

World Bank **PULSAR**

Why consolidation matters?

11 November 2025

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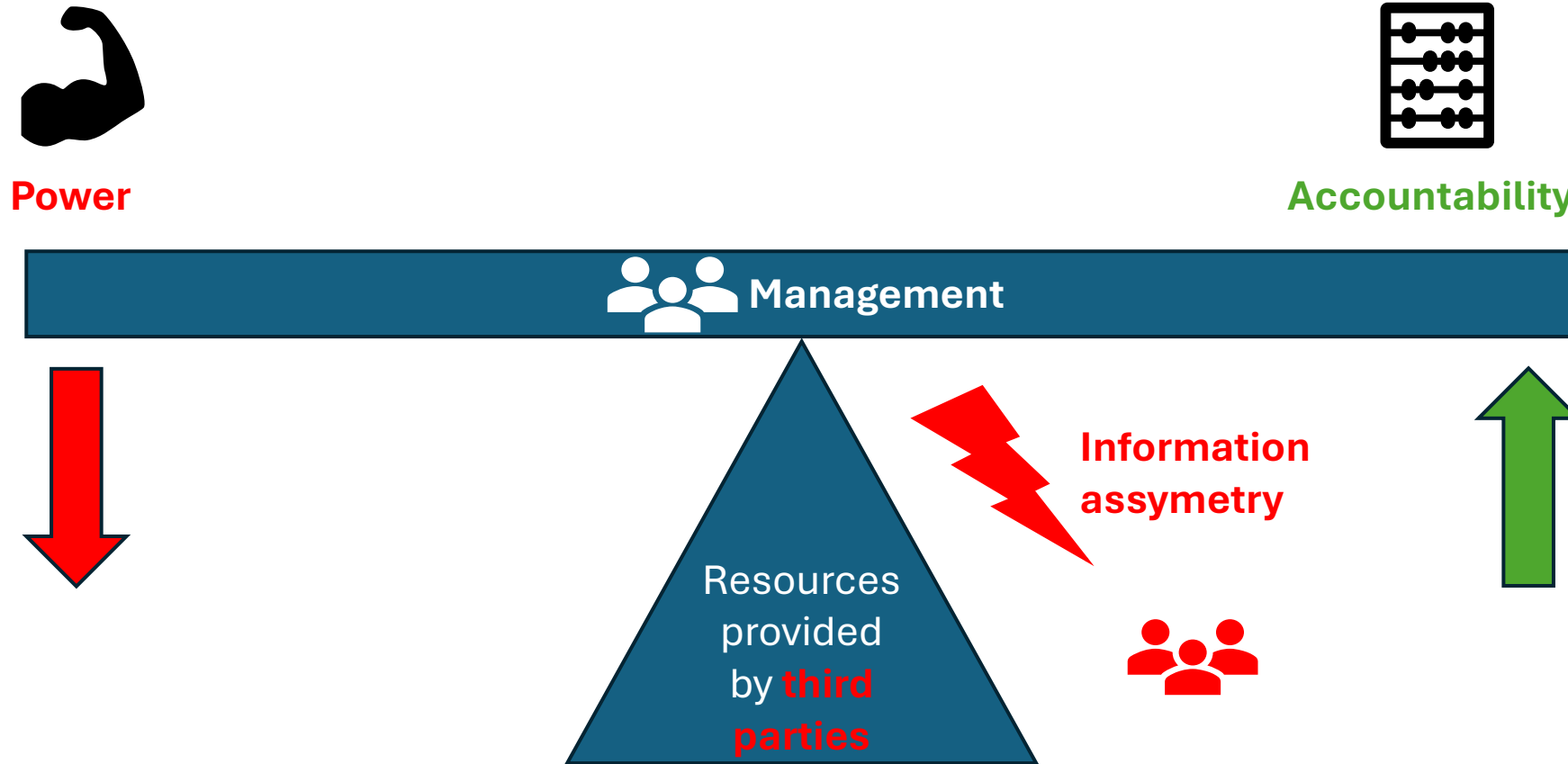


