

# Scaling the Conditionality



ESC

SEP 22, 2025 · PAID



7



4

Share



The previous essays discuss how a new conditional digital governance system is implemented and tested in Ukraine during a wartime emergency. Now comes the key question:

Is this system spreading to the rest of the world?

**IMF**  
**CONDITIONALITY**

The image shows a graphic with the letters 'IMF' in large, bold, red font, centered between two thick, dark grey horizontal bars. Below the bottom bar, the word 'CONDITIONALITY' is written in a bold, black, sans-serif font.

The answer is quite simple: this is happening right now, piece by piece, across dozens of developing countries. The same international organisations that perfected digital governance in Ukraine are installing the same six components through routine aid programs. The World Bank's 2025 flagship report explicitly focuses on '*Standards for Development*' [1](#), while the IMF's 2024 operational guidance standardised prior actions and structural benchmarks across all programs [2](#). They're not copying Ukraine

wholesale — they're breaking the system into modules and embedding them one at a time into normal lending.

The timeline tells the story. In 2025-2026, we're seeing coordinated implementation deadlines across multiple countries and institutions — the systematic deployment of the Ukrainian template.

## The Six-Component System Goes Global

Think of it as a franchise operation. Countries keep their flags and national anthems, but they have to follow an operational manual written by international headquarters. The six components work as an integrated loop:

1. Standards set the rules [3](#)
2. Tranche-linked finance controls the money [4](#)
3. Digital ID gates access [5](#)
4. Traceability systems audit compliance [6](#)
5. Digital twins monitor everything [7](#)
6. Procurement platforms enforce automatically [8](#).

Here's how each component is being installed worldwide:

### Component 1: International Standards Become the Rules

Countries now have to adopt external rulebooks to qualify for aid and market access. Just like a McDonald's franchise has to follow McDonald's procedures, countries must implement international standards for everything from environmental rules to government operations.

The World Bank's 2025 flagship report makes this explicit: '*Standards for Development*' declares that '*setting and enforcing standards are the heart of the development process*'.\* This is the operating manual shaping aid programs in dozens of countries right now, requiring adoption of OECD/ISO-aligned procurement or environmental due-diligence standards as loan prerequisites.

## Component 2: Money Released Only When Targets Are Hit

Instead of giving countries aid upfront, international lenders now release funds in stages — but only when specific policy changes are completed and verified. Think of it like a performance bonus system, except applied to entire countries.

The IMF's January 2024 operational guidance standardised this approach through prior actions (PAs) and structural benchmarks (SBs) across all loan programs worldwide. Countries must implement specific reforms and prove they've done so before getting their next payment installment (*ie, Ghana: SB on e-procurement platform integration* <sup>2</sup> → *tranche release*).

## Component 3: Digital Identity Systems Control Access

Countries must build compatible digital identity systems for their citizens to participate in international programs. The European Union's 2024 digital ID law requires member countries to offer digital wallets by 2026 <sup>10</sup> (*exact timing depends on implementing acts*), and this same requirement is spreading globally through aid conditions and technical assistance rather than eIDAS legal reach.

When citizens need these digital credentials to access government services or international programs, it creates a powerful control mechanism — no digital compliance, no access to benefits or services.

## Component 4: All Government Spending Gets Tracked in Real-Time

Just like your bank can see every transaction you make, countries now face the same level of monitoring. They must adopt systems that make all government spending visible to international auditors in formats that computers can automatically check for violations.

This uses the Open Contracting Data Standard <sup>11</sup> (OCDS), which basically means every government purchase gets recorded so machine-readable disclosures enable automated checks against eligibility criteria.

## **Component 5: Comprehensive Data Monitoring Creates 'Digital Twins'**

This component creates real-time digital models of countries' infrastructure, resources, and activities (via Recovery and Reconstruction Needs Assessment [12](#)-style methodologies and sector digital twins). Think of it like having Google Street View of everything a country does, updated continuously.

