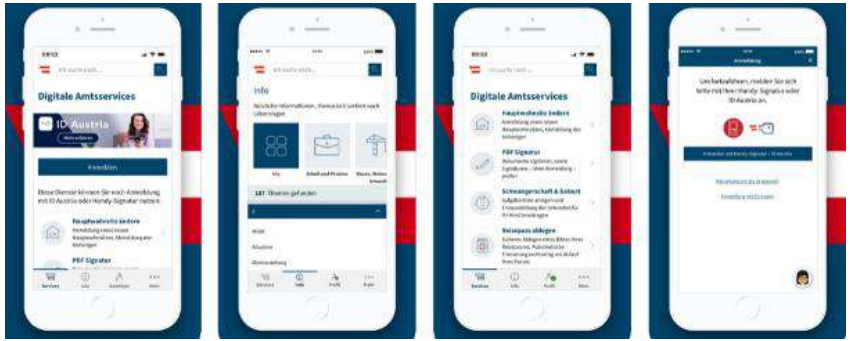
Digital One Stop Shop with many available services

- change of residency
- postal vote application
- reminder service for passport renewal
- digital baby point
- PDF signature in the app
- other services: Theft report, JustizOnline, …

About 3.85 million visits per month

300 000 downloads of the app





Case: Digital Public Sector Interaction with Citizens

Description

- **Design Question:** How should digital interactions between civil society and public administration look like in times of digital transformation?
- **Methods:** Territory Map, Visioning, Paper Prototype, Customer Journey, Click-dummy, Prototyping, Testing
- Workshops with citizens and government employees as well as citizen conferences to develop a vision, processes, prototypes and get feedback.

How Design Thinking Helped

- **Getting a user-oriented vision** for future citizen services
- **Showing need for action** to top management and politics
- **Designing services** according to citizen's needs
- **Getting user feedback** at an early stage
- **Improving quality** of services and user acceptance
- **Testing** prototypes as well as management ideas

Challenges and Lessons Learned

- **Motivating** suitable citizens to participate in sessions
- **Promotion vs. action** in user engagement
- **Government responsibility** to deliver high quality services instead of beta versions like in private sector

Following Steps / Outlook

oesterreich.gv.at and the App „Digitales Amt" is in operation and permanently being extended with further services.

Use Case: Video Based Citizen Interaction

Challenge

- **Complex forms and processes** on tax issues due to regulation (e.g. EU regulation on standard consumption tax for cars)
- **High frequency of on-site visits by citizens at tax offices**
- **Resource-intensive** and uncomfortable travel and waiting time for citizens traveling to and queuing in front of tax offices
- **Staff shortage** in tax offices