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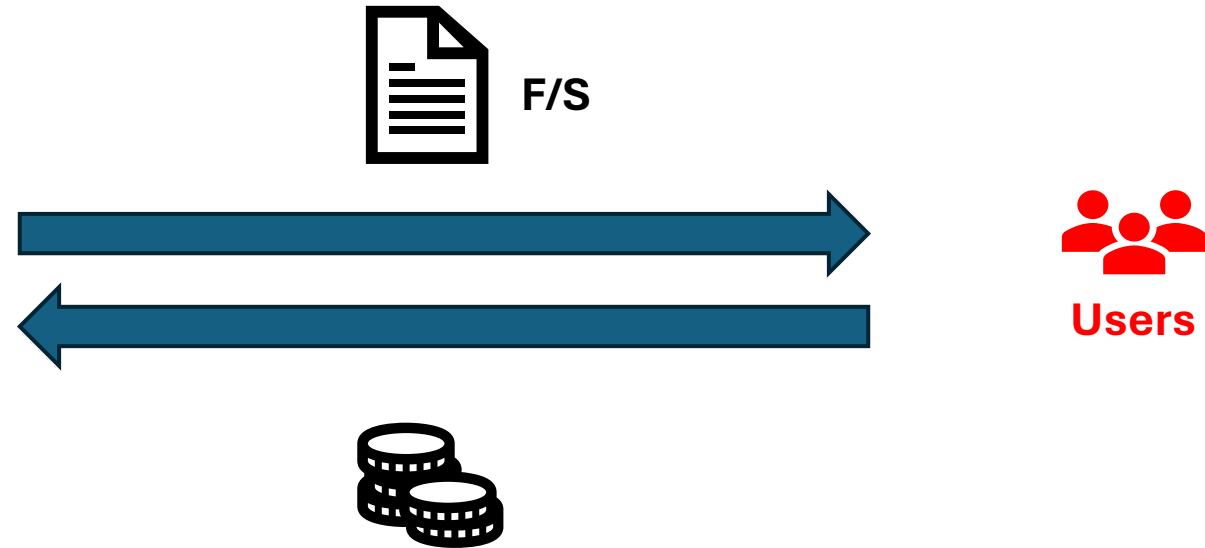
Agenda