The monitoring systems are embedded directly into any project receiving international funding, initially in funded projects and sectors, then generalised through procurement requirements, creating permanent surveillance infrastructure justified by development assistance.

## **Component 6: Government Purchasing Becomes Automatic Compliance**

When governments buy anything — *office supplies, medical equipment, major infrastructure* — the purchasing platforms automatically verify that suppliers meet international standards. Non-compliant purchases simply can't go through the system.

It's like having compliance checking built into every government credit card transaction, making rule violations technically impossible rather than just punishable (*ie supplier ESG due-diligence field required → submission cannot proceed without verification*).

## **Case Study: Ghana Shows the Standard Template**

Ghana demonstrates how this system gets installed without emergency conditions. The six components are being integrated through routine IMF and World Bank programs with precise, verifiable requirements:

**Automatic Money Gates:** The World Bank's Program-for-Results loan DLI 7 [13](#) literally makes adopting e-procurement platforms a trigger for releasing funds — requiring a specific share of contracts processed via e-procurement before disbursement [14](#). No digital system adoption, no money [15](#).

**Forced System Integration:** IMF Structural Benchmark (completed May 2025) required Ghana to integrate its e-procurement system (*GHANEPS* [16](#)) with its government financial management system (*GIFMIS* [17](#)), creating unified digital oversight of all government finance and purchasing.

**Layered Control:** Both conditions target the same digital infrastructure, showing how international lenders coordinate to create comprehensive oversight without needing crisis justification [18](#).

Ghana represents the standard approach now: World Bank payment triggers plus IMF policy requirements working on the same digital systems, making non-compliance economically impossible. The percentage of national spending flowing through GHANEPS has increased dramatically as a direct result of these conditions [19](#).

## **The Coordinated 2025-2026 Global Implementation**

The timing reveals systematic coordination across institutions and countries:

**European Union (2025-2027):** EUDI Wallet availability targeted for 2026 (*per implementing acts timing*), central registry for Digital Product Passports targeted July 19, 2026 per current EC guidance [20](#), with battery tracking enforcement beginning February 2027 [21](#).

**IMF Programming (2025):** 2024 operational guidance shapes all new loan designs globally, standardising prior actions and structural benchmarks across every region [22](#).

**World Bank Operations (2025):** Loan templates now routinely include digital infrastructure requirements, with ‘*Standards for Development*’ providing the institutional framework [23](#).

**Supply Chain Control (2025-2026):** Product tracking becomes mandatory for global market access in phases, extending monitoring worldwide through trade requirements [24](#).

This 18-month window spans multiple countries, institutions, and sectors simultaneously: World Bank standards focus, IMF operational standardisation, EU digital mandates all converging [25](#).

Implementation depends on timing of implementing acts; Member States have 24 months from acts to provide wallets [26](#).



## Beyond Ghana: The Pattern Spreads

**Moldova:** Implementing MTender e-procurement system through World Bank Program-for-Results with coordinated IMF structural benchmarks [27](#).

**Multiple African Countries:** World Bank Program-for-Results loans now routinely include digital platform adoption as disbursement triggers across the region [28](#).

**Eastern Europe:** EU accession candidates must adopt comprehensive digital governance systems as membership requirements, with detailed milestone tracking [29](#).

**Asia-Pacific:** Digital identity requirements appearing systematically in Asian Development Bank lending across the region [30](#).

The same template appears everywhere: **international standards + staged financing + digital platforms + automatic monitoring + embedded compliance** [31](#).



PAPER | CARNEGIE EUROPE

### Access Before Accession: Rethinking the EU's Gradual Integration

EU enlargement has stalled, with challenges arising both in candidate countries and in the union. Brussels should revive the process by promoting gradual integration as a clear and structured path to full membership.

Source: Getty

## How the System Locks Countries In

Once countries adopt these components, leaving becomes economically devastating:

**Technical Dependencies:** Digital infrastructure creates permanent reliance on international platforms and standards [32](#).