Use Case: Video Based Citizen Interaction

Empathize | Define | Ideate | Prototype | Test

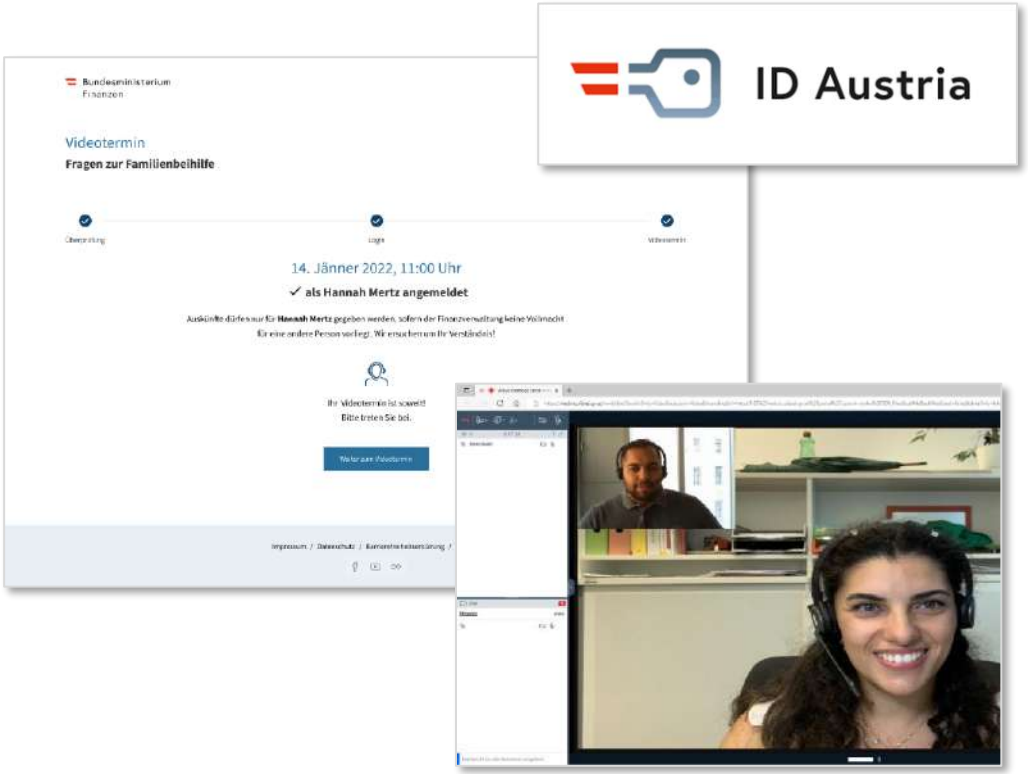
Description

- **Design Question:** How could citizen visits at agencies with binding transactions be carried out via video-conferencing?
- **Methods:** Personas, User Interviews, Prototyping
- **Developing mock-ups** in order to visualize the vision
- **Defining user interactions** together with the Ministry of Justice, Ministry of Finance and Employment Office

Use Case: Video Based Citizen Interaction

Solution

- **Video-based conversations** with service hotline of Ministry of Finance
- **Identified logon** for conversations on sensitive information
- **Specific information** on individual cases
- **Joint live edition** of official forms
- **Verfied and binding transactions**
- **Direct online payment**



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How Design Thinking Helped

- **Visualizing the proposal** highly comprehensible
- **Finding a fast track** from a rough idea to a prototype
- **Skipping traditional implementation models** and promoting agile processes
- **Identifying** obstacles and necessary frame conditions
- **Getting politic attention** and budget for implementing an innovative service

Challenges and Lessons Learned

- **Excessive politic attention** to implement service asap
- **Misjudgement of technical complexity** in the light of visualized simplicity
- **Lack of understanding** regarding agile processes in public administration

Status and Outlook

First version of the service went live in March 2022. Further functionality is currently being implemented.

Use Case: One-Click Pro-active Tax Declaration

Challenge

- More than **1 Mio hours spent by citizens** on simple tax declarations
- **60.000 hours/year for MoF** customer service

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- **60.000 hours/year for MoF** customer service

Solution

- **Pro-active automated processing** for 80 % of tax declarations until 2026
- **AI-supported reading and categorization of receipts**