1. General considerations
2. Exemplification
3. Conclusion

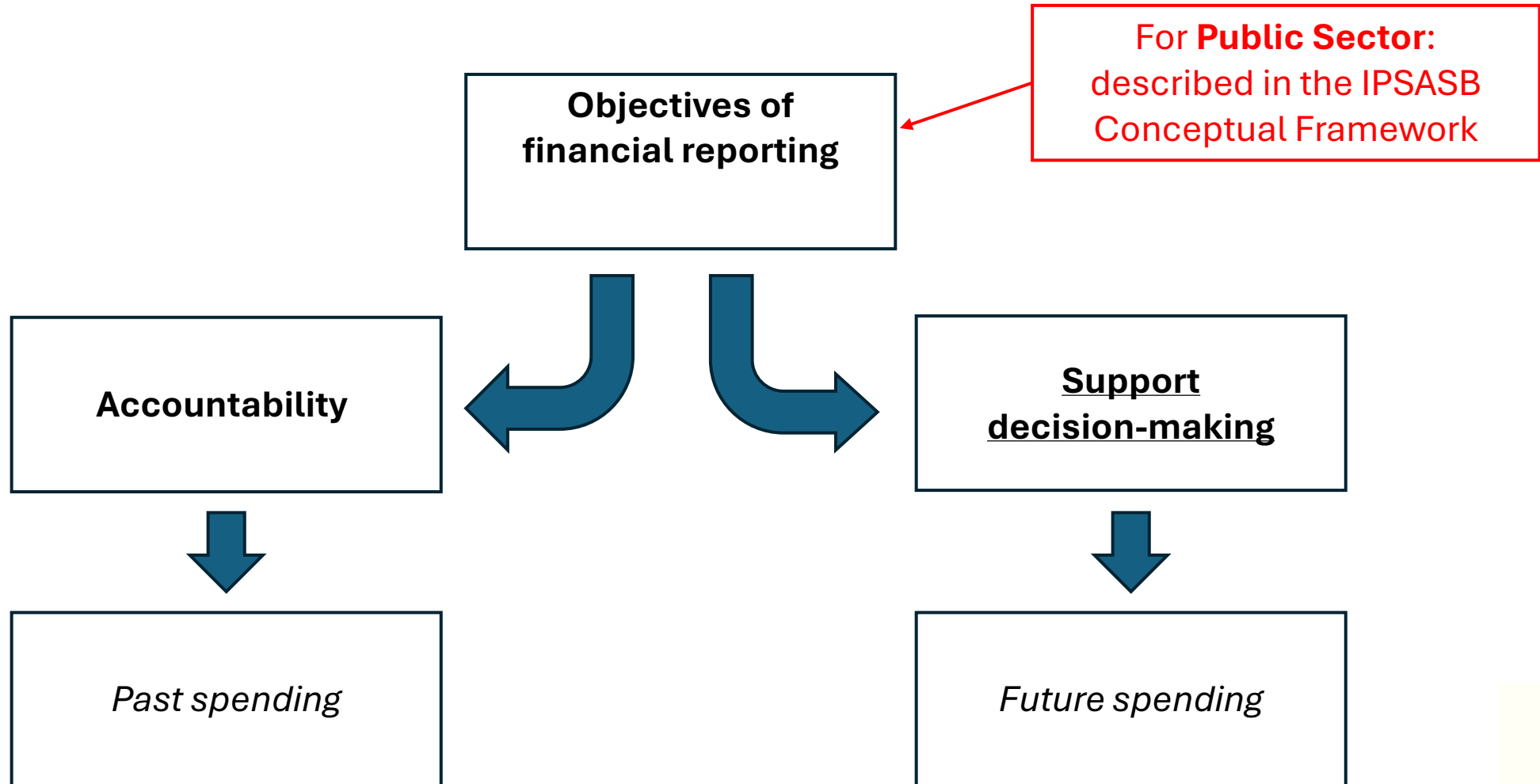