**Financial Pressure:** Countries with compliant systems get preferential lending rates and market access [33](#). Those without face higher costs and restricted opportunities—for instance, exclusion from Digital Product Passport-gated supply chains can cut countries off from entire export sectors [34](#).

**Supply Chain Integration:** Global trade increasingly requires compatible tracking [35](#) and compliance systems [36](#).

**Institutional Momentum:** Bureaucracies and private sectors develop around maintaining compliance, creating powerful constituencies for keeping the system [37](#).

The effect is self-reinforcing: successful adopters get rewards that encourage others to follow the same path. Resisters face mounting economic pressure to comply <sup>38</sup>.



## Conditional Economics

ESC • SEP 18

[Read full story](#) →



[Join us](#)

[Sign in](#)

TRADE AND INVESTMENT

# Global trade is changing. Here is how companies can stay ahead

Sep 15, 2025



## The Democratic Problem

This gradual installation avoids the legitimacy issues that emergency deployments create. Rather than imposing comprehensive changes during crises, the system installs incrementally through routine technical assistance and loan conditions.

Most citizens never vote on whether their country should adopt these systems. In some cases, parliaments have ratified these changes — but typically post-hoc and under time pressure when loan agreements require legislative approval. The changes happen through loan negotiations and regulatory updates that bypass democratic processes while fundamentally altering how their governments operate.

The end result is identical to emergency deployment: national policy becomes bounded by external rules encoded in digital platforms and enforced through financial pressure <sup>39</sup>. Democratic choice continues, but only within limits set by international oversight systems beyond electoral control.

# Towards a global approach to digital platform regulation

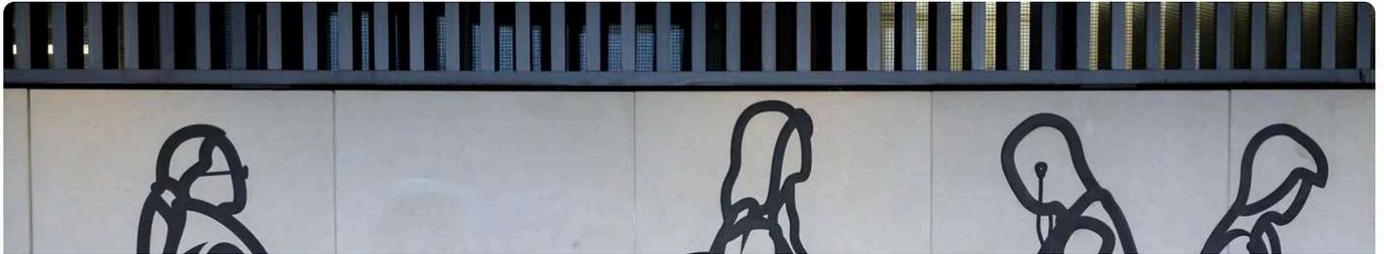
Preserving openness amid the push for internet sovereignty

RESEARCH PAPER

PUBLISHED 8 JANUARY 2024

UPDATED 23 FEBRUARY 2024

ISBN: 978 1 78413 593 5



## The UN Emergency Platform: Ready for Rapid Scaling

The UN's proposed Emergency Platform (*a proposal in development under 'Our Common Agenda'* [40](#) to coordinate responses to global crises) creates protocols for rapidly scaling this system worldwide during declared emergencies.

Instead of improvising crisis responses, the platform would deploy the proven six-component template as the standard framework for international assistance. The gradual installation happening now prepares the infrastructure for rapid activation when the next '*complex global shock*' is declared [41](#), dramatically reducing lead-time from declaration to operational control.



### The Emergency Condition

ESC • SEP 19

[Read full story](#) →

## ISSUE BRIEF

## Human Security &amp; Governance

Global Governance,  
Justice & Security  
Program

Strengthening Global  
Governance Project and  
the Global Governance  
Innovation Network  
Project

# Complex Global Shocks, Emergency Platforms, and United Nations Reform

Outlining the need, mechanics, debates, and politics surrounding the United Nations' proposed Emergency Platform tool

By Peter J. Hoffman

International & Regional Organizations

September 5, 2024

## What This Means Right Now

**For Developing Countries:** Aid increasingly comes with digital governance requirements [42](#) that fundamentally alter how governments operate, regardless of what citizens want [43](#).