Use Case: Circular economy for sustainable products

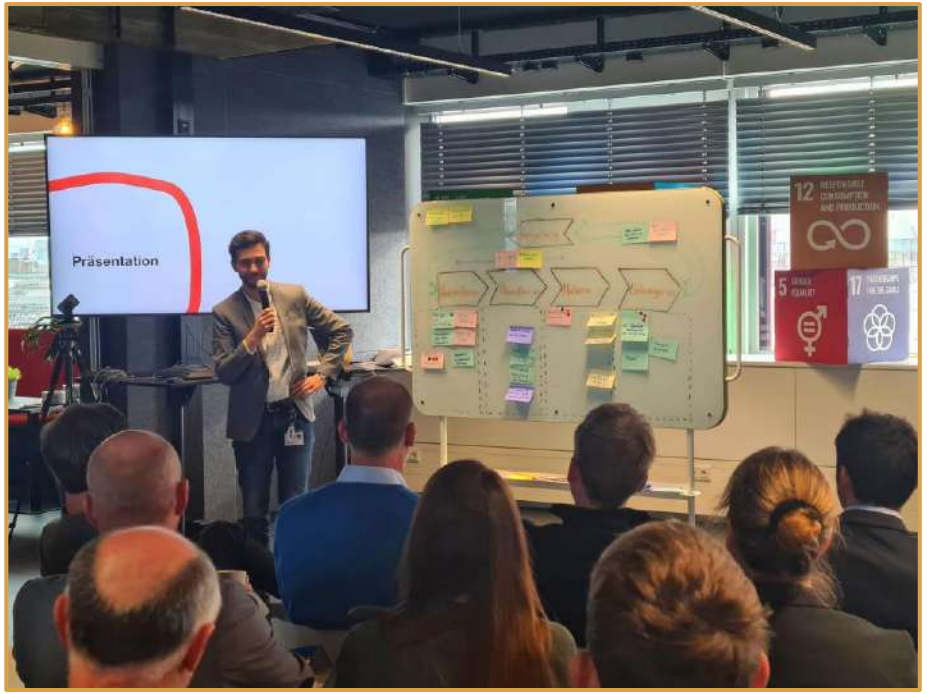
Challenge

- Austria set itself the target of ‘climate neutrality 2040’. To reach that target the transformation to a circular economy is inevitable.
- To reach a circular economy, a circular economy strategy was created and put in place by the end of 2022.
- One of the measures of this strategy was to bring “Circularity in Climate Lab” to life. An initiative were the aim of the government was to act as a driving force for sustainable transformation in certain industries.
- Examples: Building materials, textiles, furniture, mattresses, etc.

Use Case: Circular economy for sustainable products

Description

- **Design Question:** How might we introduce (or support the transformation to) a circular economy in the industry X?
- **Methods:** Expert interviews in Austria and all over Europe, focus groups and ideation workshops, paper prototypes, surveys and feedback sessions.
- **Workshops** with representatives along the value chain or value circle, public sector officials, external experts and many more
- **Prototyping** different ideas and measures, to reach that goal



Important question:
How can we design and implement solutions, where every stakeholder along the value circle is integrated?

Use Case: Circular economy for sustainable products

Solution

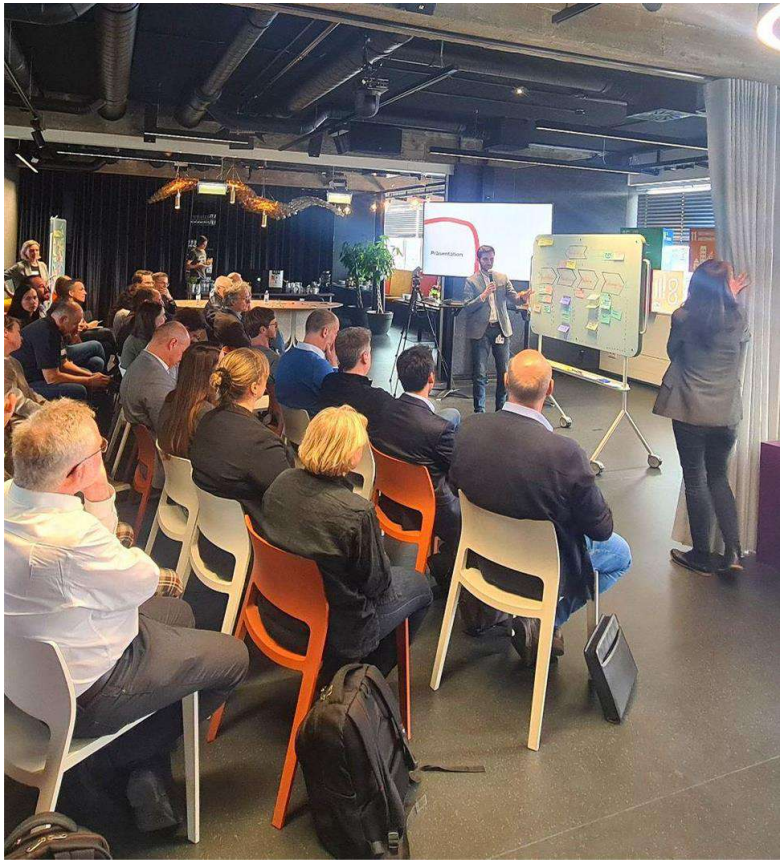
Different solutions depending on the industry were developed:

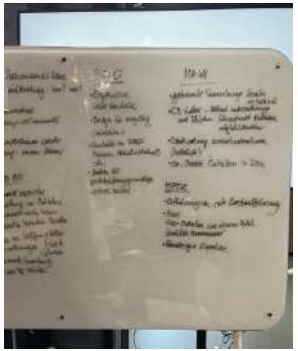
- Voluntary EPR-Systems were drafted
- Mattress Alliance was formed
- Circularity content was put into curricula from school to university
- Sustainable sourcing criteria were drafted
- Textile reuse and recycling projects were initiated

Important effects

Companies along the value circle, initiated projects and measures to transform their business model from linear to circular.