1. General considerations



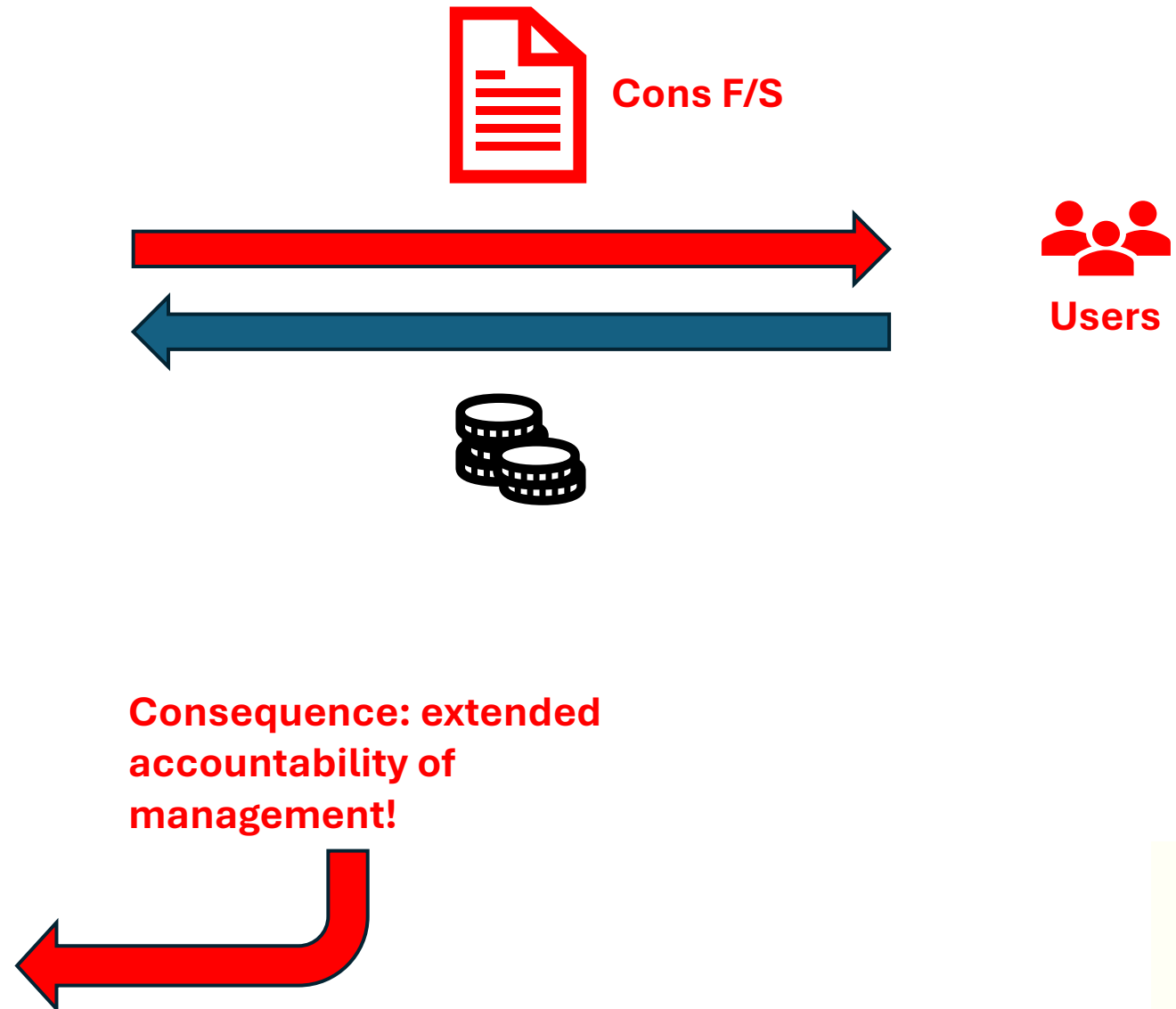
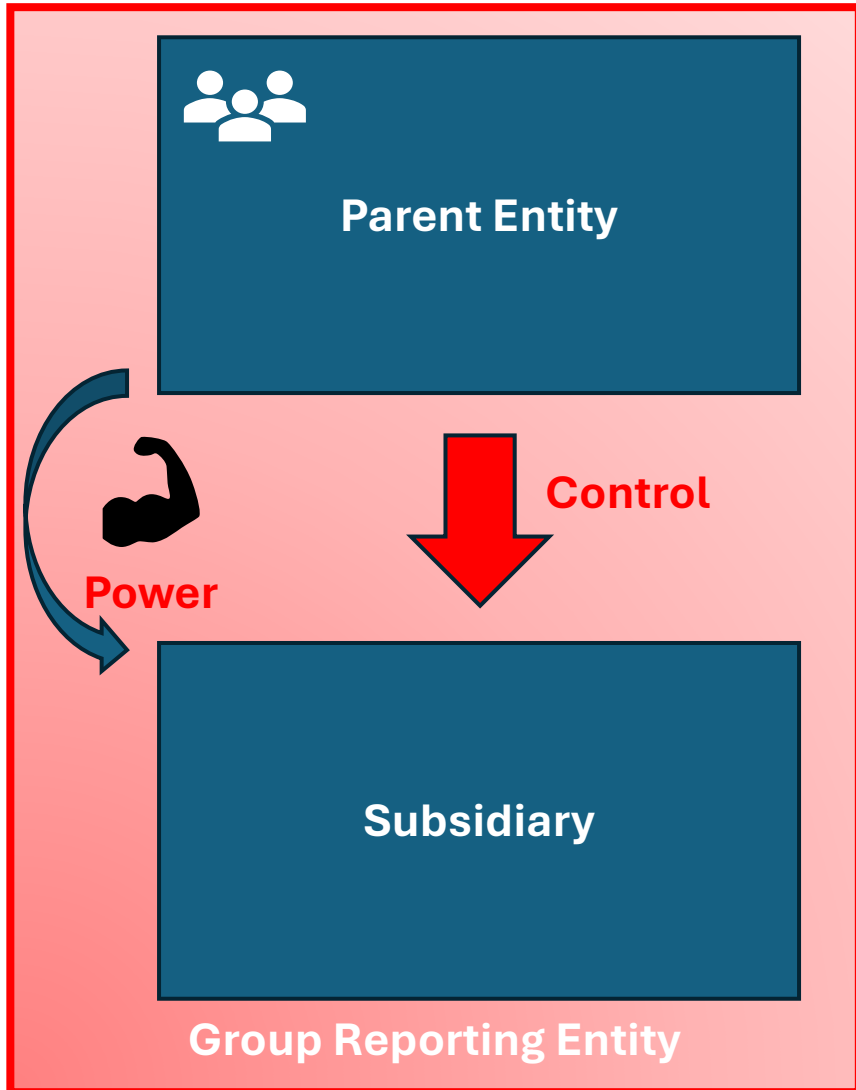