**For Democracy:** Major governance changes happen through technical requirements in loan conditions [44](#) rather than electoral processes [45](#).

**For National Sovereignty:** Countries retain symbolic independence while operational control shifts to international oversight systems [46](#) embedded in digital infrastructure [47](#).

**For Global Governance:** A standardised system of digital oversight and conditional financing [48](#) is becoming the default framework for international development [49](#).

# STUDY ON THE IMPACT OF DIGITAL TRANSFORMATION ON DEMOCRACY AND GOOD GOVERNANCE

## The Bottom Line

Fold in a few more examples and the pattern snaps into focus. In Sri Lanka [50](#) and Zambia [51](#) — *two very different economies under IMF programs* — the same standardised choreography is now the default: reform milestones verified, then tranches move. In South Asia, Bangladesh's World Bank PforR [52](#) loans tie cash to **DLIs** like the share of tenders run through the national e-GP—hit the number, unlock the funds. In East Africa, Kenya's [53](#) regulator has made end-to-end e-procurement mandatory across procuring entities, while its open-government commitments pivot procurement data onto **OCDS** [54](#) so machines can audit what humans used to miss. In Southeast Asia, the Philippines [55](#) hard-wires participation in public buying through **PhilGEPS**, turning the platform itself into the compliance choke-point. None of this requires an emergency decree; it's just loan design, regulations, and platform settings doing the quiet work of installation.

These are modular pieces of the same system sliding into place on different timelines. IMF conditionality provides the sequence, World Bank DLIs provide the cash, e-procurement systems provide the digital rails. Whether you're a developing nation, a reforming middle-income country, or a developed state edging toward an IMF backstop, the operating guidelines do not change.

What is tested in Ukraine during wartime emergency will become standard practice worldwide through routine development assistance. The six-component system is being installed country by country, piece by piece, creating a global network of digitally monitored and conditionally governed states. What is implemented in full as

emergency digital governance in Ukraine is becoming the standard architecture for how international development works without as much as a single vote.



## Build Ukraine Back Better

ESC • SEP 20

[Read full story](#) →

The next declared global crisis will likely demonstrate whether this preparation enables instant scaling of comprehensive oversight mechanisms worldwide — transforming gradual installation into emergency governance systems that can conditionally override national decision-making as quickly as they did in Ukraine.

If nations want alternatives, safeguards must be negotiated before platforms are embedded. By then, the infrastructure will already be in place.

And for advanced economies, the lesson is blunt: if a developed country tips into an IMF program <sup>56</sup> (or *IMF-ECB/Commission hybrid*), it will face the same operating logic — standardised conditionality tied to prior actions and structural benchmarks, procurement and PFM digitisation with machine-readable disclosure, ID/wallet and KYC harmonisation as service gates, supply-chain passports as market gates, sectoral ‘*digital twin*’ monitoring embedded in projects, and automated spend controls that make non-compliance technically impossible.

Wealth won’t buy an exemption; market access and (*bailout*) tranche releases become the leash. In a crisis, parliaments will pass enabling bills under time pressure implementing the conditionality on display in Ukraine.

Power will pass to technocrats, and democracy will be reduced to theatre.



Bank of  
England

## In Tandem

JAN 13

[Read full story](#) →

# Britain and France are racing towards a new crisis

Borrowing costs are soaring in both countries as economists warn of the risk of an IMF bailout



**Hans van Leeuwen**  
International Economics  
Editor

Related Topics

UK economy, France, Emmanuel  
Macron, Keir Starmer

28 August 2025 6:00am BST

🔖 569

🎁 Gift this article free



Hi [pvdvvd@gmail.com](mailto:pvdvvd@gmail.com)

This post is for paid subscribers

[Upgrade to paid](#)

Already a paid subscriber? [Switch accounts](#)