Through that, they built up resilience in their respective industry.





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- **Workshops:** with representatives along the value chain or value circle, public sector officials, external experts and many more

How Design Thinking Helped

- **Working with the whole value chain - nobody felt left out**
- **Creating a sense of urgency and motivating people for action**
- **Designing the process in a way** that aligns with the many different target groups
- **Collaborate** internally and externally
- **Getting industry feedback** at an early stage
- **Improving quality** and acceptance

Challenges and Lessons Learned

- **Getting the value chain on board and to work together is not an easy task**
- A **holistic approach** was key
- Someone **needs to drive change** and keeps everyone informed, engaged and in line with the goal

Following Steps / Outlook

Many different **follow-up projects** were initiated and are now driven by the stakeholders themselves

Use Case: Climate-related Criteria for Subsidies

Challenge

- Vienna Business Agency is committed to Vienna's goal of “Climate Neutrality by 2040”
- Therefore VBA wants to direct financial support to companies complying to that target and does not want to support businesses, that do not contribute or act against that to that goal.

Use Case: Climate-related Criteria for Subsidies

Empathize | Define | Ideate | Prototype | Test

Description

- **Design Question:** How can we impose climate relevant criteria in all our programs and funds?
- **Methods:** Expert and customer interviews, focus groups with other funding agencies, paper prototypes, surveys and feedback sessions
- **Building a shared vision and goal** to get aligned in the entire organization
- **Workshops** with program and fund managers and department heads
- **Prototyping application forms** and getting feedback from pot. customers

Important question:
How much can we ask from potential clients?

Use Case: Climate-related Criteria for Subsidies

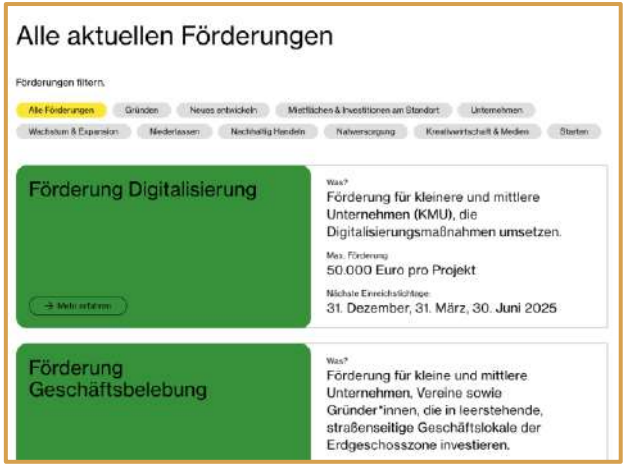
Solution

Every application now has to comply with “Do no significant harm”-Criteria (DNSH) with regard to climate.

A positive contribution to climate action or circular economy is rewarded.

First full year with all programs and funds was a great success.

Criteria will undergo evaluation and will be sharpened in the future.



Case: Climate-related Criteria for Subsidies

Description

- **Design Question:** How can we impose climate relevant criteria in all our programs and funds?
- **Methods:** Expert and customer interviews, focus groups with other funding agencies, Paper Prototypes, Surveys, Feedback Sessions
- **Workshops:** with internal stakeholders as well as potential customers to develop questions, prototype forms and get feedback.

How Design Thinking Helped

- **Creating a joint vision** within the VBA
- **Designing questions and criteria,** that fit to customer base
- **Collaborate** internally and externally
- **Getting user feedback** at an early stage
- **Improving quality** and acceptance
- **Testing** prototypes

Challenges and Lessons Learned

- **Motivating** externals to participate
- **Setting "right" criteria**

Following Steps / Outlook

First year / iteration is done. Lessons learnt are being implemented in continuous improvement process.