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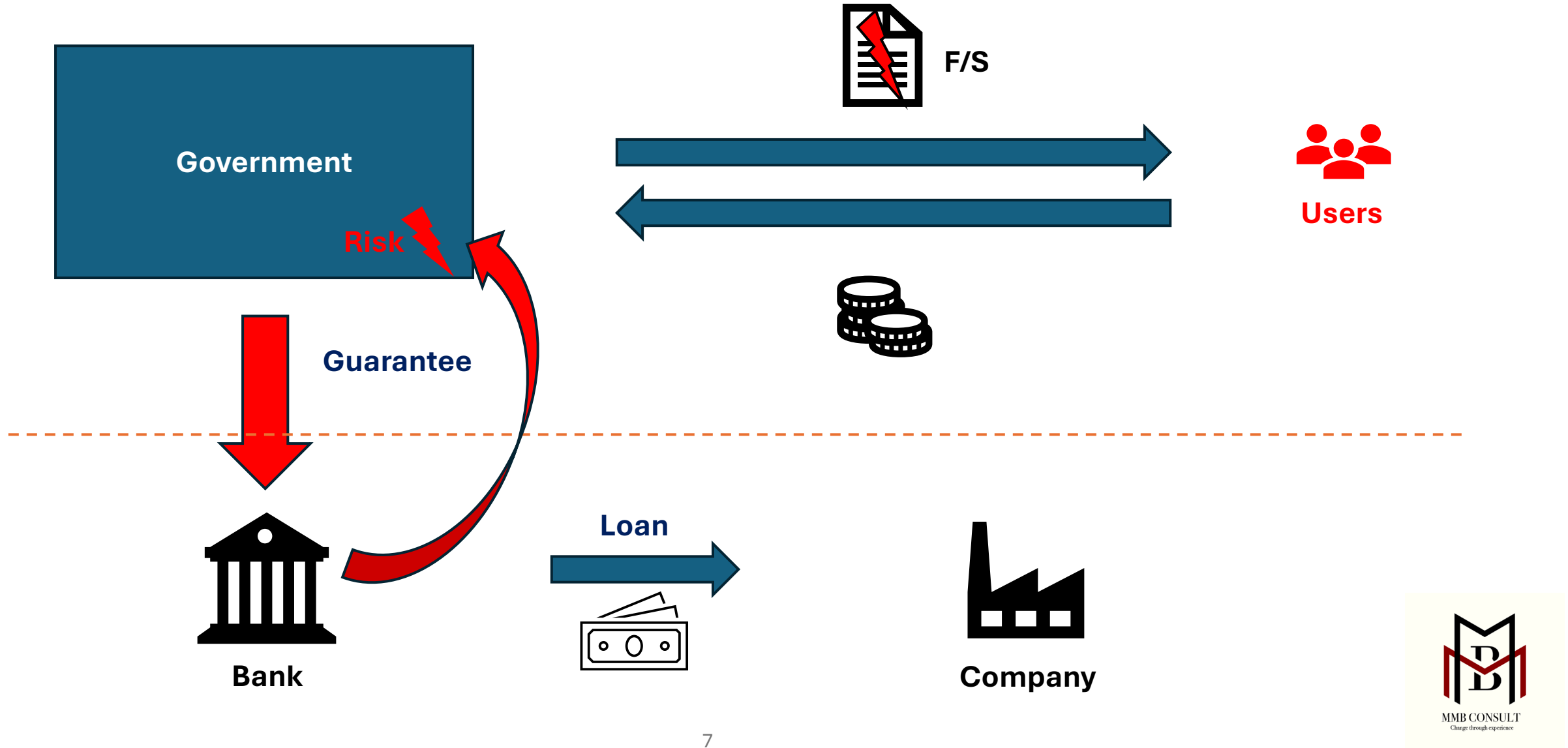
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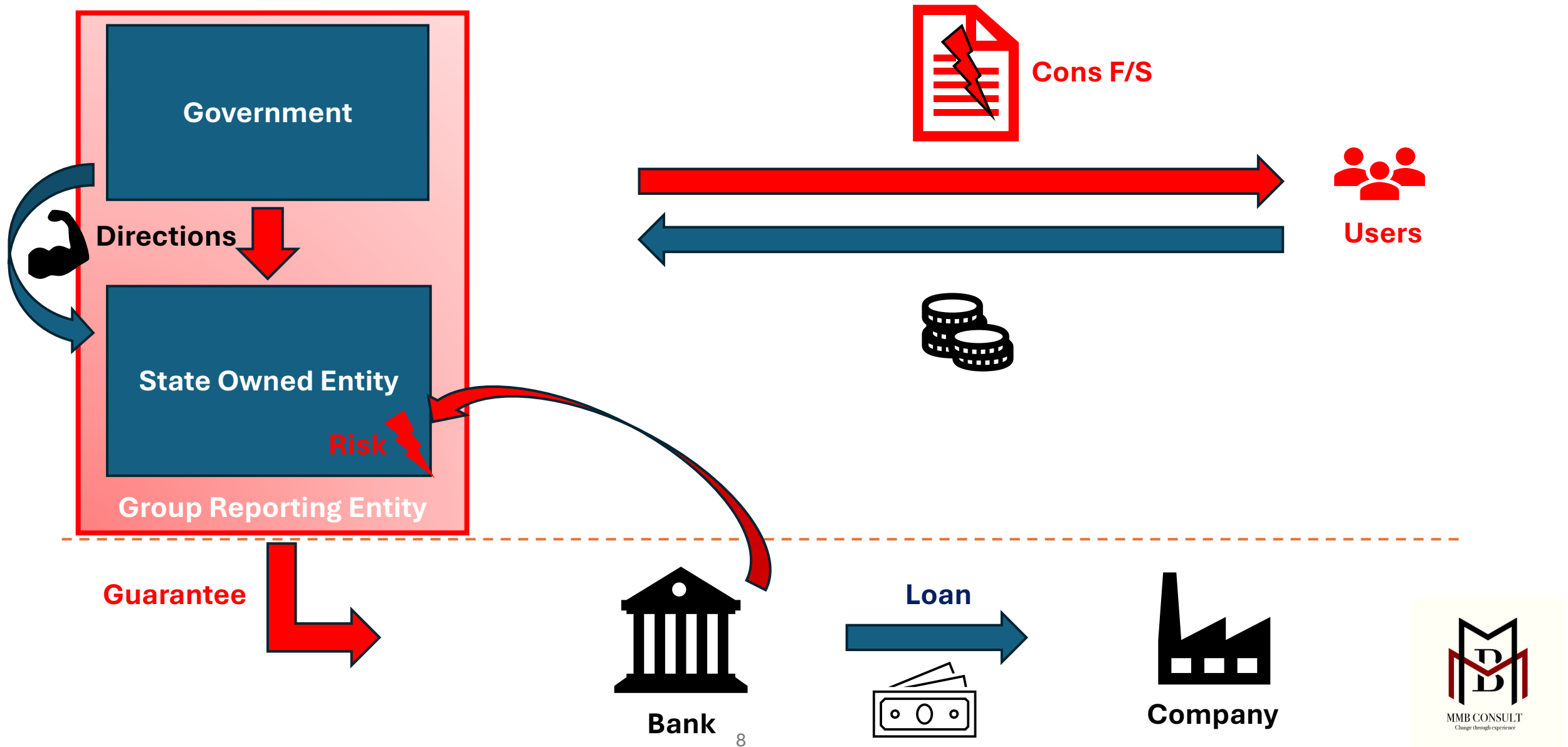
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