Use Case: Sustainable procurement in public transport

Challenge

- Wiener Linien is the public transport provider in Vienna and is committed to the City of Vienna's goal of ‘climate neutrality by 2040’.
- Therefore, Wiener Linien aims to establish sustainable procurement criteria for materials management that enable the evaluation and procurement of materials for older vehicle models, in a way that is practical for internal stakeholders and suppliers, while contributing to broader sustainability goals.

Use Case: Sustainable procurement in public transport

Description

- **Design Question:** How can we impose climate relevant criteria in all procurement processes with a value of six figures or more?
- **Methods:** Expert and supplier interviews, focus groups with other public transport providers in the DACH region, paper prototypes, surveys and feedback sessions.
- **Building a shared vision and goal** to have a transparent sustainable procurement process with the involvement of suppliers and in accordance with the CSRD guidelines.
- **Workshops** with the procurement team and public transport partners.
- **Prototyping** a sustainable procurement process that suppliers can fulfil and that can be adapted through regular feedback.

Important question:
How much can we demand from suppliers in terms of sustainability criteria if their negotiating power is high, and how much information do they already collect to provide us with the necessary evidence for reporting?

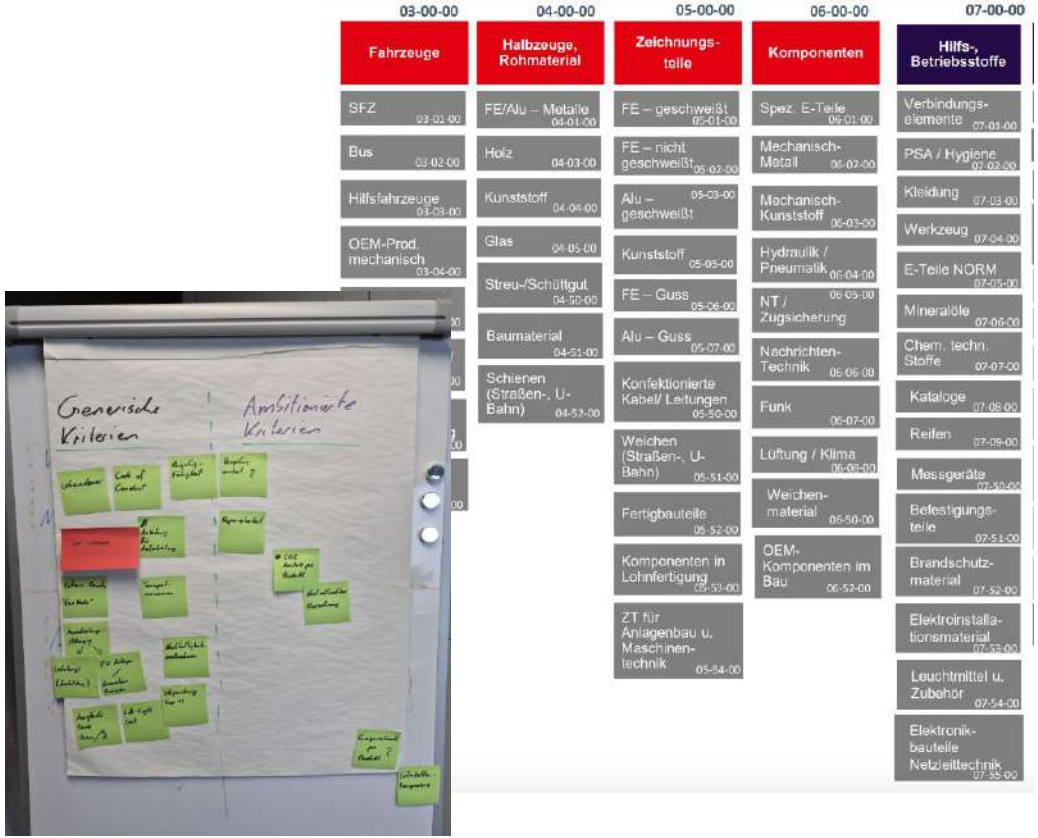
Use Case: Sustainable procurement in public transport

Solution

A catalogue of criteria for sustainable procurement based on the internal category for materials and products and the CSRD guidelines will be available for every procurement process with a value of six figures and more.

A guideline with a decision tree to follow and apply the catalog will be provided for the procurement team.

Regular feedback with the internal team but also external suppliers and stakeholders will be conducted to adapt and improve the process.



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- **Methods:** Expert and supplier interviews, focus groups with other public transport providers in the DACH region, paper prototypes, surveys and feedback sessions.
- **Workshops:** with internal stakeholders as well as suppliers to develop questions, surveys and get insights as well as feedback during the process.

How Design Thinking Helped

- **Creating a joint vision** between the WL and their suppliers
- **Designing questions and criteria,** that align with the suppliers of WL to ensure focus on the target audience through user-centred design.
- **Collaborate** internally and externally
- **Getting user feedback** at an early stage
- **Improving quality** and acceptance
- **Testing** prototypes

Challenges and Lessons Learned

- The **negotiating power** of suppliers should not be underestimated.
- A **holistic approach** involving suppliers and other public transport service providers was key to meeting the regulatory and ideological requirements to achieve the sustainability targets.

Following Steps / Outlook

The process and the catalog will be drafted by the end of this year and tested in the beginning of next year.

Use Case: Climate Change in Winter Tourism

Challenge

Effects of climate change on winter tourism, economy, and public infrastructure are hard to evaluate

Use Case: Climate Change in Winter Tourism

Challenge

Effects of climate change on winter tourism, economy, and public infrastructure are hard to evaluate

Solution

- Climate- and tourism-specific **data for better decisions**
- **Natural language interpretation** of data for non-statisticians
- **Rule-based recommendations** in specific scenarios

1. Geospatial Screening

Medium and long-term map- and scenario-based illustration of the effects of climate change

2. Climate-specific Local Metrics

Climatic factors relevant for tourism (historical, current and forecasts) from various data sources (Copernicus, Geosphere, BOKU BIOCLIM, ...)

3. Tourism-specific Key Figures

Information on operational, economic, ecological and social impact

4. Findings and Options for Action

AI-supported evaluation of risk factors, impacts and options for action (e.g. redesign, offer optimization, seasonal shift for better value creation)

Use Case: One-Click Pro-active Tax Declaration

Challenge

Effects of climate change on winter tourism, economy, and public infrastructure are hard to evaluate

Solution

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- **Natural language interpretation** of data for non-statisticians
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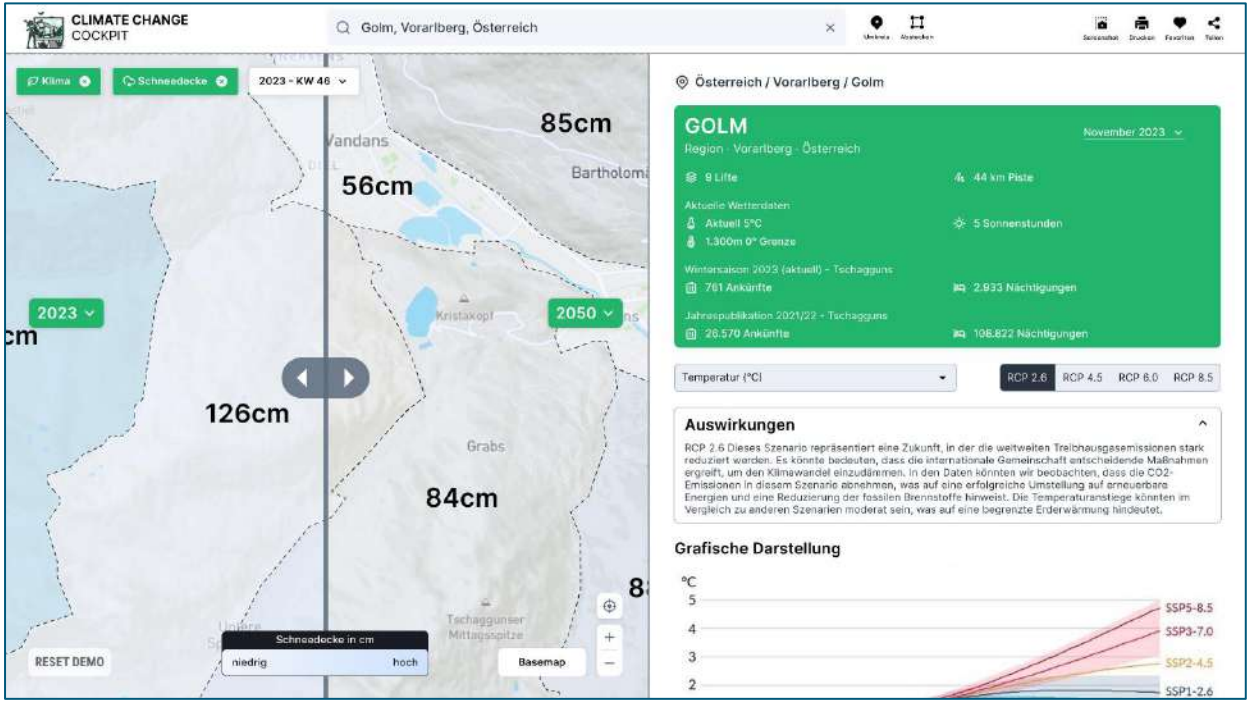