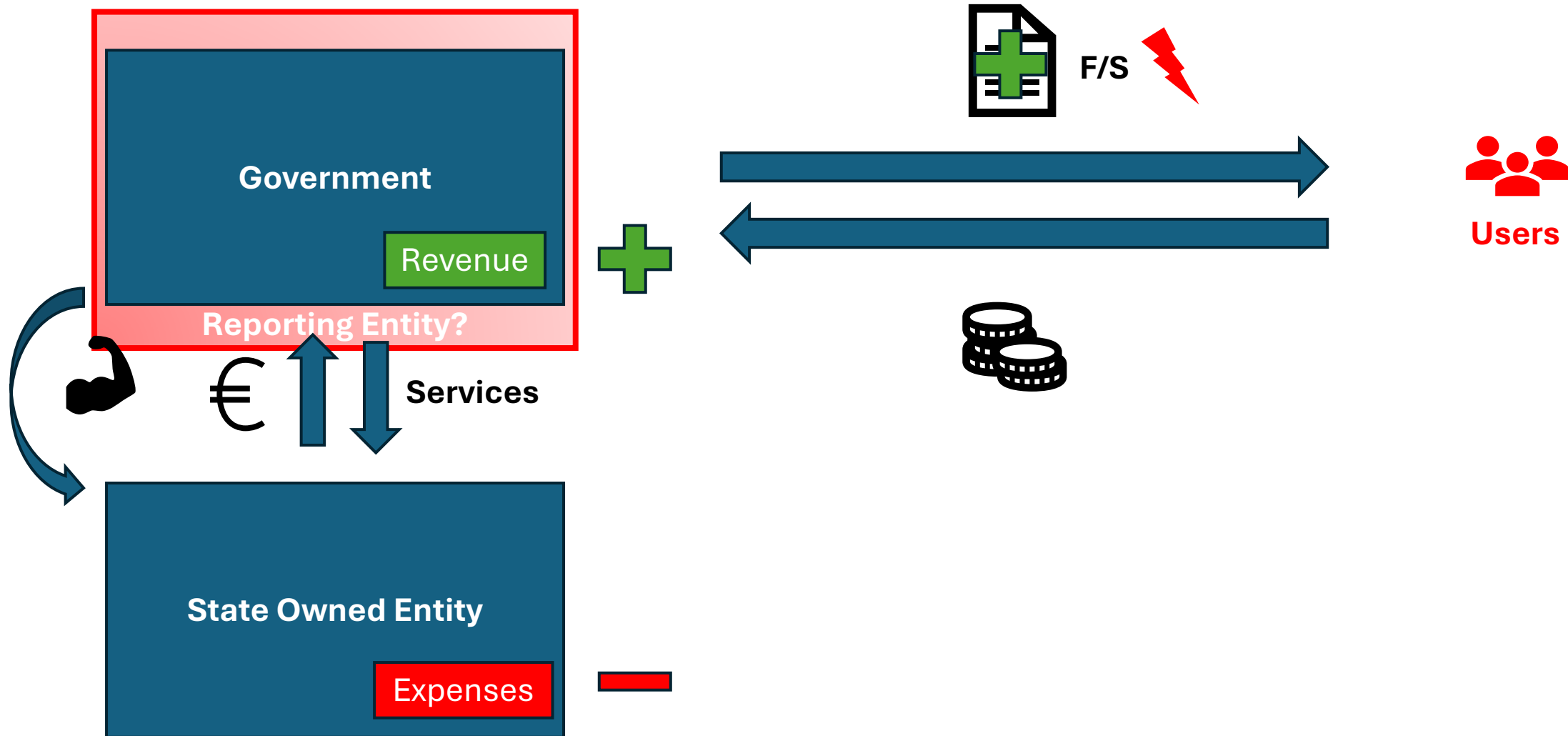
2. Exemplification – taking a financial risk