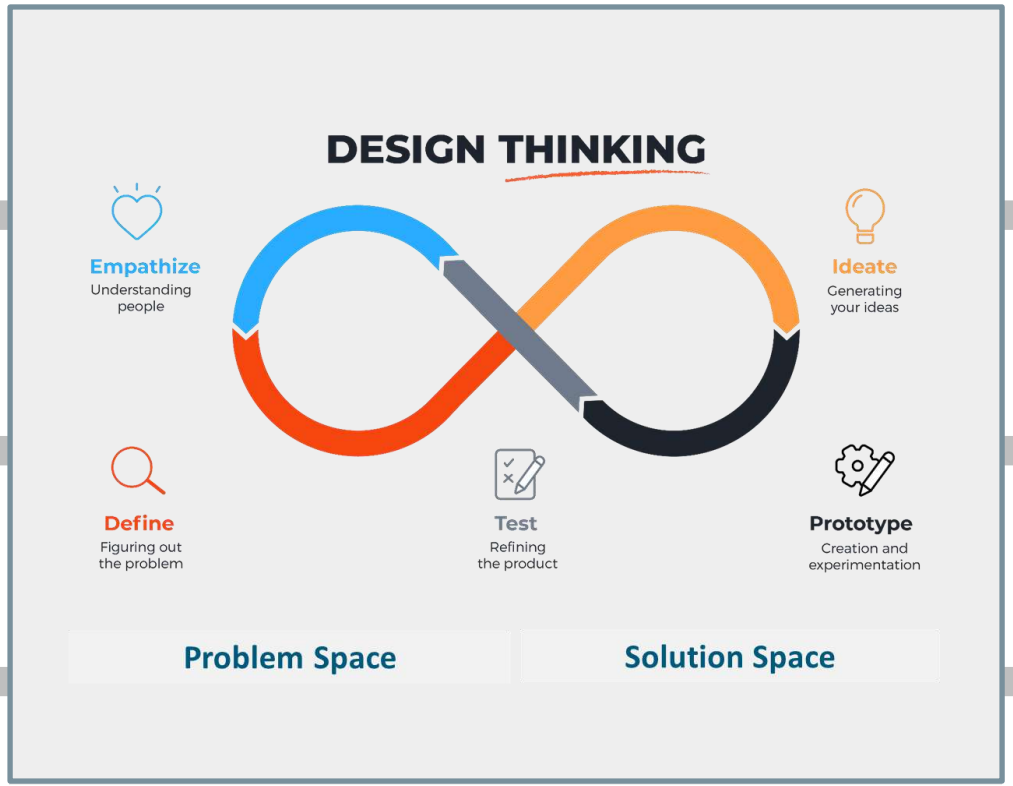
Use Cases related to Climate Change and Public Assets

Challenge Examples

Lacking **energy efficiency** of existing public infrastructure and knowledge on optimization strategies

Inefficient **public transportation systems** causing high emissions and locking citizens in using private transport

Construction Practices that contribute significantly to carbon emissions by inefficient planning and analysis



Solution Examples

Using **smart meter** and sensors to monitor lighting, HVAC systems for **machine learning** and **optimization opportunity** analysis and recommendations

Mobility-as-a-Service (MaaS) solutions to integrate various transportation services into a unified digital platform to plan and optimize routes

Building Information Modeling (BIM) using digital represent-tations to visualize, plan, and optimize construction projects before they are physically built

Questions

Contradictions

Own Experience

Day 2: Taking Agency - Practical Approaches for Climate Action in PFM

Session 1: How to Design and Implement Solutions for Complex Problems

- **Categories** of problems and available methods (What)
- **Overview and Rationale:** problem- and stakeholder-oriented service design (Why)
- **How to apply** the Problem-Driven Iterative Adaptation and Design Thinking Framework (How)
- **Case Studies** in the public sector, climate action, and PFM

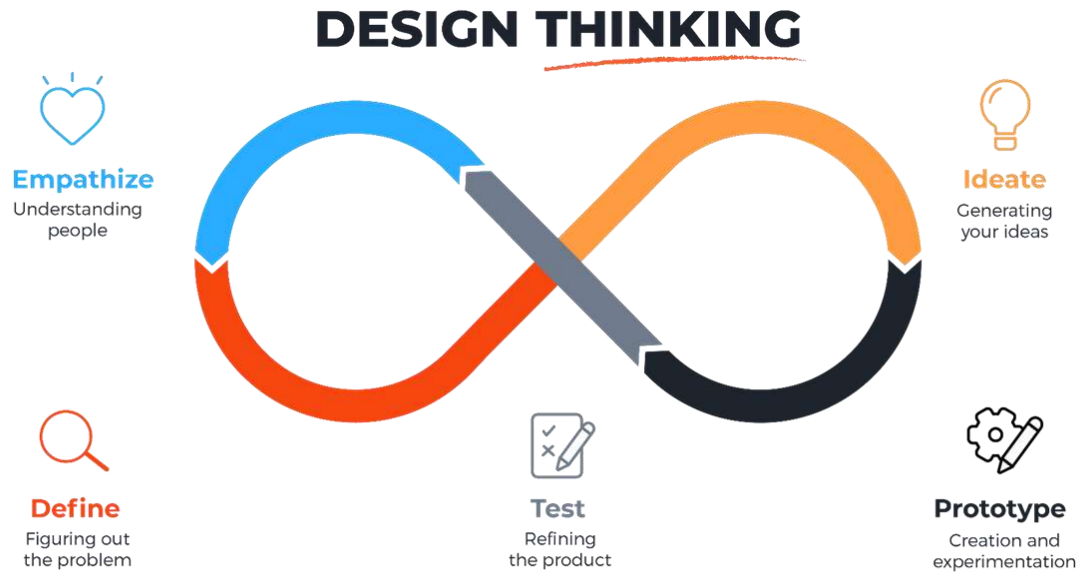
Session 2: Workshop - Identification and Definition of Challenges

- **Identification** of specific challenges in countries (internal or external)
- **Prioritization** and selection of main overarching challenges
- **Definition** of selected challenges (stakeholders, needs, pain points, etc.)

Session 3: Workshop - Ideation and Prototyping for Solutions

- **Ideation** for potential solutions to the defined challenges
- **Prototyping** a concept and solution
- **Presentation and Discussion** of the proposed solution, lessons learned, and potential next steps

PFM4CA – Problem- & Stakeholder-oriented Service Design



Problem Space | Solution Space

Break → Break-out Session 1 → Break → Break-out Session 2

PFM4CA – Problem- & Stakeholder-oriented Service Design

1. **Identify** Challenges
2. **Prioritize** and Select Challenge
3. **Define** Challenge (5 Whys)
4. **Stakeholder** Map
5. **Persona**
6. **How Might We Question**

1. **Identify** Ideas
2. **Prioritize** and Select Ideas
3. **Define Top Ideas**
4. **Define Concept** (Concept Poster)
   - Name & Slogan
   - How does it work?
   - What resources do you need?
   - What obstacles could we face?
   - What are potential first steps to realize?
   - …

Break → **Break-out Session 1** → Break → **Break-out Session 2** → **Presentation & Discussion**

WORLD BANK GROUP

PFM4CA Executive Briefing – Day 2
Taking Agency
Practical Methods for Climate Action in PFM

Dec 12, 2024