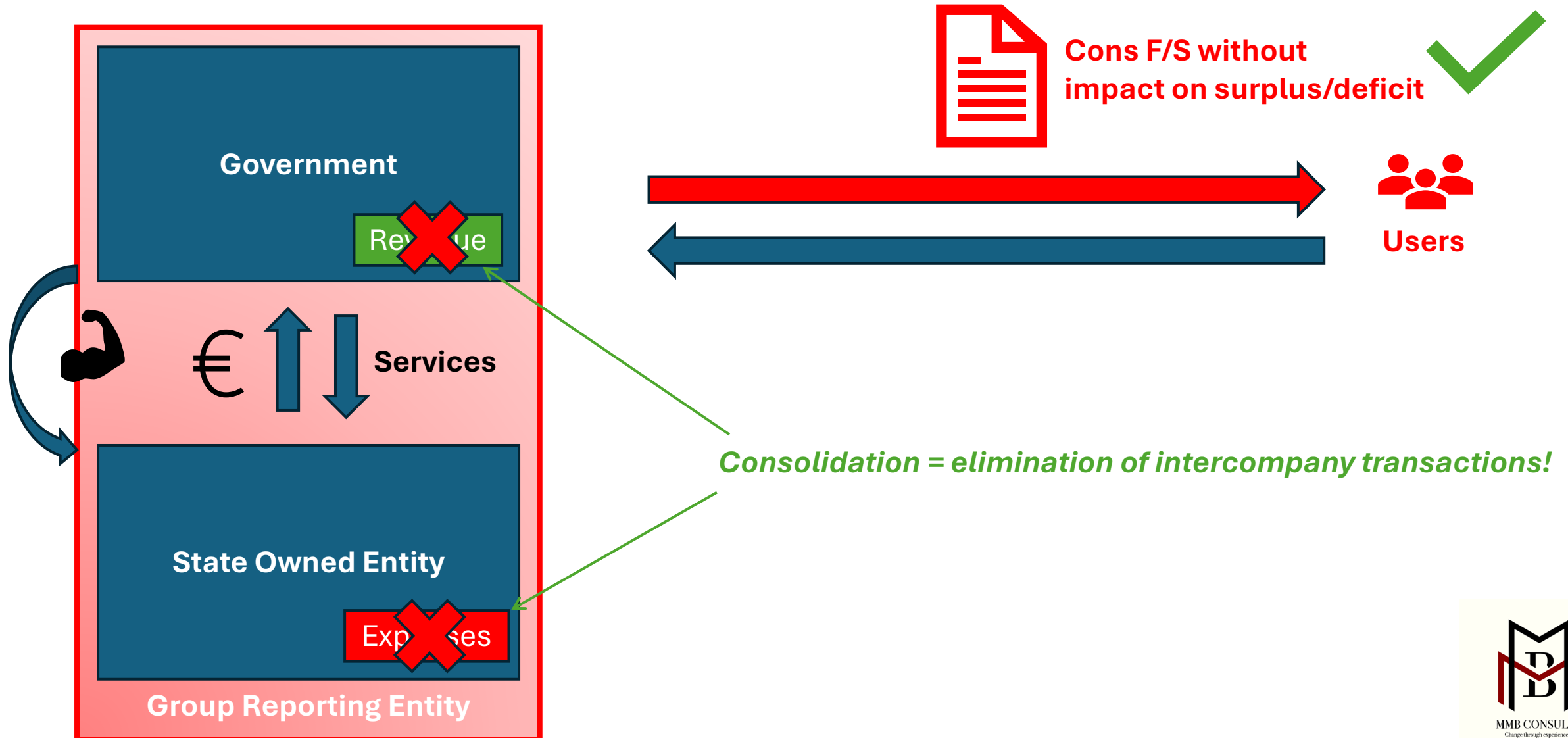
2. Exemplification – taking a financial risk



2. Exemplification – intra-group transactions



2. Exemplification – intra-group transactions



3. Conclusions

The ability to work with third party´s money and decision-making power **needs to be balanced by accountability**. This general rule applies to also to governments working with taxpayers´ money, being accountable for their decisions

The power of a government to influence economic decisions and direct the operations of another entity, **extends its accountability** beyond the legal boundaries of its own entity (e.g. ministry) -> economic entity!

Consolidation „breaks“ the legal boundaries of legal entities: to provide resource providers with a **wholistic view** on the performance of the economic entity – **transactions within the economic entity are eliminated**

Having to power to influence the performance of the whole economic entity, and being accountable for it, requires **sufficiently detailed information** to support decision-making and **strong governance mechanisms**

Thank you!



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